

South Africa's Political Economy: Transformation & Empowerment

Closing the Gap between Expectations, Aspirations & Realities

Scenario 1: The Desert



Scenario 2: Skorokoro



Scenario 3:
Pap, vleis,
gravy & 'frisch
gepreeste'
juice



Are we up to
the big
challenge?

- We must seek to demonstrate the power of imagination to anticipate some subversive work of crisis, until we succeed in making society more closely to resemble the imagination – Roberto Unger (*False Necessity*)

Scenario permutations

(Source: Cosatu)

Measure	The Desert	Skorokoro	Pap, Vleis, Gravy & Juice
Economic Development	Stagnation	Modest Growth	Massive Growth
Labour Market	Conservative	Zig-zaging	Job growth, wide range of sectors and workplaces
Social Values	Class struggle	Social fragmentation	A people's rainbow nation
Workers	Losing jobs but militant	Divided by ethnicity and conditions	Democratisation and reform

Consequences of failure of imagination

Reality Check

- Leadership downgrade
- Political downgrade
- Cultural downgrade
- National self-esteem downgrade
- Economic downgrade
- Innovation downgrade
- Race relations downgrade
- Credit ratings downgrade

Gap between aspirations & realities

Aspirations

- A large economically active population can contribute to falling poverty, depending on whether this population is activated or **not**.
- The increase in the number of people in the working-age cohort can be a dividend or a burden – NDP

Gap between aspirations & realities

Realities

- Percentage of black youth (25 to 34) in professional, managerial and technical fields has dropped by 2% in 2 decades
— Stats SA
- 60% of unemployed youth have never worked — National Youth Policy
- When parents are better equipped than the children, it's a sign of regression —
Statistician-General Pali Lehohla

Gap between aspirations & realities

Aspirations

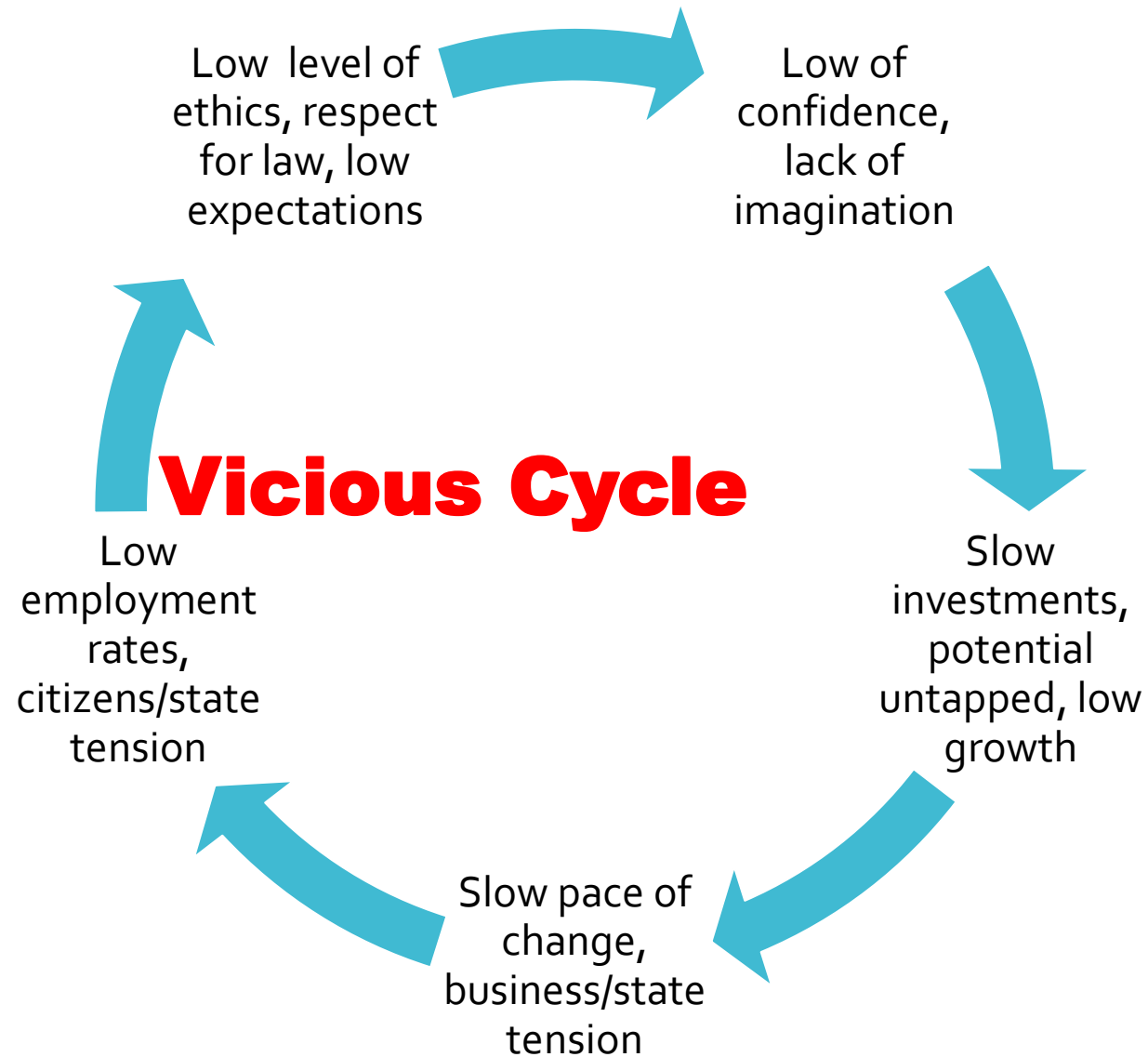
- Raise per capita income from R50 000 in 2010 to R120 000 in 20130 and increase share of income to 10% for the bottom 40%
- Broaden ownership of assets to historically disadvantaged groups
- Ensure food security, food trade surplus, with one-third produced by small-scale farmers or households - NDP

