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NINE MONTHS IN - THE RAMAPHOSA REPORT CARD

By Theuns Eloff: Executive Director, FW de Klerk Foundation

Friday, November 16, will mark exactly nine months since President Ramaphosa delivered his maiden speech in Parliament. Amid non-stop news, it is perhaps good to take a quiet moment and to evaluate how the “new dawn” looks after nine months (and it was perhaps just as exhausting as a difficult pregnancy!).

On 16 February, the new President made a number of commitments to the representatives of South Africa's people (and thereby to all of us). Some of these were commitments that were already in the works under former Cabinet members, and others were clearly his own. In many cases, he placed his own stamp on these commitments.

President Ramaphosa placed job creation (especially for youth) at the centre of his national agenda. In order to achieve this, he among others, committed to the following:

- A Jobs Summit and an investment conference in the “next few months” (and later the \$100 billion target);
- The continuation of the youth wage subsidy scheme, the launch of “YES” (“Youth Employment Service”) and the establishment of a national and representative Youth Working Group;
- The acceleration of infrastructure projects, particularly in relation to water, health and maintenance of roads;
- The revival of mining, the finalisation of the *Mining Charter* and the draft *Mineral and Petroleum Resources Development Act*;
- Greater emphasis on small business development, the establishment of a small business and innovation fund, and the reduction of regulatory barriers for small businesses;
- The realisation of agriculture’s potential as a job creator, but within the context of expropriation without compensation (EWC);
- Further support for the tourism sector;
- Establishing a commission for the Digital Industrial Revolution;
- The implementation of the minimum wage, which was previously negotiated;
- The appointment of a Presidential Economic Advisory Council;
- Drought aid, especially for the provinces that were hit the hardest;
- Phasing in “fully subsidised free higher education and training” for poor and working-class South Africans over the next five years.

Other commitments included:

- The finalisation of a permanent public sector-led model to pay social grants effectively;
- Further combating HIV/AIDS and lifestyle diseases, and the adoption and implementation of the National Health Insurance (NHI);
- The implementation of a strategy for community policing, the launch of a crime prevention strategy for youth and convening a Social Sector Summit;



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- A process to revise the number and size of national departments and the Cabinet;
- The stabilisation and reform of State-owned enterprises (SOEs), as well as their restructuring, improved financial management and better boards;
- In terms of corruption (and by implication State capture), support for the Zondo Commission, restoration of the leadership of the National Prosecuting Authority (NPA) and the stabilisation and strengthening of the South African Revenue Service (SARS), including the appointment of a commission of inquiry into SARS.
- A visit to each national department within the next few months, as well as meetings with provincial and local government leaders.

Two other promises made in his replies to comments from political parties were to visit Parliament regularly to answer questions and to be “accountable”. He also undertook to meet with all political parties and their leaders to discuss a shared vision and strategy for the country's future.

It is a long list and difficult to evaluate in detail. Let's start with commitments the President has not met or achieved.

There is, at this stage, little evidence of the acceleration of infrastructure projects in terms of water, health and maintenance of roads, but as part of the recently-announced stimulus package, there is a R400 billion consolidated infrastructure fund, which will be rolled out over the next three years. There has also been very little seen with regard to the commitments related to small business development and the reduction of regulatory barriers to small businesses. In terms of agriculture, the spectre of EWC still features prominently, despite a strengthening of relationships following talks between Vice President Mabuza and Agri SA. The parliamentary process around changes to section 25 is critical. Tourism has not benefitted much as yet, and the Commission for the Digital Industrial Revolution has not yet been appointed (although the President recently referred to it during the Discovery Health Leadership Summit).

The framework for a new minimum wage has been accepted by Parliament, but sectoral talks are holding up the implementation thereof. The Presidential Economic Advisory Council has not yet seen the light. The phasing-in of free higher education is still not a reality, especially because of the problems at the National Student Financial Aid Scheme (NSFAS), the resignation of its respected Chairman, Sizwe Nxasana, and the generally poor systems and management.

The monthly payment of social grants by SASSA features almost weekly in the news, and there is no certainty that the current partnership with the South African Post Office will have the desired effect. The NHI looks (at least financially) like a dead duck that the country simply cannot afford (now).

The Social Sector Summit, planned to help with crime prevention in communities, has not yet taken place. President Ramaphosa's comment in the USA that white farmers are not being killed was a serious misstep. The review of the size and the number of national



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departments and the Cabinet has been much-discussed, but there has been little action. It seems as if this discussion has been shelved until after next year's election. The promise to systematically visit every national department and to meet provincial and local government leaders may have started on an *ad hoc* basis, but nothing has been reported.

On the other hand, the commitments that have been met in full or in part, are mostly impressive:

- The Jobs Summit and an Investment Conference recently took place. The “Youth Employment Service” was launched in partnership with the business sector. His speech at the Investment Conference on partnerships with the private sector and the protection of property rights was spot-on and for the first time he sounded like a President who understands the economy and business. However, the requested and offered investments still have to materialise.
- The *Mining Charter* was published (almost reluctantly) in September, and at least contains some improvements to the earlier version.
- Drought aid was disbursed, although it was too scant and too widespread.
- A National Youth Crime Prevention Summit took place in June and community policing was ramped up thanks to the task forces that have been deployed in gang-ridden areas.
- The SOEs are receiving active attention, with several significant initiatives launched by Pravin Gordhan, including new Boards, lifestyle audits and tough questions about financial management. The debate on what is going to happen with the bankrupt SAA is a sign of this ongoing reflection over SOEs.
- Corruption and State capture (as the public’s “hot topic”) probably received the most attention, with the work of the Zondo and Nugent Commissions almost completed, Moyane having been fired and a new National Director of Public Prosecutions in the pipeline.
- Since March, President Ramaphosa has been in Parliament three times to answer questions, as well as once in the National Council of Provinces. Further, it is not just his presence, but the manner in which he answered the difficult questions that commands respect.

The Ramaphosa Report Card is therefore mixed. There are successes, but also some shortcomings. Perhaps some of those shortcomings could be reversed before the end of the year.

However, what must be remembered when evaluating President Ramaphosa’s performance, is that most of the problems he is facing were inherited from his predecessor - including lame economic growth and high national debt. He therefore does not have the luxury of money to do what he wants to do. In many cases, for example, he had to consolidate existing projects and place them under the Presidency to gain the means to solve other problems. He also sits with a civil service white-anted by cadre deployment and affirmative action. This will take time to fix.



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There has already been a lot of talk about his shaky power base within his own party. This remains true and a danger, but one gets the impression that he is slowly gaining the upper hand within the ANC. As his “commissions strategy” bears fruit, the rats will surrender or jump the Zuma ship. His actions in dealing with the main issues are considered and seem to weigh the risks before acting - as the “resignation” of Malusi Gigaba’s indicates. The fact that the election date is fixed for the month of May gives an end date for the uncertainty about the firmness of Ramaphosa’s actions and his power base.

Against this backdrop, the President definitely gets a pass mark for his first (difficult) nine months, but with the well-known postscript from school reports: “Cyril did well, but can (and should) do even better”.

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