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2010
Hosting World Cup

2014
Halving Unemployment and Poverty
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The soccer World Cup is huge. The actual golden trophy isn’t that big, but the event itself is massive. As we have seen in Germany there is no other sporting event that stirs the passions of so many millions of people around the world, and the drama on the field enacted by the game’s most skilful players ranges from sublime to silly and from joy to despair.

But it is the work that goes into the organisation of such a massive event that is the most impressive. From making sure the stadiums in various cities are stunning examples of architecture and innovation to providing enough security and sandwiches for the hundreds of thousands of fans that invade the host country, staging this sporting extravaganza requires a broad range of skills.

And it is the efficient co-ordination of all these skills, along with the commitment of all the players involved, that makes for an efficient and enjoyable event. In a fascinating insight into the complexities of hosting the World Cup in 2010, J Phaahla outlines the challenges facing government at both national and provincial level.

Commitments have been made and eight ministers have signed guarantees. From transport to TV and VAT to visas, all these departments will be working together to make sure the World Cup is a success – but a more lasting legacy is also required.

“We are saying that having made these commitments, government across all spheres must make sure that this investment leaves a legacy for the people; that it adds to the accelerated growth (6% growth rate in the economy) which has been the focus of government,” says Phaahla.

Teamwork, one of the most important elements in World Cup success, is a factor which crops up in various guises in many of the articles featured in this edition. Papers delivered at the SMS conferences of Mpumalanga, Free State and Gauteng examine a variety of aspects related to the management of service delivery, but the underlying theme is planning and co-operation that spans the three tiers of government – national, provincial and municipal.

Coach, technical staff, captain and players are all working towards one goal – winning the World Cup. In South Africa there are many goals waiting to be scored in terms of what we are hoping to achieve, but the ultimate trophy is the upliftment of all the citizens of the country.

To achieve this the chain of co-operation and planning must have strong links from government clusters at national level through to provincial level and down to local government. If all the players adopt the same tactics surely it is easier to score goals. Planning, tactics and teamwork are vital elements in a successful campaign but those charged with delivering these services and achieving these targets have to have the right skills and knowledge. In an international case study featuring San Francisco, Gloria Young examines the management and sharing of skills and knowledge in the public sector.

A solid goalkeeper and a workmanlike defence are important, as are industrious midfielders and speedy strikers, but it is the player with those magic touches of imagination and innovation in his play who can really make a difference.

Not all the tricks of Ronaldinho and the other magicians on the team could save Brazil, but as Professor Roy Marcus and Andrey Verhaeghe point out in their article titled “The Management of Innovation for Acceleration in Service Delivery”, innovation is essential in successful service delivery.

“Managers have to actively encourage the innovation competency in the workplace.”

Those employees who come up with the workplace equivalent of a Ronaldinho dribble or a pass by Kaka must be encouraged and managed. “An innovation competency has to be developed that is sustainable over time so that innovation can be used consistently to improve service delivery.”

So the right combination of all these elements can see us hosting a World Cup to be proud of, but this will just be a step on the way to the ultimate goal. As I Akhalwaya points out in his article on the Extended Public Works Programme and the challenges of cross-sector integration, “If the overall goal of government is alleviating poverty and reducing unemployment, every government department exists to try and contribute to that goal.”

Extra time and penalties is not an option.

Apology

The Service Delivery Review (SDR) team takes this opportunity to apologise to Prof. Sipho Shabalala for using an incorrect photograph in an article “Through the revolving door” published in SDR Vol. 4 No. 3 2006. We regret the personal and professional inconvenience that may have come about as a result of this error and therefore re-publish the piece and the correct photograph as an expression of our sincerest apology.
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Africa Public Service Day (APSD) has become an important event on the African Union (AU) calendar since 23 June was declared a day to "celebrate the value and virtue of service to the community" at the inaugural Pan African Conference of Ministers of Public and Civil Service in Tangier, Morocco, in 1994.

The day is in honour of the selfless work of millions of public servants across the continent who, against many odds, remain committed to high standards, professionalism and innovation in service delivery efforts. More importantly, APSD provides public servants themselves with the space and time to reflect on and openly debate common service delivery challenges and approaches across the continent.

APSD is rooted in a common understanding of the importance of sharing information and generating knowledge on the continent in order to improve the ability of African public institutions to effectively address the socio-economic challenges and sustainable development of African societies.

Since the public service occupies centre stage of this contractual imperative, namely – sustainable development – the question as to the nature and mission of the public service becomes unavoidable.

Public servant mission

The mission of a public servant is further informed by the essential global agenda, as the modern public servant cannot remain oblivious to the might of the global momentum to eradicate poverty and deprivation.
We are familiar with the repeated and urgent call to meet the UN Millennium Development Goals (MDGs). Clearly, that important declaration of member-states outlines a complex agenda of activities for the next 15 years, significant economic development to facilitate the eradication of poverty; the insurance of environmental sustainability; the increased support of democracy, good governance and human rights and the maintenance of peace and security.

Most assuredly any efforts to implement the extraordinarily important agenda of the millennium declaration will require highly skilled and highly sensitive governmental leadership. Such leadership does not spontaneously emerge in most instances. Rather, in more cases than not such leadership is developed over a long period of time and only as a consequence of continued significant efforts at strengthening the knowledge and skill base of the individuals involved.

Linked to the mission of the public service is the pertinent question of the quality of services delivered to populations. Long gone are days when the public service was viewed as something which people enjoyed not as a right but as a favour bestowed at the discretion of the state. In line with such a rights approach we cannot expect that our citizens will any longer put up with public service delivery that is a bit shabby, slow and bureaucratic. That age of mediocrity is well behind us.

However, one cannot talk of raising the bar in service delivery without concomitantly linking this imperative to the capacity of instruments of delivery. Weak institutional capacity impedes the state from undertaking its responsibilities effectively, whether planning and budgeting, managing development assistance, providing services or monitoring and evaluating progress.

**Challenges of the capacity**

Weak capacity is a major problem in most African countries. All tiers of government are affected. We need to give special recognition to post-conflict states in Africa which for many debilitating years suffered violent conflicts that in turn have seriously undermined state capability. Assisting post-conflict countries to reconstruct and manage their fractured public service is one of the main pre-occupations of the Pan-African Ministers’ programme that I will presently review. Tackling the huge need for capacity strengthening, especially in as I pointed out earlier post-conflict states, will have major knock-on effects for all other areas of public sector reform.

We embrace the truism that making the most of one another’s strengths is, or should be, part of our competitive advantage. There is a need for public servants to think across and beyond portfolio and agency boundaries and for the public service to draw on its unmatched resource of skills, experience and institutional memory to support the government of the day. Unlike much of the private sector we have an institutional framework that allows us to work collaboratively so that our policy advice is informed by a variety of perspectives and the best available data and research. There is so much to say about capacity but time fails us in this regard.

The need for reforms to match the challenges of globalisation is central to improved service delivery. As we think of and pursue public sector reforms it is important to bear in mind some germane matters.

The quality of the interface between the administrative and political arms of government has always been central to good governance and the subject of debate. In the South African scenario a series of reforms over the past 10 years have improved the responsiveness of the public service to the elected government and increased its agility and capacity to manage changing community requirements.

Governments are under constant pressure for more change as citizens’ demands increase. The public expects more openness, better quality service delivery and solutions to more complex problems but without losing any of their existing social entitlements.

The major challenge for the 21st century government is to
find new ways that will enable them to meet these demands while remaining within tight expenditure limits. For the next 20 years policy makers face hard political choices. Since most governments cannot increase their share of the economy, in some countries this will put pressure on entitlement programmes such as pensions, health care or education.

As governments move forward in deciding on future reforms the case for adopting a whole-of-government perspective is overwhelming. It is important that reforms relate to governments’ overall purposes and interests, to general government rules and processes and to the existing processes of oversight.

Rewarding innovation

Another key area that pre-occupies the Ministers’ programme is the “think out of the box” incentive of an Innovation Award. This initiative was formally launched after much deliberation at various forums at the December 2005 Ministerial Conference in Addis Ababa, Ethiopia.

It is good to remember that governments all over the world are increasingly experimenting with alternative organisational designs because hierarchical and vertically integrated departments are proving too rigid and unresponsive in a public sector environment that is increasingly complex, turbulent and demanding. The times we live in require new thinking on how we organise most effectively.

The Africa Innovations Award initiative will reward successful and effective service delivery improvement projects and initiatives that have been achieved through the application of innovative approaches, methodologies and tools.

Programmes that have been achieved through the application of standard procedures and approaches will not be awarded. Instead the Africa Innovation Awards project will recognise creative initiatives, projects that reflect “out of the box” thinking and individuals who have been prepared to take risks and go against the tide to a certain extent, with the overall aim of improving services to the public within respective local and regional context.

Public sector leaders must harness innovation, creativity, adaptability and timeliness to enable good governance. The aim should be to cost-effectively establish the basis of good practice that can be promoted and replicated. New tools for public management have emerged in the form of accrual accounting, programme and project planning, performance measurement and citizen satisfaction surveys.

Like any other human endeavour, the public sector is a marketplace of ideas.

The idea of the innovations award is informed by the logic that it is appropriate to pause at milestones to celebrate accomplishments before journeying onward. Champions must anticipate opportunities to capitalise on quick victories and to replicate success stories that boost morale and sustain momentum. It is expected that the first awards would be made at the sixth Pan-African Ministers’ Conference in 2007.

Uprooting corruption

Another key challenge in the construction of a capable public service is uprooting corruption. We all know that the strength of public confidence and our success in conducting government business is influenced by community perceptions of our integrity. These perceptions are more likely to be positive when we are seen to be delivering our commitments through acting ethically and with integrity.

African ministers of public/civil service have come to a painful realisation that efforts to eradicate graft have generally achieved limited success with most economies reporting growing incidents of corruption on the political and economic front.

Funds that could have otherwise been invested in poverty reduction programmes, infrastructure development projects or other such schemes have been lost by governments and other stakeholders through fraudulent deals in one form or another. This has left the continent poorer at a time when efforts are being made towards ensuring that Africa remains a relevant part of the world map.

It is in the above context that a call has been made in the Pan African Ministers’ governance and administration programme for more African countries to ratify the AU convention on corruption as a way of putting together a united front against this debilitating menace.

African countries have been urged to actively participate in the Global Forum IV on anti-corruption as a means to contribute to and benefit from the global agenda on anti-corruption effort.

Conclusion

A significant innovation has been to formalise our integrity framework as an objective basis for demonstrating that we set and meet high standards of integrity. This framework, complemented by our governance and planning processes, makes our integrity visible and measurable and assists us to deliver on our commitment of being an open and accountable organisation.

* Edited version of speech delivered at the Africa Public Service Day celebrations, 23 June, 2006, at a 5th Pan-African Conference of Ministers of Civil and Public Service
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News in Brief

SDR Vol 5 No 1 2006

SAMDI’s Skills Development Role

Minister Geraldine Fraser-Moleketi outlined the role of the South African Management Development Institute (SAMDI) during a television interview on SABC’s Morning Live programme. The Minister was outlining the role of SAMDI against the background of the President’s pledge during the State of the Nation Address.

The remarks by the Minister of Public Service and Administration followed President Thabo Mbeki’s indication that the government will have to pay particular attention to the issue of scarce skills. Subsequently, the Governance and Administration Cluster has also pledged to address the issue of skills shortages in the public service.

SAMDI is a Schedule 1 department reporting to Minister Fraser-Moleketi. Its mandate is to provide customer-driven training and organisational development interventions that lead to improved public service performance and service delivery.

Several projects are already underway and making strides towards public service transformation. SAMDI is currently working with schools of public administration resident in institutions of higher learning, in the process of designing public administration curricular responsive to peculiar government priorities and needs.

The strategic reorientation of SAMDI to play a greater role in the development of skills in the public service will ultimately see the total transformation into a fully-fledged Public Service College.

The institute is already running a campus-based training programme that provides a platform for interdepartmental sharing of experiences and ideas. It also plays a pivotal role in the rollout of the Presidential Strategic Leadership Development Programme (PSLDP), which was launched by President Thabo Mbeki in 2000.

The PSLDP is a high-level strategic leadership development initiative aimed at increasing the capacity of senior managers in the public service and thus filling the President’s call that we “must serve to nurture within the public service a leadership which can lead and perform its work in a professional and holistic way”.

