



Question: *What changes?*

Answer: Around efficiencies and the exorbitant gap in remuneration. Trevor Manuel appears to be at the center of both. Yesterday he made a strong speech in Cape Town in which he lambasted senior managers from the civil service for poor spending decisions, advising those who want to get rich to pack up and leave public service and, in general, taking them to task for not being efficient enough.

Question: *So what?*

Answer: Two things. It follows on the August announcements on Transnet's restructuring and the Big Bang in telecommunications. For me it indicates a political shift towards more emphasis on efficiency. It is now more about delivery than anything else. It certainly does not mean that the entire civil service is going to sit up and work more diligently, but it does indicate where the political priorities are: action not analysis; delivery not policy formulation. It is unlikely that Manuel would have made this speech if he did not feel he had, at least some, backing. So clearly others feel that way as well. It may result in some improvements in delivery.

Question: *Manuel is also blowing up another storm?*

Answer: Yes around salaries and remuneration. The rising gap between high and low-income earners is seen as a long-term threat to stability. I suspect, and it is just my speculation, this may be behind the changed composition of the board that will oversee the implementation of the Financial Charter, which Manuel facilitated on Monday. Originally the banks and Black Financial Professionals would have dominated this board. Now they are in the minority and unions, communities (through the Nedlac community chamber) and government will be in the majority. I see this as an intervention aimed at making sure the poor and marginalised get help, not just the more affluent and skilled.

Question: *Can these lead to broader based empowerment?*

Answer: Yes. Communist Party leader Blade Nzimande will be less interested in equity deals and more in wider access to financial services. That could pitch some interesting stakeholders against one another and could be beneficial for a more open system. Again, that emphasis on efficiency - in this case to get more access to financial services.

Question: *Could Manuel be using the communists to drive broader empowerment and address the salary gap?*

Answer: Delicious thought!

Question: *And another possible change in the wind is the minister of Health telling parliament she will reconsider medicine price regulations if evidence is produced of pharmacy closures?*

Answer: Yes, remarkably reconciliatory for her, but note that she does want to see the evidence first. Does it exist, who will compile and present it to her and so on. I suspect it will be some while before we see incremental changes back from the rigidities she has introduced.

Question: *What is the bottom line of all this?*

Answer: That open societies have the ability to respond (to negative developments), adjust, move in a different direction and try to improve. Efficiencies are clearly lacking in some areas; the remuneration gap is an issue; some policy choices are well intentioned, but disastrous in consequence. The trick is not to get everything right first time, the trick is correct when you go in the wrong direction. Only open societies can do that. Seems to me it is happening.

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