

Exploding myths, giving direction

11 February 2019

Pres. Ramaphosa's second State of the Nation address last week exploded several myths and shone some light on his approach to government.

Myths exploded

The first was that the government will not tackle anything substantial before the election. In the teeth of open opposition from trade unions, of which one, the National Union of Mine Workers (NUM), is a close ally of the ANC, the president announced that Eskom will be broken up into three different units. Some instant analysts pooh-pooh this as insignificant. That is another myth which will explode in due course. It is the beginning of a major overhaul of the power sector in SA. The break-up can be effected without any legislative changes and can be completed in less than a year.

It ends the structure that Hendrik van der Bijl started building almost 100 years ago in 1924. In general, it served SA's modernisation and industrialisation well, but it has been overtaken by new technology, relative costs and no small amount of mismanagement and corruption.

The second myth exploded was that we will see a rise in populism in the run-up to the election. There was no evidence of that in SONA. The president himself summarised his philosophy when he referred to the recession SA went into last year and said, "Our approach was not to spend our way out of our economic troubles, but to set the economy on a new path of recovery."

The third myth from the instant analysts was that Bosasa would cast a shadow over SONA 2019. The one party who really could cast that shadow, the EFF, did nothing in Parliament. Afterwards leader Julius Malema declared that the president has accounted adequately for the BOSAS allegations. DA leader Mmusi Maimane probably does not accept that view, but he cast no shadow over SONA.

Back to basics

For me the overwhelming impression from SONA was the rationality and return to basics. A few times over the past year I have taken the view that Ramaphosa does not have to be god to tackle SA's problems successfully, he must just take rational decisions and allow common sense processes to play out.

There was a lot of that in SONA. A few examples suffice.

- The proven combined prosecutorial and investigative characteristics of the Scorpions of old are back in a special new unit to do state capture prosecutions. Skills from "within government **and the private sector**" will be brought in. (my emphasis)
- The door is left open "... to develop a more enduring (anti-corruption) solution...". Could the President be referring to the NDP recommendation that SA should establish a permanent anti-corruption agency, like the very successful one in Hong Kong?
- Investment remains the President's top economic priority. In a display of non-parochial self-confidence, he committed to moving SA from current position 82 to amongst the top 50 countries in the World Bank's Doing Business Report. A task team will report progress to cabinet on a **monthly basis**. (my emphasis)
- To promote labour intensive growth, he set the target of 21 million tourists coming to SA in 2030 (ten million came this past year). To reach that goal he committed to an e-visa system, more destination marketing (particularly in China and India) and measures to strengthen tourism safety.
- Several ordinary public schools will be transformed into technical high schools (one of several announcements on education).
- Specialised police units will be strengthened (Jackie Selebi, who abolished them, must be turning in his grave).
- The introduction of NHI will be accompanied by "a **funded** improvement plan" for clinics and hospitals. (my emphasis)
- Parcels of land that belong to the state have been identified for redistribution; and land will be released in

urban and peri-urban areas for human settlement.

Expropriation without compensation

Regrettably, SONA has not put this issue to rest yet. However, the president couched it in very intriguing terms.

He stated that government will support the work of the committee “tasked with the review of section 25 of the constitution to unambiguously set out provisions for expropriation of land without compensation.”

The critical issue arising is whether “to set out unambiguously” requires a change to the constitution, or whether an Expropriation Bill that sets out such conditions clearly, but leave the constitution unchanged, will suffice.

Such a bill was drafted and published by government in December. Its speedy finalisation and adoption can meet the president’s undertaking (“unambiguously set out provisions for expropriation”) and help to put the matter to rest. A change in the constitution, however, will be a much more drawn-out process with accompanying destabilising rhetoric and prolonged uncertainty. It is unlikely that anything will happen before the election.

Structural reform

Apart from the Eskom announcement, the biggest structural reform announcement was the confirmation that work on the structure and size of the state will be completed by the time of the election, now three months away. After the elections the newly elected administration will then kick off with the new structure. Expect a cabinet smaller than the current 35 members, fewer deputy ministers and several departments that will be rationalised.

The president also said that he has received the report from the panel reviewing the security services and he will soon announce urgent steps to re-establish the intelligence capacity of the state. In revealing off the cuff remarks that were not in the official SONA text, he said that SA will have an intelligence agency that ‘protects the country and its people and not the interests of a politician.’ The clean-up of the Zuma cesspool is continuing, also depriving the former president of an important power base.

Skills for the 21st century

The president emphasised the importance of education and skills in drawing young people into employment and preparing the country for the 21st century. New technology subjects will be introduced, including technical mathematics, technical, mining and maritime sciences and aviation studies. He emphasised that “revolutionary advances in technology” are changing the world in unprecedented ways; that SA has a choice: to be overtaken by technological change or harness it for development. He referred to the SKA project in the Karoo and emphasised it is about building capabilities that will help enhance food security, better disease management and cheaper energy, amongst other.

Reading these remarks, I reflected on the fact that Pres. Ramaphosa is co-chair of the Global Commission on the Future of Work, an ILO initiative. This must have exposed him to the latest thinking on technology and the future and how it can affect his own country. In a time of parochial political leaders globally, SA is lucky to have a citizen with global exposure as its president.

More focused

Compared to the 2018 SONA this one was much tighter and more focused. Fair enough, last year’s SONA was delivered a day after Ramaphosa had been elected president. Now he has been in the saddle for a year and he has narrowed his focus considerably. The five priorities he set for the year have clear goals and time lines and he will be measured against that. (Those priorities were widely reported in the media and I do not repeat them here.)

So what?

- With the guiding philosophy ‘not to spend our way out of our troubles’ it is unlikely that the coming budget will be a populist one.
- The Eskom restructuring is an important step to modernise the SA power sector and there is clearly a sense of urgency to it (made more urgent by subsequent load shedding).
- The state machinery will be rationalised with the start of the new administration.
- The security structure is being overhauled and in the process the Zuma machine will be further curtailed.
- It was a more focused and tighter SONA than a year ago, reflecting a stronger grip on issues.
- The Zuma administration was characterised by corruption and chaos. The Ramaphosa administration will be characterised by co-ordination and common sense.

- On this day 29 years ago, Nelson Mandela walked from jail. I reckon he would approve of this SONA.