Gap between aspirations & realities

Realities

- Average income per capita is in decline – getting worse for the bottom 40%
- When return on capital grows or is steady while overall growth slows, share of income to labour drops, inequality rises – Piketty
- Predatory tendencies increase as battle for declining state resources among political elites gets daring – e.g., Gupta state capture

Gap between aspirations & realities



Gap between
aspirations &
realities

Aspirations

Supreme law of the land lays foundation to improve the quality of life of all citizens and free the potential of each person.

Human dignity, achievement of human equality and the advancement of human rights and freedom – Constitution

Gab between aspirations & realities

Realities

- Our nation-building effort has been more difficult in periods of slower economic growth.
- South Africa cannot afford a downward spiral that sharpens social tension – NDP
- Social tension on the rise

Gap between
aspirations &
realities

Aspirations

- Strong leadership is needed to promote the vision of the Constitution – NDP
- All South Africans should practice leadership qualities, including the ability to lead by example - NYP

Gap between aspirations & realities

Realities

Commitment to Constitutionalism and the rule of law is half-hearted at the pinnacle of the state

Under-resourced civil society groups and noisy political parties keeping the constitutional dream alive

And the role of business?

Gap between aspirations & realities

Aspirations

- Well-meaning policies galore...
- The "Vision and Code of Conduct for Labour Relations in Agriculture"
- The 1995 White Paper on Agriculture
- The 1998 Discussion Document on Agricultural Policy
- Broad-Based Black Economic Empowerment
- Strategic Plan for South African Agriculture (Thoko Didiza)

Gap between
aspirations &
realities

Reality

We are still
making more
policies!

Gap between aspirations & reality

Aspirations

- Promote new entrants into agriculture, focus on empowerment initiatives
- Enabling blacks to become successful in farming and agribusinesses require well-designed and targeted efforts
- The youth of all races should be encouraged to engage in agriculture
- A diversified, efficient sector, doesn't penalise existing commercial farmers
- — Strategic plan for SA agriculture (Thoko Didiza)

Gap between aspirations & realities

Realities

- Political rhetoric mount on expropriation and nationalisation, fuelinng uncertainty
- Not done with drafting new policies
- Slow progress: land lies fallow
- Land Bank BEE grant looted
- Tension rise between chiefs and rural communities

Closing the
gap between
aspirations &
realities

Solutions

- Don't unite only when credit rating agencies come knocking
- Revive institutions – such as Nedlac – to ensure continuous dialogue across all stakeholders
- Forge voluntary and innovative partnerships that work

