

## The year that was

Looking back over the last 12 months it is most instructive to see what exercised our minds over the last year and where we find ourselves now.

### Local themes

- **Malema** – he started the year as everybody's favourite: people either loved to hate him or they just loved him. He ended the year in a much diminished state having been suspended from the ANC for 5 years. Although there is an appeal outstanding, it is clear that he will discover that without the ANC the Youth League is nothing, and without the Youth League he is nothing. He did not have a good year.
- **Nationalisation** – it reached its high point in September last year at the ANC's General Council meeting in September. A commission was appointed to investigate the issue, and reported back in November 2011. The ANC has asked for further refinements to the report and it will probably be released in the new year. We must await the recommendations, but I share the opinion of many others that we will not see nationalisation. Perhaps higher taxes on mining companies, and it looks like many companies will take more trouble to provide better housing to employees and involve them in share schemes. Spreading the bounty around, yes; nationalisation, no.
- **Failed state** – this phrase was noisily bandied about at the end of 2010, but has simply gone silent in 2011. The publication of different sets of Development Indicators at the end of 2010 and beginning of 2011 (separately by the government and a non-governmental organisation, the SA Institute for Race Relations) simply provided objective proof of how SA's on-going progress. For all the chattering around the well-stocked dinner tables of the chattering classes, the country is progressing in more areas than it is regressing. The National Planning Commission's Diagnostic Report (May) and its draft action plan for the next 20 years (November) gave official acknowledgement, from none other than the President's office, to all the weaknesses the country suffers from. As a hardnosed stockbroking veteran puts it – if 50% of the plan gets implemented the country will be a better place. The "failed state" notion can be confined to the dustbin for the lazy thinking it is.
- **May elections** – this was well discussed at the time. Suffice to say that the ANC went from 66% support in 2009 to 63% this year, losing ground in 8 of the 9 provinces. Not a meltdown, but significant. Strip out its progress in KZN and its share of the vote declined to 61.7%. The DA went from 17% to 24%. The ANC became more Black and the DA considerably less White –, Whites now form less than 50% of the DA support base. The battle is moving more and more to the middle.
- **Courts** – the judicial branch of government had a very active and good year. The legislation abolishing the Scorpions and establishing the Hawks was ruled deficient with not enough independence for the Hawks and Parliament was instructed to strengthen such independence within 18 months (by September 2012). At year-end the Appeal Court, in a unanimous decision, declared the appointment of Mr Simelane as head of the NPA invalid. This will probably be appealed to the Constitutional Court, but Justice Minister Radebe has lots of egg on his face for

his recommendations to Pres Zuma. A pending Constitutional Court decision on the arms deal resulted in Pres Zuma appointing a Commission of Inquiry into that matter. Prepare for a juicy 2012 as we hear about the shenanigans of Europeans paying bribes and South Africans accepting them. It is going to drive the re-evaluation by South Africans of European and themselves a step further.

- **Labour market flexibility** – important snail's progress was made on the special treatment of newcomers into the labour market. Government's proposed wage subsidy for young people will probably be introduced from the next tax year. In the textile industry a ground-breaking agreement was signed to grant a substantial discount (30% and 20% in urban and rural areas respectively) to newcomers, provided 5 000 new jobs are created by employers by 2014.

## Unfinished business

- **Labour brokers** – the year started with much anxiety about a proposed ban on labour brokers. At year end it is still unfinished business, but there are several indications that we will not see an outright ban – more the kind of regulation that already exists in many countries.
- **Media** – in August 2010 we predicted in this Comment that the two main parties, government and media, would have to respectively *back down* and *step up*.
- It is inching that way: the infamous Secrecy Bill was amended substantially (the DA's Dene Smuts declared that they are "75% happy" with the Bill). However, the longer the issue dragged on, the stronger civil society resistance became. The last time we saw such intense democratic activism around a public policy issue was with HIV/Aids in the early 2000s. This time it is even more intense.
- The print media responded to the threat of a media tribunal with two processes. The existing Press Council reviewed its Press Code, among other things expanding the list of grounds for complaint. An extensive campaign was launched by the Council to familiarise journalists with the content after internal findings that fewer than 10% of journalists had ever read the Press Code. Secondly, the editors' forum (SANEF) and Print Media SA set up the Press Freedom Commission under the chairmanship of Judge Pius Langa to look into all forms of regulation as practised worldwide and come up with a proposal. People close to the process believe that government has not given up on its plan for a tribunal, but is giving this commission a chance to finish its work and will consider its proposals.

## Global themes of 2011

- **Fiscal/debt problems in the US and EU** – It is sobering to remember that the SA economy has tripped only twice since 1993 – in 1998 and in 2009. In both instances it was because of global developments (the South East Asia crisis in 1998 and the global financial crisis and resulting recession in 2009). Can it happen for a third time as a result of the debt crisis in the developed world and the resultant low growth/possible recession? This must certainly be the biggest risk for SA as we enter 2012.
- **Re-appraisal of Africa** – the latest Economist front page proclaims: "Africa rising". It is in sharp contrast the same magazine's front page a few years ago: "Africa – the hopeless continent". How things change! One comes across more and more anecdotes of SA companies – not just

the big listed ones but also engineering consultancies and other service companies – moving into Africa and making good money. That may very well help to counter slower growth in Europe and elsewhere.

Wishing you a happy festive season.