According to Skweyiya, at least 35.7 million of the targeted 37 million people now have access to free basic water. The target includes getting rid of the 166,000 buckets that made up the toilet system in formal settlements by 2007. Skweyiya reported that 62,000 buckets in the toilet system have been done away with thus far.

“Government is looking at various interventions to address the challenges and accelerate delivery to meet the 2008 target and improve the management and sustainability of these services,” he said.

Themba Gadebe, Bua News

Gauteng Aims for 8% Growth

The Gauteng government has launched a special Business Barometer, the first of its kind in South Africa, to provide insights into economic activity in the province and help boost growth to the target of 8% by 2014.

Speaking at the launch of the barometer in Johannesburg, Gauteng Premier Mbhazima Shilowa said the aim of 6% growth for the country as a whole, under the Accelerated and Shared Growth Initiative for SA, was only possible if the province achieved the higher growth target.

Gauteng, described by Shilowa as “the country’s engine room”, contributes 35% to the South African economy and 9% to Africa’s entire gross domestic profit. Economists said 8% growth was “ambitious” but achievable, given the province’s sustained growth – and if it continued to invest in infrastructure.

“It would be subject to investment in infrastructure, which has seen serious neglect over the past few years,” said

Source: Inside DPSA Newsletter

South Africa Reaches MDG on Basic Water

Social Development Minister Zola Skweyiya says South Africa has “done well” in eradicating backlogs in basic water supply and that the country has achieved the Millennium Development Goal ahead of schedule.
Goolam Ballim, Standard Bank chief economist. "Clearly there is an aggressive plan by provincial government to address the backlogs."

The barometer has been tracking economic activity for three years, looking at business activity in mining, manufacturing, construction, tourism, finance, real estate and transport.

“One of Gauteng’s important strengths lies in its ability to innovate, apply knowledge, and create new products and services,” Shilowa said.

The provincial government had invested over R2.8-billion in strategic economic infrastructure projects in Gauteng between 2001 and 2005, through development agency Blue IQ. Blue IQ is a multibillion-rand initiative to develop economic infrastructure for specific major projects in smart industries, high value-added manufacturing and tourism. It works with business and government departments to promote strategic private sector investment in key growth sectors of the Gauteng economy. Its interventions, Shilowa said, had helped develop the tertiary sector and shifted the Gauteng economy from its historical reliance on mining.

Shilowa said the Gauteng government sought to maintain an “appropriate” balance between growth and addressing the social needs of the people. “We are constantly aware of the challenges faced by the province in terms of employment, poverty and underdevelopment,” he said.

“Given that Gauteng accounts for over a third of the country’s GDP, we have a responsibility to contribute to the achievement of the country’s objectives of halving poverty and unemployment by 2014.” •

SouthAfrica.info reporter and BuaNews

More Support to Local Government

Government has deployed experts to give support to municipalities under Project Consolidate as part of many interventions to strengthen local government.

Deputy Home Affairs Minister, Malusi Gigaba, said experts in the field of engineering, finance and project management as well as town planning were deployed to priority municipalities. “A total of 112 experts, 18 graduates and 80 students have been mobilised and deployed to 69 Project Consolidate municipalities,” according to Gigaba.

Included amongst some of the achievements under Project Consolidate is the fact that for the first time most municipalities have developed “more credible” Integrated Development Plans (IDPs) than they had before, said the Director-General of the Department of Provincial and Local Government, Lindwe Mpongana-Ndlela.

So far, 90% of municipalities have submitted their IDPs to the department. The plans seek to assist municipalities to meet service delivery targets such as the eradication of the bucket system by the end of 2007. •

Themba Gadebe, BuaNews
The Masibuyele Emasimini is not a complete programme. It is a concept that is implemented as a pilot. If something is a concept and a pilot at the same time, one is always confronted with arguments around it.

One of the first things I must declare about it is that it has got a disclaimer from a number of public servants. I know that there are many people that are ready to engage with it. Here I want to present a case which states that this may not be a failure. Rather, it may be a possibility that will take us to our destination. The reason why I say this is because the increase in the population and economic growth are not correlating.

The population increases faster than economic growth in Mpumalanga province. For example, between 1996 and 2001 there was a population increase of about 12% while between 1996 and 2000 the economy in the province grew by about 2.5%. Unemployment is also high, staying at 38% in 2004. The level of poverty in the province stays at 54.3%. It is the level of poverty that we need to deal with.

Agriculture as a sector is number six in the province in terms of its contribution to Mpumalanga’s GDP. In the sectoral share of the Mpumalanga economy, manufacturing contributes 27.2%; mining 22.3%; community services 18.6%; electricity 10.1%; trade 8.2%; agriculture 6.1%; finance 5.4%; transport 4.5%; and construction 1.6%. Agriculture is one of the most important sectors for the success of AsgiSA. We should therefore interrogate why it ranks at number six in its contribution. If you look at employment, agriculture is a major employer in the province. This means that most of the strategies that seek to address poverty and employment should be linked to the agriculture sector.

This being the case, agriculture in Mpumalanga is one of the sectors that is declining. I am certain that we all agree that agriculture and rural development
are central to dealing with poverty.

Key poverty areas in Mpumalanga include the old KwaNdebele, Bushbuckridge, Nkazazi, Sekukhunene, Nkomazi and Elkwtatini. If we talk about a programme that wants to address poverty we need to establish where these projects are supposed to be located. The programme that I am talking about here is located quite closely with these pockets of poverty.

**How do we respond?**

With Masibuyele Emasimini we are saying we want to attack poverty and come up with strategies to address the problem. The idea is to create employment that will create income in vulnerable areas.

In order to respond to this challenge, the programme should ask certain questions. It should ask how rural productivity per capita can be substantially increased in a manner that will directly benefit average small farmers and a landless rural dweller, while providing food surplus to support a growing urban industrial sector. If it is a correct intervention, the people that otherwise would not be benefiting from the system will be included.

Some people are arguing that this may not work. They are saying that the culture of the people from the areas that we are looking at is not that of productivity. The following question seeks to address this problem.

We need to ask what the process is by which traditional low-producing peasant farmers are transformed into high productivity commercial enterprises. There is a real problem of attitudes. There is an attitude to keep cattle with the hope that one day there will be a function or a need to pay lobola. The sceptics say that these kinds of attitudes will hinder progress in the project. It is under these circumstances that we need to ask: When traditional family farmers and peasant cultivators resist change, is their behaviour stubborn and irrational or are they acting rationally within the context of their particular economic environment, an environment which we are supposed to change as public servants?

The other issue that we are saying should be looked at is that most of the areas are remote and investors, including the private sector, are not willing to invest there. So if you come up with a programme for areas that are very vulnerable do you need to provide sufficient economic and price incentives to elicit output increases among peasant agriculturalists, or are institutional and structural changes in rural farming systems also required?

Lastly, we need to ask whether the programme is raising agricultural productivity sufficiently to improve rural life, or must there be concomitant off-farm employment creation along with improvement in educational, medical, and other social services in the areas mentioned above?

Our view is that the arguments that
have been launched against the programme are no surprise. In this case we feel that our approach which seeks to answer these questions has got the backing of a body of knowledge. Many people that have done a lot of research have agreed that the above strategy might be one of the ways of handling the programme and addressing these challenges.

Francis Blanchard, former Director General of the International Labour Organisation (ILO), said: “The main burden of development and employment creation will have to be borne by the part of the economy in which agriculture is the predominant activity, the rural sector.” Mpumalanga is one such example.

Also advancing such a view, Gunnar Myrdal added that “it is in the agricultural sector that the battle for long term economic development will be won or lost”. If we do not consider agriculture, then we will not be able to deal with the development challenges facing us.

Hall and Tordar argue for agricultural progress and rural development, because “the vast majority of the world’s poor people are also located in rural areas and engaged in subsistence agriculture” since they “have been bypassed by whatever economic progress has been attained”. They also argue that “if development is to take place and become sustaining, it will have to start in rural areas in general and the agricultural sector in particular”. They finally say that if we have to respond to those questions that we are asking, we have to make sure that our strategy that seeks to respond to rural development should be “an agricultural and employment-based strategy”. This will serve to accelerate output.

Agriculture- and technology-based strategy requires three basic complementary elements. The first one is accelerated output growth. This will be achieved through provision of technological and institutional support and price incentives designed to raise productivity of farmers. Secondly, the strategy requires the raising of domestic demand of agricultural output derived from an employment-oriented urban development strategy. Lastly, it requires diversified, non-agricultural, labour intensive rural development activities that directly and indirectly support and are supported by farming community.

This means that rural development has to be seen from an integrated urban-rural development perspective. If not done, it may result in severe internal imbalances in the economy, giving rise to poverty problems, inequality and severe unemployment.

An argument for integration

It is important because agriculture in any society exists in two kinds of worlds. Firstly, it exists in a highly efficient first world, where agriculture boasts sophisticated technologies and mechanisation systems. Secondly, it also exists in the inefficient and low productivity agriculture. These need to be integrated for effective rural development to occur.

If we have to integrate, we must make sure that we have low productivity at the subsistence level and at the level of peasant farmers. This is where you want to intervene, so you must make sure that next to it, somewhere, there is modern farming.

Following this, there has to be diversified or mixed family agriculture, where part of the produce is for consumption and part for sale to the commercial sector.

Lastly, next to all this, there must be a modern farm that is engaged in high productivity specialised agriculture which is geared towards commercial markets. If you want to deal with rural development, you must have a model that integrates all of the above.

Within this integration, you must be able to speak to small farmers. In order for small farmers to progress, there needs to be support for technology and innovation; appropriate government policies should be in place; and supportive social institutions, such as cooperatives, established and consolidated. These should provide a favourable environment for this grouping to move to the next level.

Furthermore, there are also three requirements that should be met for general rural development. The first key issue involves modernising farm structures in order to meet rising food demands. An effective support system needs to be created. Lastly, the rural environment needs to be changed in order to improve standards of living.

Conditions for rural development

The first condition is land reform which relates closely with the issues of ownership. The issue of ownership is something that should not be left out in any rural development model. You should
be able to determine the level of tenure that people are having in various areas.

It is no surprise that in South Africa we are beginning to look at a law that seeks to look at issues of land that is under traditional leadership. In such areas, you have tracts of land that should be productive but you cannot get people to engage productively with it.

The provision of supportive policies is the second important condition. These policies should provide incentives, economic opportunities, and access to credit and expand output and raise productivity.

The last condition involves integrated development objectives. There must be an effort to raise both farm and off-farm rural income through job creation, rural industrialisation, and the provision of education, health and nutrition.

Integrated development also intends to decrease inequality and build capacity for the rural sector to sustain and accelerate the pace of development. I will use the case of one of our pilot (we have nine pilots) projects.

**Piloting in Daggakraal**

Daggakraal is an area where the project is going to take place. The community in Daggakraal has a vast land around it. They therefore have large areas where they can plough. With the Masibylele Emasimini project, we are going to plough all the stands in the area in order to maximise the productivity of the land. We will determine which kind of crop will flourish on each stand. If the area is suitable for growing potatoes, we will grow them even when the stands are owned by different owners.

In the area, most people are producing to eat. However, they do produce a surplus that might have to be used for local consumption. We are saying that in order for this to work we need the right tools to deal with it.

If we want to make this work and be sustainable, we cannot treat the plots outside what is already available around the area. As a result over the years we have been facilitating negotiations to buy the modernised farms that already exist around the area.

So we have operational irrigation farms already existing which will specialise in suitable crops. We believe that the areas that we want to develop should work with the modernised farms in getting supplies, for example, so that they are sustainable. This is the model that is going to take place. The community that we are talking about is literally surrounded by cattle. As a result, we agreed that a cattle ranching programme should also be run.

Since maize is also produced in the area, it is one of our objectives to have a milling facility. There is also a bakery in the area which produces positively to this programme. The bio-diesel project will provide a market for the programme. That is the integration that we are talking about.

The crops that we are going to look at in Daggakraal are related to their potential in the AgriSA programme. A potential crop for this, is the apple in the area. We feel that it will sustain the livelihood of people in the area in terms of providing the linkages between the different levels of the agricultural economy I mentioned above.

When traditional family farmers and peasant cultivators resist change, is their behaviour stubborn and irrational or are they acting rationally within the context of their particular economic environment, an environment which we are supposed to change as public servants?

