



## **South Africa's future becomes clearer**

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For good or bad, or for better or worse, the future of South Africa is becoming clearer. The signs are everywhere for everyone to see. It is better to deal with a clear future than an uncertain one, even if the future might look ugly. Now that South Africa's future becomes clearer, we can all plan better.

To start with, it would seem that things are going to get very bad before it gets better. The economy continues to fall apart and Statistics South Africa is finally telling the truth that the economy is in a recession. Unemployment continues to increase, and it will most likely get very bad before it gets better. The economic inequality, let alone other historical inequalities and inequities, remains the highest in the whole wide world. Poverty has not declined as expected. In fact, it might very well be that poverty is also increasing – or would increase, at least income poverty, as the economy takes a further knock and unemployment further rises. These triple-challenges, as government terms the trio (i.e. poverty, unemployment and inequality), are all a function of the structure of the economy as many have said, although some do not share the view that unemployment in South Africa is structural. Of course there are other problems, such as the poor management of public finances, which accentuate economic challenges in South Africa.

As I have been arguing, after stabilizing the economy in the early 2000s there was a long period when economic reforms were not pursued. Only in 2005 the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) was unveiled, replacing the 1996 Growth, Employment and Redistribution (GEAR) Framework. GEAR was, arguably, meant to stabilize an economy that was bankrupted by the apartheid regime. AsgiSA was meant to grow the economy and ensure that the fruits of the growing economy got widely shared across society. Accompanying AsgiSA was the Joint Initiative for on Priority Skills Acquisition (JIPSA) in South Africa. Around the same time there was an Antipoverty Campaign Programme which had been proposed by the Antipoverty Strategy for South Africa. The Policy Coordination and Advisory Services (PCAS) in the Presidency was playing an important role as a think-tank and also coordinating these major initiatives of the government. There was also continuous consultations on a variety of important issues across government even in instances when there were disagreements. For instance, there were those who objected to the National Treasury's Harvard Panel of Economists initiative but the Harvard Panel happened and it did the work that was envisaged.

The debate was later on the recommendations on the panel than whether the Treasury should have or have not set up the Harvard Panel. Another important initiative that was significantly debated within government was the proposed set of interventions to circumvent South Africa plunging deeply into the economic recession just as the whole world was entering a global financial crisis. Government had established a team, within the National Economic Development and Labour Council (Nedlac). Also, there were Presidential Working Groups in all spheres of the society and economy that debated many important issues – the President, selected Ministers and various leaders across society constituted working groups. Again, the PCAS coordinated all this.

The recall of former President Thabo Mbeki unleashed untold consequences for the work that government was busy with. Although there were attempts to ensure a smooth transition from the Mbeki administration to the care-taker administration before the Jacob Zuma administration, it is clear that there was no proper handover to the Jacob Zuma administration. Alternatively, the Zuma administration or the African National Congress decided to start afresh in government. Take for instance a lot of work that had gone to health insurance and the wage subsidy under the comprehensive social security programme for government; all that was thrown away and government started afresh ending up with a National Health Insurance and the Employment Incentive Scheme that are not linked (besides that the Social Health Insurance that had been designed had a risk equalization component and also prioritized the need for improvements in the public healthcare system). Now the country is dealing with another possible recall of a president and all the work that might have been pursued by the Zuma administration might be put aside and we start all over again.

When AsgiSA was put aside, immediately after the Zuma came to office, the New Growth Path was unveiled as a government's new economic development framework. The death of AsgiSA was immediately followed by the death of the PCAS. The Zuma administration made one of its biggest mistakes that is costing the country dearly by killing an important coordination function in government. It was claimed at the time, around 2010, that the Planning Commission and the new monitoring and evaluation ministry was going to ensure coordination. It quickly became clear that coordination had been sacrificed in government. There were further changes later on; the monitoring and evaluation ministry is now tasked with also dealing with planning. But coordination seems to be not given priority, supposedly because the focus of the Zuma administration is on implementation. The President himself chairs some of the important coordination and implementation fora but the results are unclear. As argued elsewhere, it is not accurate that the challenge when the Zuma administration came to office was mainly implementation – some of the policies needed to be further reformed because the context had inevitably changed.

Enough about government! We know enough about the problems in government and I think many would agree that the fundamental problem constraining the work of government is poor coordination. Take for instance the National Development Plan: after getting all the partners on board the least that government should have done would have been to coordinate the implementation of the Plan. Indeed, South Africa is finding itself in a crossroad. The ANC is very divided and the cancer of corruption is eating it fast. The soul of the nation is shattering. Rupture seems inevitable. Whether President Zuma is recalled or not, or no matter who becomes the next president of the ANC, it is increasingly clear that South Africa is headed for a coalition government in the next general elections. The Democratic Alliance (DA) is unravelling – Helen Zille seems to have found a moment she has been eyeing to flex her muscle. The Congress of the People (COPE) remains very weak, so is the United Democratic Movement (UDM). Julius Malema seems to be the only leader that is keeping his party intact. Therefore, we are looking at a coalition national government of new unity made up of the ANC, the DA and the Economic Freedom Fighters (EFF). The trouble with this, if what is happening in DA led Metros is anything to deduce from, is that the coalition government from the next national elections might not function effectively. As it is in the nature of politics, politicians play politics.

It might very well be that the national dialogue that has been launched by the various National Foundations would come up with a better development agenda for our country. To avoid society descending to complete chaos – and what some fear to be a looming civil war – a new national agenda could help to focus the energies of society to something more important. Of course this would be new political compromise for the country. Just like as many attribute our inability to advance wellbeing effectively in the post-apartheid dispensation to the political compromise/settlement that brought about democracy, it might be that we would never decisively deal with apartheid colonialism as the new coalition government would be ideologically divided. It might very well be that we would have to wait for a long time for a leader that would be able to emerge above all others.

As the society unravels – looking at deteriorating race relations and tribal politics in particular as well as an economy that is falling apart and endless public protests – we should draw solace to the fact that we are dealing with something that is relatively clear and the future of the country is increasingly clearer.