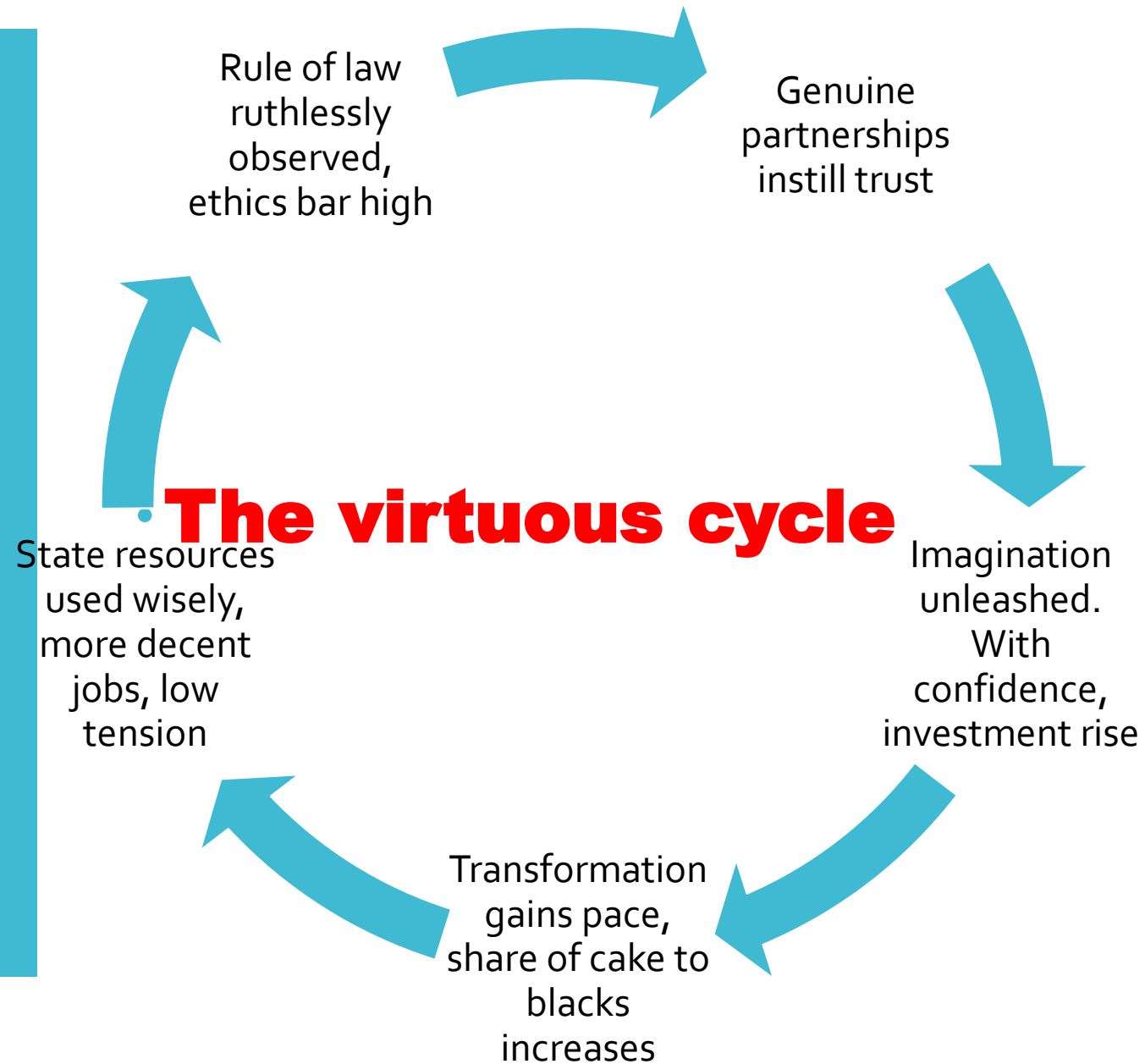
Closing the
gap between
aspirations &
realities

Solutions

- Replace the vicious circle with the virtuous
- A formal social Compact may help to strengthen alignment between growth, development and nation building, generating a virtuous cycle

- NDP

Closing the
gap between
aspirations &
realities



Closing the
gap between
aspirations &
realities –
parting shot

Some solutions

- Heighten historical consciousness
- Frown upon quick-fix, politically-biased empowerment shortcuts
- Trust is a precious non-tradable value earned through honest dealings
- Why empower the few?
- Why wait for government?

Pap, Vleis,
Gravy & Juice
for All!