Bio-diesel and vegetables are also significant as they also have a ready market. Cattle ranching is also going to be part of this because the bigger picture is that we believe we are not doing enough in terms of cattle ranching in Ermelo, which means there needs to be a linkage to Daggakraal in terms of their market. Rural development can only be successful if there are linkages.

**Conclusion**

For any strategic intervention to be successful it must not be by accident or thumb-suck. Rather, it must arise from a thorough consideration of its frameworks and tools for monitoring progress, derived from well grounded research information.
It is critical when looking at contextualisation of development not to forget where we are coming from. The kinds of backlogs that we have to deal with are historical. The manner in which we deal with these backlogs will have to begin with a reflection on how we are changing our lives and those of the people around us so that at the end of the day people become self-reliant and self-sustainable.

When I recall my history lessons on colonialism, the only thing I can remember is the discovery of India by Vasco Da Gama which was not as important as the consequences of the discovery. The consequences of the arrival of Jan Van Riebeeck in the country are equally important. We have since seen the flight of resources to the first world. We have also seen our people involved in the production of raw materials and benefiting 30% from this, whilst 70% goes to the manufacturing heavyweights.

Beyond this, there has been a tendency to look into the question of development within the context of industrialisation. Because of this temptation, our interventions tend to be moving towards economic development, not towards striking a balance between economic and social development.

Some solutions have been found in the country. These include addressing the poor white problem by mobilising and engaging white communities through processes that would help them to turn around their own lives.

We have also seen separate development in this country which institutionalised development. In African communities, during all this, there was development taking place. One example was the existence of communal systems. These included stokvels and other related forms of development initiated within the communities.

We are looking into the issue of cooperatives to be a new concept in terms of economic empowerment.
Development as a right

There have been initiatives such as Vukuzenzele which are encouraging people to initiate their own development. I must also say that after people fought for democracy and freedom, democracy became a reality. Democracy through the Constitution began to highlight the issue of social development as a right.

This notion of development as a right puts us in the position where we should be developing programmes that seek to improve the lives of the people.

There was the Reconstruction and Development Programme (RDP) which had clear objectives. In 1996 there was the introduction of GEAR which intended to stabilise the national economy. We are currently talking about the target of 6% growth rate in the economy. We must bear in mind that when we talk about economic growth, most of the time we tend to confuse it with development. Economic growth will never be development, unless you are able to deal with issues of poverty, illiteracy, unemployment and ill-health. If a country is not able to deal with these issues, you cannot say that it is experiencing a development period.

We have heard about the Millennium goals, the challenge here is how to build bridges between the first and second economy. There are EPWP that are coming on board, the challenge is that we have not been able to revisit the systems that we inherited through colonialism.

Each time we talk about the issue of skills development, our main emphasis is that people should get jobs. We hardly talk about a shift from job seeking, to job creating. We have to be thinking seriously about how we change this mindset.

An issue here is that we can only say we are developing if we are impacting on issues of poverty. If we look at the issue of social development, we should look at the social indicators that locate people in specific development classifications in order to make effective interventions.

In my own village we still have families without radios, let alone black and white televisions. You can no longer look at poverty in terms of income only. Income with a range of other measurements needs to be considered. Having an illiterate adult member presents pressures for families. As a result, it creates problems, particularly in how one attempts to develop these families.

Core values of development

Most research that is conducted in order to improve service delivery is not participatory; it does not involve people on the ground. As a result, we undermine the fact that people have potential to develop and change.

If you make people participate in their own development, you are facilitating a process in which the projects that we have been funding for years will be sus-
tangible. Since 1994, there have been a lot of projects that were funded. Most of the time we have been throwing money at problems. We do not have a lot of successful projects that we can say are taking us forward.

There needs to be recognition of the right of all to participate fully in exercising control over being accountable for their own lives. The whole issue of development also has to do with how you change power relations. If you operate in the way in which you are doing right now – for example, the manner in which grants are given to people – you are giving people resources. But if you immediately change that manner in which you give them grants, you are providing them with options. They start to have a choice.

For a state to be fully developed there has to be a fully functional individual. That individual, like every one of us, belongs to a family. His/her family belongs to a community. The communities form municipalities and provinces form a nation. The fundamental issue here, is how do we locate our interventions so that we satisfy not only the individual but the whole nation?

As government, we have a lot of partnerships in the form of donors and communities. What becomes a challenge is that as these partnerships are developed, there is a lot of temptation to wait for reporting, accountability. A lot of managers are spending a lot of time trying to account and report so that they meet deadlines. At times people write incorrect reports because the deadline has arrived.

The other fundamental issue here is that these partnerships will be sustainable given that we review them. Not all partnerships we have are adding value to the development of our people. It is critical that we review them and determine what our targets are with these partners, so that at the end of the day you are not a partner with any organisation for convenience purposes.

The better way forward for us is to jointly understand our situation. What sort of resources and skills are available to us in order to be able to initiate effective development projects. We need people who are asking questions, visionaries who are not taking anything for granted.

The other issue is that most of our interventions, as we develop our strategies, tend to be by individuals. The problems that are facing us are massive. When a lot of time is wasted focusing on individuals, you will not be able to attend to the massive problems that are facing the country.

We need to turn around and say: What strategies can we develop as government, civil society and business to advance the development project? I believe that the more we focus on development, the less resources will be required for provision of basic needs. This is because people will be able to sustain themselves in the area of intervention.

**Eastern Cape’s strategy**

In the Eastern Cape one of the critical questions we have asked is: If we look into our budget, how can we resource the change from welfare to development? We have the 80/20 principle which states that 80% of the world is controlled by 20% of the people. We are saying that if 20% of our resources can be channelled to development, we can deal with 80% of the populace.

We had debates over this. I am raising this because it is very difficult to move towards developing a strategy if you have not been able to distil the concepts involved.

Amongst the challenges that we are facing is that people who are supposed to receive grants are not getting them in time. Furthermore, people took the province to court and a lot of money was spent in the process.

When we reconfigured our delivery processes, we were able to hasten the turnaround time for people to apply for grants. We were able to look at how we can work together with various departments. For example, when we were dealing with fraud, we worked with other departments including law enforcement agencies. But I think the main issue is how to prevent fraud from happening.

We have been able to look at how we can change our leadership, so that it is able to adapt to change. The former president of Tanzania, Julius Nyerere, once wrote, “One of the critical qualities of a good leader is to be able to ask questions.” It is to be able to say I do not know. When you say I do not know you become vulnerable. A lot of the time we pretend to be what we are not and claim to know a lot of things that we do not really know. It is therefore essential that we become critical of how we engage ourselves.

The ability to avoid self-interest is one of the critical issues. In our change management programme we have been supported by business. This is because we realise as a department that we are unable to deliver on our programme in the current manner and structure.

We have to develop a service delivery which promotes community interventions and development strategies so that we can move towards that paradigm.

**Conclusion**

Development journeys all go through different phases. Very often there are significant thresholds that need to be passed when moving from one phase to the other. I regard this process in transformation as a significant threshold.

We have to pass through various thresholds and what is important is that we have to leave some of the interventions that we are familiar with. If we are challenged we have to strategise on how we redirect our services. We also need to reorganise intellectual debates where we distil and deal with the notion of contextualisation of a programme.

We need to develop integrated poverty eradication strategies. The approach to service delivery needs to be revisited by looking at what kind of skills and competencies we need in order to take the processes of service delivery forward.
Integrity for me is more important than anything else. That sounds a bit arrogant but when the chips are down integrity is the only thing that matters. I am very passionate about the issue of organisational integrity.

There is a quotation which states that “corruption is as complex a phenomenon as corruption itself.” It can either be as a result of a system, misperception and even blatant illegality.

I am arguing that we need a systemic solution design. I know that people who are involved in anti-corruption programmes and campaigns are probably not going to be happy with me. I should be seen as somebody who is teasing you and challenging some of the settled ideas around how we should deal with the issue of corruption. I am therefore using a case study to propose a different approach to dealing with corruption.

In 1994, a new democratic form of rule was introduced in South Africa. This was followed by the adoption of a new Constitution in 1996. This Constitution contained a set of values which were significant in the running of the country. It spoke, amongst other things, of a high professional ethic for public servants, particularly senior managers. There was also a need for a moral regeneration movement. This led to the current Anti-Corruption Forum managed in the Public Service Commission.

I believe this is because we have not sincerely understood the concept of corruption itself. Sometimes corruption happens because of systemic issues, not because people are endemically corrupt.

In discussing corruption and the measures to prevent it, D Busakwe, Director of the National Prosecuting Authority, argues that fear of being caught is not enough – integrity is the most important element.
people simply do the right things all the time. I think the notion of “to fear to be caught” is not a sufficient way of dealing with the question of corruption. This anti-corruption move has made people freeze with fear. There has been this fear of who the next accuser is going to be. People are asking: What investigation is coming after me? So senior managers in government are trying to get through the day without being caught, charged and prosecuted. This is not an adequate ethical standard for an official.

We need more than just a fear of being caught. We need both a systemic and a systematic understanding of the complexity of corruption. We therefore need systemic and systematic solutions designed to deal with the question of corruption.

What is the concept of integrity then? What do we mean by organisational integrity? We have a number of integrities. There is territorial integrity, structural integrity, and even genital integrity. I am not talking about any of these integrities, but organisational integrity.

Maybe we need to unlearn before we can even learn. Maybe we should start by asking what is not integrity. For me it is not just about legal compliance that many of us have. It is also not about some enforced programme that you might have in your department. It is also not about a preventative initiative where we say “put these laws and regulations over there”. For me these are ethnically mediocre. You may have an anti-corruption, enforcement plan, which is a good start.

For me what is important is a well motivated public service which should be preferred to one that operates in fear of being apprehended. It is not enough for you to fear being caught. You need to move to the next level, a paradigmatic shift in the notion of a clean government.

What will prevent South African institutions from becoming another Nigeria? In Nigeria, I am told that if you are at the airport and you need somebody to provide you with a ticket, you need to tuck a $100 bill into the last page of your passport. It is standard practise, otherwise you will not get your ticket. Why is organisational integrity superior to compliances, codes of ethics, codes of conduct, prevention programmes all separated?

It is superior because it is based on self-governance, communicated organisational values, and what the organisation stands for. What is important is a set of clear guiding values. I am addicted to values.

We need more than just a fear of being caught. We need both a systemic and a systematic understanding of the complexity of corruption. We therefore need systemic and systematic solutions designed to deal with the question of corruption.

What I am saying is that an integrity-management practice is potentially preventative in itself. It is also a much more profitable route than the big stick approach in prosecution and enforcement. So what have we done in the National Prosecuting Authority (NPA)?

We need more than just a fear of being caught. We need both a systemic and a systematic understanding of the complexity of corruption. We therefore need systemic and systematic solutions designed to deal with the question of corruption.

You cannot drive an ethical organisation unless you have an upfront, well-stated, well-articulated value for which you stand and for which you want to be known. Integrity is therefore superior to all of these programmes because we articulate the values that define what we stand for.

Secondly, integrity is superior because it becomes the driving force in the organisation. Thirdly, it is superior because endemic in the system is not some sporadic campaign that is going to be a flash just because someone stole some money from government. It is endemic in the system in the way you do things. It is the way people live. It is the lifeblood of your organisation.

This should be the glue of the province’s seven priorities. It glues programmes together. It is a unifying force across the organisation and province. It fosters continuity between the organisation and its super purpose.

So integrity is not just anti-corruption or enforcement, but about your strategic implementation. It is about achieving your super goals. It is about you aligning yourselves very tightly with that super goal. Integrity also shows sustainability in our endeavours. It ensures that we deliver sustainably all the time.

What I am saying is that an integrity-based approach is potentially preventative in itself. It is also a much more profitable route than the big stick approach in prosecution and enforcement. So what have we done in the National Prosecuting Authority (NPA)?

**Integrity in the NPA**

A unit in the NPA called Integrity Management was established in 2001. A beautiful concept but it did not really come into focus. We thought we came very close to cracking it. We were dealing with a very new karma in the management practice.

Books are emerging with a focus on the subject. We are beginning to see some scholarship emerging around the issue of organisational integrity. The point I am making here is that this is a relatively new concept.

What we are saying conceptually is that integrity management must be systemic. It must be in the lifeline of the organisation. It must therefore deal with three critical issues. It must first deal with the organisation itself. Secondly, it must deal with the organisation’s vision and clearly articulated values for the organisation.

The question of a clear value state-
ment for an organisation is key. This is because values state how we are going to align our vision. They define your journey towards your vision. The question of leadership is also important and integral to this.

Thirdly, we thought that we needed to deal with the question of governance infrastructure – the systems, processes, policies and the whole cultural tapestry of the organisation. We need therefore to have a systemic approach to this by dealing with these drivers.

We said to ourselves that it is not enough that we have a mandate that we have to interact with – the Constitution. There were also our stakeholders that we had to interact with. They need to know the values that you have set.

We therefore said that integrity for us is these spheres operating in total congruence. It is that consistent alignment and compliance of the NPA and stakeholders, with the mandate – the super-goal. So we think we are getting there.

We then said to ourselves that this is not enough, we need to develop support programmes. One of them is advocacy which is a priority. You cannot beat me into becoming a man of integrity. So we dealt with the issue of advocacy by saying we need to communicate over and over again.

When system and administration are essentially weak in and of themselves, they create vulnerabilities for the meat eaters. They open up gaps for the meat eaters, the grass eaters and chancers.

The second programme that we have developed is prevention. We are saying here that you need to tighten your systems so that there are no gaps and openings. So you have to look at the health of your organisational system.

That is why organisational integrity is not about rooting out the rotten apples. You cannot deal with rotten apples all the time. That is why anti-corruption for me is good, but not enough. Why is the system forever vulnerable? That is the question we must ask. So prevention becomes key because we need to establish what in the system undermines integrity.

The third programme is enforcement. Enforcement becomes necessary only when you have dealt with the question of advocacy and prevention and still the problem persists. But enforcement on its own misses the point.

The drivers of organisational integrity

These are mainly leaders and values. Leaders are the ethical teachers of the organisation. What they do and say sends signals. What they do not say and do not do equally sends signals. On the other hand, values are beliefs about how we see ourselves and how we want others to see us. They give us identity.

Values also define what we stand for. Perhaps more importantly, values connect us to our vision. They also drive our strategy.

They are not nice ethical things that we do outside of our programmes, priority areas and key deliverables. They are an important part of these things. Good or bad values inform how we deliver services. If our value is timely delivery of services we would not have the rollowers that we see today.

Senior managers in government are presumed to be leaders. For me this is a formal notion of a leader. I do not believe that leadership is a position. I believe it is a choice. If we can drive this idea, we can unleash every employee to act and make leadership choices all the time.

If you become this informal leader who chooses to be a leader, you unleash pro-activity, accountability, responsibility and moral authority in people. One of the problems of corruption is the absence of moral authority. We need public servants with moral authority. We need civil servants who can go to a director-general or minister and tell them that their particular decisions were unethical and motivate why they think like that. That is moral authority.

What, therefore, is the role of leadership in building organisational integrity? Unless programmes are owned and championed by the top management of the organisation, such things will not take effect in the organisation.

Key for me in driving integrity is leadership sponsorship. This is because leaders of an organisation set the tone for the organisation’s culture. I am almost convinced that to qualify for a management position today qualifications might not even be important. People with character and integrity qualify more as managers. This is the case because leaders are key in advancing the values, vision and mission of an organisation. They are also a model of ethical behaviour, both symbolically and substantively.

In the NPA we put integrity in the performance contracts of the leadership. So for every senior manager in the NPA integrity management becomes a key performance area. We measure them on that and do not give a bonus if they fail to meet that.

Secondly, we felt that we need to support them by providing them with capacity to manage integrity. We are therefore developing a number of support materials.

Conclusion

Integrity in the organisation is key because it means being true to the super-purpose, and thus service delivery becomes a resultant variable. When I am true to my purpose, I cannot falter on delivering services because I live up to a purpose. In this scenario, service delivery becomes an inevitable.

Service delivery is viewed as an ethical imperative because its failure will not improve the lives of ordinary citizens. Service delivery is also viewed as a legal imperative because it is at the core of our mandates. So it is both ethical and legal.

Service delivery, or lack thereof, either harms or improves the reputation of government. Therefore organisational integrity gives a public organisation a comparative advantage. It is also a sustainable advantage. Nothing undermines the delivery of services more than lack of integrity.
Let me start by sharing a story with you. Some 15 years ago in our education system an inspector came to a school. He entered a classroom while a teacher was conducting a biblical studies lesson. At the end of the lesson (just to show his authority) he decided to ask a question. “Peter, who brought down the walls of Jericho?” he asked one of the learners. Peter looked at him and replied, “Certainly not me.” The inspector was shocked and asked, “Is there anyone in this class who knows the answer?” All the learners replied, “It wasn’t us.” Then he looked at the teacher and asked, “Certainly not me.”

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The inspector was furious. He got into his car and drove to the regional director’s office: “I have been to this school. I asked them who brought down the walls of Jericho and they said they don’t know.” The regional director looked at him and said, “What is your case? Just get three quotations and rebuild the walls.”

That is not the type of education system we want in this country. Our strategic objective should be to design a systematic and strategic response to the education and training needs of Mpumalanga province.

What are the challenges? We have challenges that were created for us by the legacy of apartheid. The legacy of an education training system was built on a discriminatory basis and practices, with profound effects on the state of the labour market and the spatial displacement of people we are looking at presently in the country.

The challenges of creating equity in the distribution of human resources development and opportunities for resources are ones that we need to tackle. Also the challenge of facilitating the strategic match between human resources development and outcomes.
and human resource demands of the economy. Let us look at the scope and scale of the issues that we need to tackle.

**The HR profile of Mpumalanga**

In Mpumalanga, 56% of the population is under 24 years of age. Just less than one million members of the population are in the public schooling system. Only 7% of the population is in the age group between 50 and 65. So we have got a young population comprising mainly Africans who account for 92% of the total, with 48% of this population female.

Only 55.4% of the African population in the province is economically active, as compared to 62% of the white population, 63% of the coloured population, and 62% of the Asian population.

The qualifications profile of the provinces shows that 37.4% of the labour force has no schooling, the second lowest in South Africa; 26.6% has secondary education; and only 18.2% has a Grade 12 certificate.

**The state of education in Mpumalanga**

The overall age distribution among educators has been stable since 1997 with two-thirds between 30 and 50 years of age. Of this, 11.7% is affected by HIV/AIDS. Of this population, 77% hold a Diploma in Education with less than 10% who are under-qualified. The pupil-teacher ratio is 1:34.5 which is favourable as compared to other developmental countries. Favourable rates of attrition stand at 5% per annum, which has declined from 9.3%.

Concerning qualifications distribution, 88% of the white teachers hold an REQV 14 qualification. Only 47% of black and coloured teachers still hold qualifications at REQV 10, 11 and 12. Only 1% of Asians are at REQV 10.

Looking at the efficiency of the Public Primary Schooling, the repetition rate is above national average of 10% at 18.5% in Grade 3. Throughput rate is high in Foundation Phase that is 3.5 years. The pass rates are lowest in Grade 1 at 77.3% and slightly better in Grade 3 at 80%.

When looking at the Matric pass rates, in 2001 Mpumalanga was amongst one of the two provinces that fell below the 50% pass rate. In 2002 it was one of the two provinces that fell below 60%. In 2003, it was the only province that fell below 60%. In the period between 2001 and 2005 the MDE never performed above 70% on average.
If we look at FET colleges, we notice that enrolments remain stable. The challenge of transforming these into first-class institutions remains huge, with an obvious need to align the sector with SETA requirements; learnership and workplace requirements, industry standards for equipment and infrastructure needs as well as the National Norms and Standards in some operations.

Addressing these problems

What is to be done to obtain equity in educational achievement? There is a need for targeted and preferential financing for the most disadvantaged learners and education communities. We need to have no-fees schools in Quintile 1.

Improvement in participation and performance in maths, science and technology must be targeted. We have programmes such as Dinaledi Schools. We have also set aside funds for improvement of maths and science in our schools. There is also a need for increased access to and utilisation of ICT across the public schooling system.

Quality teaching and learning materials and equipment must reach the poorest schools. This will involve eliminating backlogs and disparities in classrooms and other educational infrastructure.

There is a broader need to improve teaching and learning. To do this, we propose the establishment of a teaching academy or institute as part of INSET (NIHE) to improve the teaching capabilities of our educators. A provincial teacher assessment and evaluation body needs to be established to deal with deficiencies. We need to do an analysis of why our learners do not perform in some subjects.

To address teaching and learning challenges, we propose to deploy a proportion of skills development fund (SDF) resources in support of both PRESET and INSET development of educators. Furthermore, it is proposed that high quality teaching and learning materials and equipment be provided in classrooms. Furthermore, a co-ordinated and well-resourced response, with Health and Social Development, to the challenges of HIV, orphans and vulnerable children.

To improve matric pass rates, we need to deal with underperformance. We cannot continue with business as usual if we want to grow in this province. So we need to deal with those schools where we see continuous underperformance.

We need to look at methods of reducing workloads in combined schools. Some of these schools need to be split. A combined school is where you have a primary and secondary school in one. Teachers in these schools cannot always cope with both the primary and secondary teaching demands.

There is a need to review subsidies to underperforming independent schools. If you look at the results of the last Grade 12 examinations, there are a number of independent schools that can be classified as underperforming. We cannot fund underperforming schools to the detriment of our learners.

Furthermore, we need to strengthen the curriculum support and management of those schools. We need to put structures into place within the regions to support schools.

We have curriculum implementers and experts that can assist the teacher within the classroom and also provide material to unpack the curriculum for the learner. Institutional support services for institutions within the province must be developed and managed. We need to put in place a situation where there is support for principals who experience managerial problems, and for teachers and HoDs. Institutions need to be supported so that we can turn these schools into performing schools.

If we look at the FET college sector, there must be a response to the needs of the labour market in the province. Therefore we have developed recapitalisation plans for each of these colleges which are in line with the Growth and Development Strategy of the province.

The recapitalisation of the FET sector is a complex issue because once we recapitalise these colleges, we also need to implement a new curriculum. The current curriculum in these institutions is more than 30 years old.
current curriculum in these institutions is more than 30 years old.

Eleven new fields have been developed by the national Department of Education, but it is also up to these institutions to develop curriculum themselves that are in line with the skills development needs of the province.

The FET sector has to enter into partnerships with providers. Their programmes need to be aligned with industry standards. In order to do that, the facilities of these institutions must also comply with those standards within the industry. I have to state that the quality within our institutions is at quite a high level. Nkangala College achieved 9000 accreditation last year and I was recently informed that the Sibanda College has also received 9000 accreditation. That is a big achievement because it implies that the quality of education within that institution is of international standard.

Our province has a dire need for provision of higher education. In terms of the Higher Education Act there is a provision for the establishment of the National Institute of Higher Education (NIHE) within this province.

The department has started working on this, and a board will be in place soon for the higher education institutions that are operational within Mpumalanga. The task of this institute will be to look at the current spread of faculties which are operational in the higher education institutions within the province.

The scope of this will have to be looked at and decisions will have to be taken by the institute to see how the programmes currently within these institutions assist the province in the demand for skills and what is needed in terms of new faculties or programmes that have to be implemented within the province.

The national institute will also be able to assist with required research capacity development levels which will assist in our skills development and therefore contribute to economic growth.
When it was announced in May 2004 that South Africa will be hosting the 2010 Fifa World Cup it came after a long process of campaign and bidding processes with South Africa competing with a number of countries on the continent. This was after we had lost the first bid to host the 2006 World Cup which was won by Germany.

In the bidding process a lot of things had to be done. These included showcasing the infrastructure potential in the country, particularly sports facilities, specifically football stadiums, but also the overall infrastructure potential of the country.

Over and above this, there were a number of requirements that had to be met by the Bid Committee supported by government. One of the requirements by the Federation of International Football Association (Fifa) was that the potential host government should make certain commitments. These are in a form of guarantees which the government has to make to Fifa.

There were 10 cabinet ministers who had to sign guarantees. Amongst them was the Minister of Home Affairs which deals with entry and exit permits, immigration, and customs. This relates to special provisions which have to be made if a country is awarded the right to host the World Cup, by providing special privileges in terms of entry and exit to the country and that the country will also recognise senior officials within Fifa.

It has to be mentioned that there is a hierarchy within Fifa in that the President of Fifa is treated like a head of state.

Some Fifa officials are already in the country. One of the projects they are working on is the construction of Safa House at the FNB Stadium in Nasrec. Safa House will, for the duration of the preparation of the World Cup, be utilised by Fifa officials, sharing it with...
the Local Organising Committee (LOC) and South African Football Association (Safa).

So there will be a number of Fifa officials, especially after the German World Cup, who will be descending on South Africa. The government has to make a commitment that there are no hassles in obtaining work permits as they will be working here for the next four years until the World Cup takes place in 2010. The number of these officials coming in will increase by October and Home Affairs has to be ready for this.

In Finance – customs duties, taxes, foreign exchange, banking – Fifa officials have to be given exemptions in some of the requirements in these areas. The Fifa sponsors such as Coca Cola, Hyndai and Sony have to be exempted from paying taxes when they bring their goods to the country in preparation for the World Cup. This applies to goods they will take back after the World Cup.

There is also an ongoing discussion on curbing Value Added Tax. They would want VAT for tickets and other expenses of Fifa to be kept at 10%. These are some of the discussions that Treasury and the South African Receiver of Revenue Services (Sars) are having with Fifa. The Minister of Finance has signed a guarantee to say that all these things will be considered.

Foreign Affairs has also committed itself on issues of entry and exit. We have also made commitments on national anthems and flags by promising to create a database of all the countries that will be coming to the country.

On Safety and Security, we have to guarantee that we will do everything possible to guarantee the safety of all participants and fans, with senior officials getting VIP protection.

In the area of Communications, the whole tournament centres on television from which Fifa and its sponsors derive their revenue. We therefore have to guarantee that we provide the best facilities for transmission of the matches.

From the Transport point of view, the success of the tournament is not only based on the stadiums, but it is also based on efficient transport systems for the officials, teams and fans. It is expected that over half-a-million soccer fans will descend on the country, and possibly another 400 000 to half-a-million who will be coming here to just experience the country. The success of all this depends on an efficient transport system.

In the area of Hospitality, Environment and Tourism, there has to be an undertaking that hotels will be made available with the required quality. Especially for the officials and teams, we are looking at providing close to 50 000 rooms. For officials, it has to be five star or four star hotels. Anything below, is not suitable for the Fifa officials and the teams. The rest then go to the fans, including bed and breakfasts.

Part of the guarantee is that prices will be frozen from January in 2010 so that places of accommodation do not inflate the prices. Hotels accommodating Fifa officials will have to reduce their prices by 20%.

For Trade and Industry, there needs to be protection of Fifa marketing rights.
because this is another area where they make their money. There is a lot of ambush marketing, where the World Cup is used for business. As a host country, we are obliged to protect the trade-marks of Fifa including its intellectual property.

From the Justice Ministry, in terms of the laws of the country which are specific, which for the purpose of the tournament may not apply to Fifa officials and indemnity is exercised. I have mentioned a few of these above, including taxation and so on.

In medical emergencies and disaster management, we have made a guarantee that we provide the best available health services for the officials, players and fans. The President of the country also had to sign a declaration committing all spheres of government to a successful implementation of the World Cup. These guarantees provide the basic foundation of why government is a major player in the 2010 World Cup.

Legacies of the World Cup

We are also saying that in doing this, government is going to make a major investment to make this a reality. All the host cities have to invest by providing the necessary sporting infrastructure. The tournament will be held in nine cities using 10 stadiums, including in Mpumalanga province. It is going to be a major infrastructural investment.

Therefore we are saying that having made these commitments, government across all spheres must make sure that this investment leaves a legacy for the people, that it adds to the accelerated growth (6% growth rate in the economy) which has been the focus of government.

It must contribute to decreasing the levels of unemployment and poverty. When the tournament has come and gone, the majority of the people should feel that it was worthwhile and there is something they can show to say that they got something from the World Cup.

Beyond business and economy, the tournament should leave a social and a political legacy. When we were bidding for the 2010 World Cup, we said we are not doing it for South Africa alone, but for the African continent. The southern African region and the continent as a whole must gain from the tournament. In this regard, the motivation for the choice of Mbombela as a host was proximity to some of the SADC countries such as Mozambique and Swaziland.

During October when we had the Fifa delegation in South Africa to inspect the preparation and the facilities, we extended that visit to Maputo in Mozambique and Mbabane in Swaziland. This was done to show that there is a commitment not only South Africa benefits, but also the southern African region.

I would imagine that since the Free State province will host some of the tournament’s events, a country such as Lesotho will also benefit from that. Also in the North West, some facilities in Botswana will be utilised, and in Limpopo some facilities from Zimbabwe can also be utilised. This could range from warm-up games to hotels.

We are also looking at other ways, from a tourism point of view, that will go beyond the borders of South Africa. That is the kind of legacy that we would like to leave.

Resource allocation

From the commitment of government as it stands now, if we look at stadiums alone, Treasury has made a commitment of R3 billion to upgrade stadiums with a possibility of going up to R5 billion. It is going to be more if you take into account the inputs from provinces and municipalities because for each match venue, there has to be at least four other sporting grounds because each team must have its own practice ground.

We are also looking at warm-up match venues. In terms of sporting facilities there is going to be quite a lot more spent than indicated above.

I must re-emphasise that transport overall is very important to the success of the World Cup tournament. Treasury has made a commitment and has started making allocation to the national Transport department which has been allocated to the cities. Already over R240 million in this financial year has been allocated to this function.

Overall the plan is to make available R3.7 billion focused on the transport infrastructure for the upgrading of road networks and transport facilities in the host cities.

The Airports Company is also spending over R4.5 million in the upgrading of airports. I do not think this includes the planned King Shaka Airport in Durban.

In telecommunications the estimated resource commitment is about R2.5 million for the upgrading of the satellite infrastructure, broadcast networks and telecoms. The money that will be spent on infrastructure over the next four years is in the region of R15 billion, not specifically for the World Cup, but to make sure that there is efficient infrastructure that will remain and assist in the acceleration of our economic growth.

In the processing of this development, the money must not only go to big companies. It must also go to SMMEs and have an outreach to as many people as possible.

The structure of the implementation

At the national level, the body which is charged with the responsibility to deliver the tournament in 2010 is the LOC. The LOC is a Section 21 company created by Safa after having obtained agreement with Fifa. When Fifa awards the right to host the World Cup, it does this to its member in that country. In this case, Safa is the member and had to decide how they want to structure themselves in their plans to host the World Cup.

In discussion with government, there was an agreement that a special vehicle, the LOC, should be created. It was agreed that the LOC will comprise Safa officials and government officials (four ministers and one deputy minister).
There are also four people from the business sector. LOC is the official World Cup organising vehicle on behalf of Safa.

Government, having made all the guarantees mentioned above, has seen it fit to independently create its own structure to oversee implementation. In this regard, the President and Cabinet decided that an inter-ministerial committee should be created, to be constituted by the ministers who signed the guarantees mentioned above, but also other departments that are relevant to the programme, such as local government and the Department of Public Works.

This inter-ministerial committee is chaired by the Deputy President, with the Minister of Sport and Recreation as deputy chair.

This committee decided that the Technical Committee should be created to implement its mandate. This Technical Committee is made up of senior officials from the departments whose ministers sit in the Inter-ministerial Committee. Again, senior officials from chief directors upwards whose ministers are in the Inter-ministerial Committee constitute a Technical Coordinating Committee to ensure that government obligations are implemented.

There was a realisation that for this to be effective and not just a Coordinating Committee, we need a permanent structure that will run the day-to-day activities of government and interact with the LOC and other stakeholders to make sure that government’s mandate is implemented. A Project Management Unit was created to ensure that all the government guarantees are implemented.

The question is: The World Cup is taking place in local cities, municipalities and provinces, what then do you recommend in terms of what the coordination should be? This is a question that has been raised in a number of meetings. We should be aware that the President is under pressure to get off the ground in terms of infrastructure projects, especially stadiums if the cities, including Mbombela.

Questions have also arisen about how to coordinate this because although the World Cup takes place in a particular city, responsibilities in preparation go beyond the city. Our advice to the provinces and cities has been that it would be advisable to look at something similar to what national government has done.

The province, municipality and city should create a coordinating structure at the political level as an oversight. In most cases, this has already happened. It is just that the way it is done is different from area to area. We are not overly concerned about that, as long as there is buy-in from stakeholders.

From a purely technical and legal point of view, the LOC enters into a contractual agreement on behalf of Fifa, with the hosting city. These contracts have already been signed. This had to be done urgently because normally, in terms of the agreement with Fifa, they only make decisions in terms of stadiums, a year after the previous World Cup.

In other words, as the World Cup is in Germany this year, they would only make decisions on South African stadiums in 2007. This is problematic for a developing country such as South Africa where you cannot spend money on 15 stadiums when only 10 may be chosen.

The plea was made to Fifa to bring forward the date in which they can make commitments on stadiums that have already been chosen by the LOC so that we can know that the selected 10 have Fifa approval. We were assured by Fifa that it is quite unlikely that they can change what the country has already decided. They agreed that the 13 venues which were presented during the Bid should be reduced to 10.

So from the legal point of view, the LOC – on behalf of Fifa enters into those agreements with the city. Also in terms of buy-in from other stakeholders we advise that other broader forums need to be created because key in the preparation for the World Cup is the question of communication and the sharing of views.

Conclusion

We are in a position where we need to consolidate our plans at the city, provincial and national levels. Once the World Cup tournament in Germany finished on July 9, the focus is going to be on South Africa.

We need to convincingly say that we are on the road to readiness, especially as far as stadiums are concerned. That is why we have been saying that all those stadiums which have been selected must start the process of appointing their professionals to ensure that at the latest by November this year contractors should have been appointed and possibly be on site.

These stadiums have to be ready by July 2008 which will give us 18 months. At the latest, they have to be ready by January 2009. This is because in June 2009 we have the foreunner to the World Cup, the Confederation Cup, in which eight countries – including South Africa – will participate.

In trying to get ourselves organised at the national level we propose also that the city and province must put necessary structures in place. We have grouped the departments into four – the Infrastructure Cluster, Business Opportunities Cluster, Socio-political and Legacy Cluster and Health and Disaster Management Cluster which includes police, health services, and intelligence.

We will be communicating with cities and provinces to try and streamline this so that in the latter part of the year we make sure that we have got our plans ready. That is why it is critical that all the host cities appoint their architects, quantity surveyors and so on. By June this year they should have at least their preliminary plans with costs so that we are able to go into the first part of tendering. This is important because towards the end of the year we should be starting to think about the full implementation of the project. We are looking forward to further discussions with the province. A lot of us are anxious and excited and I am sure we can count on the province’s assistance and support.
During his State of the Nation address in 2005, President Thabo Mbeki said: “Certainly it is a reflection of weaknesses in the governance system that the plans to build school infrastructure are unfolding at a much slower pace than envisaged.” He went on to say: “We need massively to improve management organisational, technical and other capacities of government so that it meets its objectives.”

In the 2006 State of the Nation address, the President said: “We must ensure that the machinery of government discharges its responsibilities effectively and efficiently, honouring the precepts of Batho Pele.” He continued, “We cannot allow that government departments become an obstacle to the achievement of the goal of a better life for all because of insufficient attention to the critical issue of effective and speedy delivery of services.

“Integration of planning and implementation across the government spheres is therefore one of the prime areas of focus in our programme…”

Here I am going to touch on some of the solutions that we are engaging to address the issues that the President raised.

Context of infrastructure delivery

If we look at our goal and the President’s goal, the agenda is clear in terms of improved service delivery. The means is very important, because you cannot deliver services unless you have the infrastructure to deliver those services. The functions in infrastructure delivery involve planning, implementation and the maintenance of infrastructure. Generally our responsibilities for that lie with client departments, implementing agents and again the client department in terms of maintenance. Clearly there...
are a number of role players that are involved in infrastructure delivery.

**Reasons for poor infrastructure delivery**

Here we have what we call the "triple constraint" which involves quality, budget and time. It is enough of a challenge to deliver projects with the correct quality and scope, on time and within budget without any of the additional challenges, like some of the aspects that we have found in terms of inefficient and inappropriate delivery systems and processes for planning, budgeting and implementing.

There is also a lack of asset management systems and plans, and inadequate infrastructure delivery management skills. This leads us to the question: Do we have the capacity to deliver infrastructure that is so necessary, especially in terms of the increased infrastructure budgets that will be coming out in the future?

We also have expenditure and cashflow constraints. We are required to expend our budgets within the financial year otherwise we get accused of under-expenditure. There are also inefficient institutional arrangements which involve unclear roles and responsibilities between client departments and implementing agents.

There is also the issue of inappropriate political promises and pressure to deal with backlogs that we face in our country.

Who is to blame? There is a blame game that happens between client departments and implementing agents. This leads to a breakdown in relationships.

I have realised that it is not about technical expertise. It is also not about knowing what to do at the right time. It is about preventing a breakdown in relationships. It ends up as an issue of people knowing what to do at the right time. It is also about preventing a breakdown in relationships. It ends up as an issue of people not being able to perform these particular actions. Per action, one can clearly see who is responsible for that and when that should be done.

In addition, there are performance management audit documents. In our delivery management work process we address the issues of: What needs to be done? When should it be done? How is it done? And who is going to do that? That can be customised per department and between the client department and the implementing agent to define what gets done when.

Then we can look at where one comes to an agreement with regard to these functions? And who is going to do them? In KwaZulu-Natal the DoE has up to six implementing agents. In Mpumalanga they only use the DPW. So
we have a client department and implementing agents.

In the Service Delivery Agreement that is where there has to be an agreement as to "who" and "what" is to be done. It is agreed and signed off between the client department and the implementing agent. This is very important. It clearly defines the roles and responsibilities of each department. It can go further than that, in terms of taking that down to actual performance agreement level and individual performance agreement level. Until we take these service delivery agreements to the performance agreement level, we are not going to be clear who is responsible for the various functions.

The agreement provides an open communication channel for information to flow between the client department and the implementing agents. Again, communication issues are important in maintaining these relationships. Something that we have noticed throughout the country is that where there is a breakdown in relationships delivery does not happen. Where you can rectify these relationships, things begin to happen.

Furthermore, agreements improve ownership of infrastructure programmes by all departments as each department knows what it is responsible for. It is even required when project delivery is undertaken in-house by the client department. The principles that I am outlining here, whilst I am talking specifically to provincial infrastructure, can also be taken down to local government level.

At the local government level, the infrastructure is both planned and implemented by the same organisation or municipality. In that municipality you would find that there is a certain section that is responsible for planning and another for delivery. Often, you have a breakdown in relationships between these two sections within the same organisation.

In the area of infrastructure delivery cycle, I want to outline some of the current problems associated with the infrastructure delivery programmes which often lead to under-expenditure or inappropriate expenditure patterns.

We have an infrastructure plan which needs to be updated annually. It sets out the targets and the priorities in terms of infrastructure for the next 10 years. In that plan (a Tender Plan), there is a list of projects to be carried out in the next 10-year period with more emphasis on the next year and the next three years.

The tender takes in the order of 20 weeks. It is an indicative project design life which can be shorter or longer. Generally it is in the order of five to six months for the typical types of projects that we have been implementing in Education.

In the area of project implementation, bear in mind that we have allocated the money to year one, but because we tender, there is very little expenditure that can happen. So we try to implement the projects in the latter half of the year. We allocate the entire budget to this year, but in terms of expenditure we do not reach 100 per cent because the project is impossible to implement in that short space of time.

So what happens is that we roll-over the money and implement the rolled-over unspent money. This ends up being our expenditure pattern. No wonder we are not spending the money in the year that it is committed to.

If we roll that project out, year after year, rolled-over unspent budgets become the order of the day. Because they are rolled-over unspent budgets, the focus is on them - it is incorrectly on them because that leads to urgency and we know that urgency means chaos management.

So we are focusing on trying to spend the money that was not spent in the year that it was allocated to. It is not only in the area of supervision that roll-overs can be prevented, it is in the area of project design and planning process that one undertakes.

### Proposed infrastructure delivery cycle

Here we are saying that infrastructure planning should happen at the time we have been allocating it to. We are introducing new plans - the programme management plan and a programme implementation plan.

Let me provide a brief context for this. I have pointed out above that the client department enters into an agreement with its implementing agent or agents. We have the infrastructure plan that is done by the client department. Out of...
that 10-year infrastructure plan, we need to produce a more detailed three-year management plan.

That programme management plan is then issued to implementing agents. It tells the implementing agent what needs to be done. It states the projects that need implementation. In response to that plan, the programme implementing agents are able to respond with an infrastructure programme implementation plan.

In other words, they provide the work plan which details how the infrastructure is going to be delivered on behalf of the client department. The ‘how’, ‘who’ and ‘when’ is going to be detailed in the programme implementation plan prepared by the implementing agent.

If we go back to the cycle of infrastructure delivery, we find that in this process we can find an agreement between implementing agent and client department. It is at this point that we know what is going to be done, who is going to do it, how it is going to be done and when it is going to be delivered.

Now we can go to the project design phase with far more clarity and confidence than we have in the past. We can tender those projects. We can also have contractors on-site in April in the year in which implementation should take place.

I am under no illusion that the projects will be completed in that year, but if we put plans and designs in place correctly, we will now have planned multi-year commitments as opposed to rolled-over unspent budgets. So we can have planned multi-year commitments coming through.

This means we can monitor and evaluate and report throughout the cycle. Traditionally we have only been monitoring since project implementation or the construction period started. We are proposing the monitoring and evaluation goes right back to the beginning of the programme.

What do planned multi-year commitments mean? If we look at best practice project budgeting and our improved infrastructure delivery cycle, and projected monthly and accumulative cash flows, we can see that our project design is done in the first year with a certain amount of expenditure.

That is what we need to allocate for and commit to in year one. It is a smaller amount of money that we are committing to the first year. When the project implementation gets underway, we have monthly projected cash flow for that. We can work that out accurately in planning and project design which is another portion of the budget and a portion to year three.

That is what the medium term expenditure framework is for. It is to commit money to the outer years, not to put money for one year and then roll it over to the next year. Eventually we pay out the retention which can be committed from year four so that we have a more appropriate allocation and commitment of budget across the MTEF and even going beyond it to year four.

Looking at this infrastructure delivery cycle, very quickly one can see that these are all concurrent infrastructure delivery activities that need to be undertaken in each financial year. We are planning the completion of our planned multi-year commitments. We will start implementation of new projects as well as maintenance.

When we talk about infrastructure we do not only talk about acquisition or building of new infrastructure, but also maintenance of our existing infrastructure as well. So we are designing and tendering for projects that are going to be implemented in the next year. We also have to go through our process of infrastructure planning, programme management planning and programme implementation planning all over again.

The question that arises is: Do we have the capacity to do all these activities concurrently in our departments? Do we have the capacity in our treasuries to monitor all these activities concurrently?

In the State of the Nation address, the President spoke about capacity. How do we get capacity into infrastructure delivery in our country?

Infrastructure programme management function: client department

Programme management involves both the client department and implementing agents. We have to ensure that service delivery agreements are entered into with implementing agents. Client departments also need to formulate an overall Infrastructure Programme Management Plan (IPMP) for the client department.

It has to coordinate the inputs that are needed by the implementing agent(s) in order for them to do their work. For example, through the provision of the infrastructure plan, approvals needed, norms and standards, reporting and
financial administration procedures that need to be followed. We need to ensure that the implementing agent(s) prepare an Infrastructure Programme Implementation Plan (IPIP) for their assigned projects.

The client department also needs to review and obtain departmental approval of the IPIPs and report progress and expenditure to the department based on the reports received from the implementing agent(s) in terms of the IPIP. It has to administer payments to the implementing agent(s) based on the agreed cashflow, progress achieved, and criteria for payment.

We need to coordinate the handover of the finished projects from the implementing agent(s) to the appropriate operations functionaries of the client department.

As a client department, we need to tell our implementing agents exactly what we want them to do for us.

The IPMP sets out the detail of work for the next three years and this is based on an updated infrastructure plan as well as the draft annual performance plan. In year one we need a very detailed plan of what the projects are that were not completed last year and planned to be completed next year. Not rolled-over, but which was planned and committed budget from year one.

It is also about how we evaluate and put management plans, including risk, quality, communications and so forth.

**Infrastructure programme management functions: implementing agent**

Implementing agent functions involve ensuring that service delivery agreements are entered into with the client department. They have to formulate an overall IPIP for the implementing agent. They have to procure professional service providers to undertake project designs and prepare tender documentation.

Furthermore, they have to coordinate the tendering processes and appoint contractors. They should report progress and expenditure to the client department based on the reports received from the contractors via the professional service providers.

Administering payments to the professional service providers against approved invoices is one of their major functions. This includes administering payments to contractors based on payment claims approved by the professional service providers. They should also coordinate the handover of the finished projects from the contractors to the client department.

What must the implementing agent do to manage the implementing process? The IPIP follows the same format as the IPMP. The differences include the fact that the IPIP is prepared by the implementing agent. It is also prepared in response to, and validates, the implementing agent’s understanding of the IPMP.

Lastly, it will only contain the work which that particular implementing agent has been contracted to undertake.

**Conclusion**

One of the misconceptions out there is that the total infrastructure budget should only be allocated to project implementation. We are saying that yes, where the bulk of the money is required, but we need to make sure that we have allocated money to our planned multi-year commitments that are going to be undertaken in this year.

We need to allocate money for project design for implementation that is going to happen in the next year. We need to be funding our infrastructure plan update because we might need professional service providers to come and assist us, especially in the area of demographics analysis which we would not have in-house in terms of our own capacity.

We need to fund organisational support that may be required. So in terms of our total infrastructure budget we need to be committing it to a number of aspects, not only in the implementation of projects.

Clearly service delivery is high on the President’s agenda. Service delivery is reliant on effective infrastructure delivery. Effective programme management is key to unblocking the challenges relating to infrastructure delivery. Programme management can be improved through the application of the methodologies and tools discussed in this presentation: service delivery agreements, following due process in the infrastructure delivery cycle; applying best practice project and programme budgeting methods; and understanding the differing programme management functions.
The idea of corridors comes from Spatial Development Initiatives (SDIs). These initiatives came about because of the perceptions that are normally articulated about the African continent. The fact that we do have potential, but we only receive 2% of foreign direct investment as opposed to other countries.

The continent is seen as being unstable and unpredictable. It is further stated that the conditions make us fail to boost national and local economies. We are also accused of the inability to create regional economies which can host significant investment.

However, in Southern Africa nations are creating regional economies that benefit all. For example, Swaziland, Mozambique and South Africa are cooperating to create regional economies in forming a development corridor that will benefit all. We have done that through signing memorandums of cooperation. This benefits all of us.

Spatial Development Initiatives in South Africa

As a result of apartheid, people were placed far from their places of work. There was no consideration given to whether people lived close to work or not. SDIs are a macro-economic strategy by the government done in specified areas for a short period of time only.

It is trying to close the space gap that has been referred to. It identifies potential growth prospects, policy conditions, commitment and compelling business cases.

The process includes buy-in from participating governments by formalising memorandums of association, appropriate organisational arrangements and detailed business plans for implementa-
We have institutional and organisational arrangements and detailed business plans for implementing them. In South Africa, SDIs promote export orientation of South African firms and help us earn foreign exchange. They are being used to attract private investment. We use public resources in order to crowd in private investment. SDIs try to ensure that we better utilise infrastructure and resources and ensure sustainable job creation.

One of the advanced SDIs is the Maputo Development Corridor that links Gauteng, Mpumalanga and Mozambique. Another SDI is the Moloto Development Corridor located in the western region of Mpumalanga linking the province to Gauteng and Limpopo.

There is a total of 11 SDIs in South Africa.

Development corridors

A development corridor is a linear strip traversing urban or inter-urban areas surrounding a major transport facility for accessibility to adjacent areas. It can take the form of a national road, railway line or airport. It comprises multi-sectoral spatial development to enhance economic reconstruction of the regions concerned.

The aim is to try to eliminate barriers to trade, because lack of transport can be a barrier to trade.

Lastly, it uses public funds to crowd in private investment.

Why do we need corridors? Corridors enhance the movement of goods, services and people from landlocked regions to coastal areas. If you think of Gauteng, it is landlocked, but most of the economic activity happens there. For Gauteng to be able to import or export goods, it needs access to facilities such as ports and harbours. Hence they need to have the corridors.

The longer the distance that you have to transport goods the more costs
increase, and the more expensive it gets, productivity gets reduced. Hence the objective to minimise distances or to make them as cheap as possible. If you reduce the costs, you improve the competitiveness of our goods. This means our goods can compete favourably with goods from other countries. We can therefore grow the sales and market share within the global sphere. Once we increase the share of our market we are able to create jobs, improve our international cooperation, have peaceful trade and improve the standards of living of the citizens who live along the corridor.

The Maputo Development Corridor

It stretches from Gauteng – with large concentrations of manufacturing, processing, mining and smelting industries – and moves eastwards to Mozambique through industrial and primary production areas containing steel mills, forest plantations, sugar cane, bananas and citrus.

The Mozambican ports of Maputo and Matola provide the nearest facilities for importers and exporters. The main arteries are the N4 highway and the railway, both of which support high-volume, seamless, cross-border freight services.

People who do business have discovered that the Maputo Corridor is nearer and cheaper to use because it is not as congested as the Durban harbour. An increasing number of business are using the Maputo Corridor to import or export their goods.

The corridor consists of a secondary corridor area (50km radius along the N4) and petro-chemical cluster comprising a tertiary resource node. Phalaborwa SDI route connects Mpumalanga to the newly acquired Bobahela district, making it an important part of our development plans. It extends to the Gauteng SDI, the Platinum Corridor, Lobatse SDI and finally into Walvis Bay SDI, making it an important part of Coast to Coast SDI.

Objectives of the Maputo Corridor

One of the key objectives of the corridor is partnering with the private sector on the primary infrastructure network, including road and rail linking South Africa and Maputo, the border posts and Maputo port. It also seeks to maximise investment potential and added opportunities emanating from infrastructure rehabilitation.

It is intended to maximise social development, employment opportunities and increase participation of historically disadvantaged communities. Lastly, it seeks to ensure sustainability by developing policies, strategies and frameworks that ensure holistic participation and environmentally sustainable approaches to development.

The corridor moves past the poor areas and will benefit these people in the form of job creation. There is a project which has been introduced by the Department of Roads and Transport where SMMEs are given the task of looking after a particular road. It is part of the EPWP that feeds into what is happening to the corridor.

The corridor has specific economic aims. These include fostering trade between Mpumalanga and Mozambique; development of trade investment and tourism; reduction in the costs of transport and costs of doing business; poverty alleviation, job and wealth creation; providing a scope for further development of major exporting industries; and fostering development of downstream economic activity and empowerment of the PDIs.

Progress on Maputo Corridor

The N4 highway has been finalised. Electricity and telecommunications linking the two countries have been established. The Mozal smelter has created many opportunities for the local population. Efforts to rehabilitate the Mozambican rail line with South Africa are well in progress. Border post operations hours have been extended with the possibility of 24-hour service in the near future. An industrial base has been established through the airport and SASOL natural gas project. Up to 2005, the volume of business between the two countries increased to five million tons, a growth of over 15%.

There is a range of anchor projects for the corridor. These include projects in tourism and agriculture; the Dullstroom Dam Resort worth R10.5 million; the Belafast Dam Resort worth R8.5 million; Lydenburg Lodge worth R7 million; Machadodorp worth R5 million; five towns project worth over R50 million; Kruger Malelane junction project at Nkomazi worth over R10 million; and KMIA cargo terminal and Industrial Park projects which can be over R100 million.
Challenges

The projects that are identified above were seen by investors to be too expensive. Relating to this, the concerns of investors were not properly addressed. There is also a lack of capital and expertise in local investors hampering joint venture possibilities.

Projects that were packaged only addressed job creation and not equity or BEE issues which made it impossible for local people to participate. Also, the timing of exit by provincial and national government as SDI by their nature are meant to be short term.

But the exit has posed challenges. The corridors are supposed to be handed over to the private sector. However, it is the responsibility of government to firms across the value chain to enhance their collective efficiencies.

There is a need to increase the scope and competitiveness of transport services. Border procedures also need to be improved. Enhancement of information services is still a challenge. Furthermore, accelerated promotion of investment zones and how to involve SMMEs on projects such as road maintenance is one of the major challenges. The level of state control and involvement and the definition of the roles of government and its responsibility are still unresolved issues.

The project is lagging behind on world trends for electronic company registration. There are visible limitations in the role of the Mpumalanga province on national competencies. In addition, role clarification on both government and private sector regarding development corridors is not clearly delineated. There is visible lack of resources and equity by PDIs in Mpumalanga. There are also challenges in the area of land policy.

Some of the areas where development is to take place is land where land claims have been made. This might delay the projects.

There are also institutional challenges facing the initiative. One of the companies which is at the forefront in promoting the Maputo Corridor is the MCLI which now has a relationship with provincial government.

The challenge is the issue of institutional arrangement between the province and the MCLI. There is also the lack of project management skills in Mpumalanga province and at municipality level.

Moloto Development Corridor

This corridor, which involves Limpopo, Mpumalanga and Gauteng provinces, is an AsgiSA project worth around R2 billion. It is meant to address public transport systems to connect communities in the western region of Mpumalanga and Tshwane metropolitan area.

It seeks to sort out the disconnections created by apartheid. Public transport in the form of taxis and buses will provide feeder services to major transfer stations which will serve as a catalyst for economic development in the areas.

Due to the high number of people travelling, rail transport is seen as more suitable for Moloto due to high volumes, long distances and operating conditions. The project aims to reduce travel distances, time, costs and other socio-economic problems. It intends to create economic activity along the corridor to benefit local communities.

It will reduce the dependence of the western region on Gauteng metro areas. It is the best cost-effective option compared to the relocation approach. There will be a benefit in that there will be a closer proximity to Ekandustria with labour intensive manufacturing industries linking it to the Maputo Corridor.

Due to long distances and low densities, potential investors are discouraged, thus making public transport less attractive. In order to optimise mode economics, there is a need to give priority to busways and a few rail corridors.

The current transport system is outdated and inefficient. It is unaffordable to commuters and government; there are long travel times; quality of service is poor; there is traffic congestion; roads are overloaded; and there are widespread traffic accidents along the Moloto Road.

In the area of socio-economics, we face the problem of distortions in demographic data; there is a lack of proper economic base and diversity; places of home and employment are too separated; there are low income levels; local employment and production is lacking; and the accessibility of the area has made it unattractive to investors.

This corridor hopes to improve the transport system by making it affordable and sustainable. It also seeks to stimulate local economic and social development; create employment opportunities; initiate spatial reform; uplift people in the rural areas and entrench national parity and equity.

Conclusion

I cannot overemphasise the importance of transport in growing the economy. In fact some people think of transport as the lifeblood of the economy – that without a good transport system you cannot grow the economy.
What we need to do is integrate plans between the national, provincial and municipal spheres of government so that we can maximise the benefits of corridors. There is still more work to be done in the repackaging of these projects to attract investors.

SDIs as a macro-economic policy offer opportunities for growth and development. However, they do not guarantee that the environment will be protected. There is a risk that people may migrate to the areas along corridors and these will need to be factored in project management. I am told that the risk of people migrating to such areas is very minimal because there is no space.

Recommendations that I will put forward is that when we do corridors, we need to make sure that we expand them to link them to the Steelpoort feeder link of the Maputo and Platinum SDIs. The scope and competitiveness of transport services must be increased with additional capacity, higher service levels and more competitive rates.

The challenge with the Moloto Corridor is to market it to attract local and foreign direct investment. We need to get buy-in from all the stakeholders so that the success of projects is ensured. What usually make projects fail is when someone comes along and says we were not consulted when the project was introduced. Having said that, trying to get buy-in should not delay the project unnecessarily.

The project of building a railroad on the Moloto Corridor will need to be completed timeously, because some of these projects are criticised because they take a long time and become costly. If it is finished in time, people can believe in it and it can attract investors.
The key question is: What informs the policy frameworks of the cluster? A range of issues influence it. The policy framework is informed by the Medium Term Strategy Framework (MTSF), which falls within a five-year plan. It is also informed by the National Development Framework (NSDF) and the State of the Nation Address.

In addition, the Minister of Finance regularly issues Medium Term Budget Statements (MTBS) in which the priorities that are focused on are made known so that the monies that are to be spent are spent on those priorities.

The Provincial Growth and Development Strategy (PGDS) is a five-year strategy that also informs the planning within the cluster. It can also include Vision 2014 and the Growth and Development Summit agreements.

Lastly, we are informed in our planning by the State of the Province Address and preliminary allocations of letters which are sent to different departments in order for them to know what the areas of focus for that financial year are.

Relevance of priorities

We must have priorities because they support the planning and budget framework. Issues such as poverty are prioritised for budget support. Priorities are important in that they help us ensure that we can achieve MTSF, National Spatial Development Framework, PGDS, vision 2014 goals, and AugSA objectives, particularly the overall national goal of alleviating poverty.

We also use priorities to drive the state towards accelerated growth, equitable share of resources and job creation. Priorities also assist with the alignment of policies, plans, budget and service delivery.
Medium Term Strategy Framework

The most important to us in the Economic Cluster is the Medium Term Strategy Framework. The MTSF is based on the unilateral mandate manifesto of 2004 which identified key objectives to be achieved by 2014.

The MTSF, therefore, has a range of key objectives. These include reducing poverty and employment by half; providing skills required in the economy; compassionate government service; and the achievement of better national health.

Furthermore, MTSF seeks to ensure that South Africans are able to exercise their constitutional rights and that the country is positioned as an effective force in global relations. Lastly, the framework seeks to significantly reduce the number of serious priority crimes and cases awaiting trial and provide a compassionate government service.

In order to attain these objectives, there must be economic and fiscal trade-offs; increased rate of investment; private sector investment; public sector investment in service; economic activities within the second economy need to be facilitated; human resources need to be preserved and developed; societal and international relations improved; the state capacity to growth and development improved; crime combated to facilitate economic growth; and there has to be international growth for growth and development to take place.

Economic Cluster Programme of Action

At national level, the programme of action of the economic cluster intends to ensure aligned and supportive macro-economic approaches. I must indicate that there are many activities involved.

One example of these activities that directly link to the Mpumalanga province is the finalising of government’s approach to the issue of import parity pricing, including intensifying negotiations with key private sector players.

The programme at the economic cluster also entails the building of a competitive and labour-absorbing economy. Activities here that relate to...
Mpumalanga province involve formulating industrial policy framework, including beneficiation, investment plans, and trade linkages and so on.

Secondly, activities involve accelerating growth of the tourism sector, concentrating on key constraints which include skills development, marketing and so on. Lastly, activities here include the finalisation of the culture industry strategy.

The third objective in the programme of action is a massive increase in public investment. Here, Public Private Partnerships (PPPs) in infrastructure development should be strongly supported.

The fourth aspect of the national economic cluster’s programme of action for 2006 is in the area of equity and development. Here, activities include ensuring the incorporation of SMMEs’ needs in sector strategies, and promoting specific sectors such as arts and craft to benefit second economy communities. In addition, the implementation of the EPWP needs to be intensified.

The last planned action seeks to ensure the availability and development of priority skills for the economy. On this, the 2006-2007 annual targets of the national skills programme, including learnerships and apprenticeships, need to be achieved. This is all at the national level.

SONA and SOPA

There are several overlaps between the State of the Nation Address (SONA) and the State of the Province Address (SOPA). They both move from addressing public expectations, which include addressing poverty, underdevelopment and achieving the economic growth of 6%.

Most important on the economic front, the strategies that have been identified include strengthening Black Economic Empowerment; supporting Asiga; focusing on youth, women and the disabled; support on specific sectors; support of the 2010 World Cup; and building partnerships such as Nafcoc.
We went through a two-day workshop at the beginning of 2006 to identify all the areas that we needed to focus on. We then discovered that, in the first place, we do not have an economic development strategy. In all our work, we have to start with this strategy.

We are well aware of the problems of skills development and skills scarcity. We decided that we have to identify the skills gaps in the economic sector. We also have to come up with a strategy to develop those skills for the benefit of the economic sector. There are other stakeholders involved here, such as the provincial Department of Education.

In the national programme of action, there is a reference to building an effective labour-absorbing economy. The Mpumalanga provincial economic cluster’s contribution will be facilitating the development of labour-intensive sectors such as agriculture and forestry.

This is part of the AsgiSA strategy to focus on those sectors which have the potential for high growth and employment creation.

Mpumalanga is endowed with natural resources, especially mineral, food and agricultural products, land and a lot of forests with a very good manufacturing base. The problem is that by exporting minerals and agricultural products without adding any value to them, we are sending jobs for the people that we are sending these products to and not for ourselves. It will add value to them, create jobs for them and they will sell the products back to us at higher prices. We have to add value to those products that are produced from within the province.

The Minister of Finance once said, “EPWP has been seen more as something that has to do with the Department of Public Works than as something that should be a collective effort that runs through all departments.” In Mpumalanga we would like to make sure that all departments contribute to the EPWP.

In the area of SMME development, our aim is to reduce the costs of doing business in the province. We are of the view that the regulatory environment for SMMEs must in itself serve as an incentive to new entrants into the sector. It is done like that it will be a way of attracting new local and foreign investment and also expanding existing businesses. Support of SMMEs to be improved through SEDA.

The implementation of infrastructure plans, as we envisage, will not only enhance a creation of PPS, it will also contribute significantly to broad-based economic empowerment. There has to be a focus on youth, women and the disabled.

We will recommend that the provincial government implement set asides for women. In government and public enterprise procurement programmes there has to be a deliberate effort to set aside a certain percentage of whatever is being procured by government departments and public enterprises to the youth, women and people with disabilities.

If we do not do all that which we are talking about is going to come to fruition.

Conclusion

We have got to make sure that our plans, not only within the economic cluster but within those departments, are aligned with the national priorities. We also have to make sure that those departmental plans are aligned with provincial priorities. We also have to make sure that within our own structures we have got people capable implementing those plans and monitoring results.

In addition to the monitoring function, we must have regular assessments to check if we are still within the plans so that if there is a need for corrective action it happens timely.
Governance and Administration Cluster
Programme of Action

National and Provincial Priorities

The programme of action derives its mandate from specific areas, particularly the Executive Council Lekgotla which sat in February. It is where the provincial government sat together with the administration and mapped out the way forward for the Mpumalanga province.

There are certain underlying principles which I have selected that I think will help give meaning to the programme of action. These principles include the fact that we are attempting to give meaning to democracy. We are aware that democracy bound the government to deliver certain services. We are trying to amplify that. When democracy wants us to improve the life of everyone, our business as administration is to give meaning to that.

The other underlying principle is that we move to a premise that South Africa is a unitary state. This answers the question of working in silos. The problem of working as individuals wherever we are.

We also think that the principle of the delivery of services is important, especially if it is made a government culture. We also emphasise the centrality of administration in the delivering of services.

Priority areas and challenges

There are certain priority areas that we have isolated as a cluster. The first one is the administration and financial good practice. This is followed by human resource development; better governance and leadership; infrastructure development and maintenance; international relations; public safety; monitoring and evaluation; and communication and media relations.

One of the challenges we have identified as informing our programme is the inability of us to translate the mandate that society has given to the ruling party which is
The inaccessibility of some government services to communities, particularly in the under-serviced or rural areas as Mpumalanga is largely rural. There is also inadequate capacity to spend the financial resources. We have also identified the problems of impropriety where people steal and see the opportunity of serving their own interests using government resources.

The problem of working in silos was re-emphasised. Uncoordinated human resource development systems have been a major challenge. The lack of uniform and timely implementation of performance Act and development systems is also a challenge that was identified.

We are also not comfortable with the provincial monitoring and evaluation systems. We think something needs to happen in this area. We are also not comfortable with the backlogs that still exist in numerous areas of service delivery.

We are still concerned with our performance regarding the youth, women, the elderly and people with disabilities.

Our approach is that of outlining challenges and coming up with a strategy and output. The challenge that we want to address directly is the inadequate translation of the political mandate by public servants. To this end, we think the strategy should implement a change management campaign in order to promote collective wisdom.

We have now been adequately educated on the importance of the principle of collective wisdom. Working alone will take you nowhere. Working in teams leads to cohesion, better planning, and better implementation of programmes.

**Expected output**

The output that we expect to see is improved service delivery which public service is about. The inaccessibility of government by communities will be dealt with through the acceleration of the Community Development Workers (CDW) programme. CDWs are there to help the communities access services from government in an efficient and effective manner. Our target is to train as many CDWs as possible. The target for 2006 is 300 CDWs. The programme is being rolled out and there are already CDWs in the field and others waiting to be deployed.

We want to ensure that each municipality establishes at least one of the Multi Purpose Community Centres (MPCC). It is one of the ways we will use to make sure that citizens enjoy the benefits of their South African citizenship. We want to see as an output the coordination and implementation of these MPCCs.

I pointed to the inadequate capacity to spend. To deal with this, we are proposing in our POA to strengthen the financial management. We also want to ensure that as an output we have an unqualified audit report on all our departments and other institutions of government.

We want to reduce the tendency of fiscal doubling. One of the greatest challenges that government is facing is the increased expenditure only in the last quarter of the financial year. People even go so far as dumping the money in obscure and inexplicable accounts in order to appear to be spending whilst in fact they have not been honest with the system.

We are trying to say that there is no need for rollovers if you are planning in time and if your project management is focused.

We also identified continued incidences of impropriety. To deal with this, we want to try and implement the anti-corruption measures, not because we hate those who steal, but because those who steal do not like themselves. We want to encourage people to stay within the law.

We have also identified the problem of compliance with the legal framework in general. Some people do not understand the legal framework within which they are operating. Something has to happen so that we are all empowered. We do not want people to commit mistakes because they did not know.

We want to encourage a situation where people get to know and master their environment. In that way, we can save people from making mistakes seen to be a challenge to the legal framework that we have.

The cluster also sees the reduction of litigation cases as an important output. Every year there are litigation cases levelled against the government. A person commits a mistake in the name of government elsewhere, and the government takes responsibility. We want to increase the level of understanding of this legal framework so that at the end of the day we have an increased level of skills in the public sector.

The targeted utilisation of SETA funding to address skills shortages. The PMDS should also be in place. One particular thing that we have observed is the absence of provincial monitoring and evaluation systems. As a strategy we want to establish this. We want to see reports on the outcome and the impact of government programmes so that we do not continue working without looking back and reflecting.

In our proposed strategy we think we need to set down, design and implement plans that will improve project management. This should lead to effective project managers leading service delivery programmes.

**Conclusion**

The efforts that we are proposing here have one direction. That direction points to the enhancement of government performance. We hope that if we engage in this, we will accelerate service delivery, coordination and make public service a fulfilling career. Indeed, people have to face the challenges that confront them. The promotion is teamwork as an intended objective and we want to make delivery of political mandates our own business.
The main objective of Vision 2014 is to halve poverty and unemployment by 2014. In order to achieve this, we are going to have to accelerate economic growth to over 5% on average between now and 2014. In terms of our growth objectives, we have said that, on average, we need to grow the economy by more than 4.5% by 2009, and 6% or more after 2010.

That should take us to more than 5% growth average that we are searching for and is what the AsgiSA is attempting to do.

The strategy derives from the Ten Year Review and the mandate of the current government to achieve higher levels of growth. If this growth does not raise the incomes of all sectors of our society, especially the poor, then it is not the kind of growth we are looking for. As a result we are also seeking social economic inclusion.

To drive this initiative, President Thabo Mbeki appointed a team lead by the Deputy President and includes the ministers of Finance, Trade and Industry, and Public Enterprises. AsgiSA is not a new economic policy, but a range of initiatives that seek to take us to a higher growth path. We do have positive conditions in our economy. So we want to build on firm foundations. What are some of these firm foundations?

Foundations for growth

The GDP growth in the first decade of democracy averaged about 1%. The point here is that since 1994 we have experienced consistent growth – the longest period of growth in the country’s history. From 2004 we began to grow our economy to about 4%.

We are also beginning to see stronger employment growth. It has not reached adequate levels to absorb the labour market but the attack on poverty is beginning to show signs of success.
Commodity prices have been strong, especially in the areas of gold and platinum. The economy has also been driven by a consumption boom, with consumers spending freely.

Despite these firm foundations, the analysis coming out of AsgiSA is that our economic growth is unbalanced. This imbalance arises from two bases.

The first imbalance is the growth profile. Our growth is premised on strong commodity prices and capital inflows. This has led to the strengthening of the Rand which makes importing attractive and undermines our export competitiveness. Export conditions are difficult for producers of goods, especially non-commodity goods. As a result, our trade deficit has risen.

Resource-based economic growth places the economy at enormous risk. If the competitive nature of the manufacturing sector declines it negatively affects industrial competitiveness which loses its strength over time.

The second imbalance is the fact that one-third of the population cannot directly benefit from the strength of the Rand. This is an issue that we have to address, hence the name – Accelerated Shared Growth Initiative.

We are seeking the kind of growth that ensures that the wider section of the population benefits, that ensures that the second economy is included, and that people become less-dependent on social grants as a source of income.

Globally it has been recognised that inequality undermines growth. If there are high levels of inequality you need to grow your economy at much higher levels in order to address poverty. That is why we have to address this imbalance.

What has been the approach to address these key issues?

The approach flows from the work of a renowned Indonesian economist who has done extensive work in trying to uncover which economies are grown at an accelerated pace in a sustainable way. First, constraints have to be identified and then addressed systematically. He argued that removing the identified constraints will have a positive impact on the accelerated growth of the economy. That is what AsgiSA started off with.

These constraints include:
- the relative volatility of the currency and its current strength;
- the inefficiency of our national logistics system in some infrastructure;
- shortage of suitable skills and disjointed settlement patterns;
- barriers to entering competition in sectors of our economy;
- regulatory environment;
- burdens of SMMEs;
- deficiency in state organisation;
- capacity; and
- strategic leadership.

Bearing these constraints in mind, AsgiSA identified six interventions: macro-economy; infrastructure; sector investment strategies; education and
skills, second economy and SMMEs, and public administration issues and delivery.

**Volatile macro-economy**

On the macro-economic issue, we are faced with the challenge of volatility. Volatility here refers to the up and down swing of our currency. While limited, we do have some scope to act in this area.

A stable currency allows people to plan, particularly those who are in an exporting economy and investors. If the Rand changes all the time planning is made difficult. Accumulation of reserves and related strategies is one of the strategies we have identified to deal with this. Here, we accumulate more foreign reserves and feel that this can assist in addressing the volatility.

Other macro-economic issues relate to the challenge of improving budgeting in government. We noticed in the past fiscal years a lot of revenue over-runs. This means we are not predicting accurately the nature of our economy and therefore need to set levels of our budget deficits.

So we need to predict income and expenditure better. We need to monitor capital expenditure which has been seen as a weakness at all levels of government. If we want to increase public investment then we have to improve our capital expenditure.

AsgiSA says that we must not be too rigid, meaning from time to time we have to review our economic parameters. The point of this is that these are technical aggregates and we must not be fixated on them as if they are the only view of our economic policy.

**Infrastructure interventions**

The second intervention is in the area of infrastructure. Over the medium-term government intends to embark on public infrastructure spending totalling R370 billion. We can expect further allocations during the medium-term.

There are some key issues related to infrastructure. We notice that we do not have a robust enough monitoring system of our infrastructure investments across government. This has to improve so that we are able to see where the blockages are.

The Department of Public Enterprises and National Treasury are working on this system. We have a challenge of supply industries. The question here is do we have enough supply industries to support the growth in the economy? For example, are we going to have enough cement to support the construction of the kind of infrastructure we are talking about?

Such issues need to be considered. Obviously the capacity and skills in the country will be required to implement all these investments.

There is an issue of leakage. It is estimated that if we do not support industries which, because of our poor performance in the economy, have declined over the years, particularly in the area of foundries and engineering.

These investments of up to 40% will leak out because we will have to import those technical projects. There might be high levels of investment, but if we do not have the supply side corrected, it will leak out to foreign countries.

When we look at infrastructure issues, especially if we want to make this growth broad-based growth, we must look at developmental opportunities particularly with respect to employment, enterprise development and Broad-Based Black Economic Empowerment (BBEE).

The other element of infrastructure within AsgiSA is that certain provincial projects have been elevated to the national mainstream. For example, the Moloto Corridor in Mpumalanga and the alternative energy sources project.

**Industrial strategies and policies**

The third intervention is around sector strategies which are mainly industrial strategies and policies. This is about focusing on sectors with potential for high growth, employment creation and enterprise development. Which kinds of sectors have these characteristics and how can government support the development of these enterprises?

The focus therefore will be on business outsourcing and tourism. The Department of Trade and Industry will be presenting these to Cabinet. There is also a focus on agriculture, bio-fuel, and food production and processing which are going to be supported.

Other sectors which, because of their performance in the economy have grown well above average, include the chemicals industry, particularly plastic. Here the focus is on reducing our...
reliance on capital goods from overseas.

There are a range of interventions that have been put in place for industri-
al issues which we have to address.

There is the issue of weak competition and import parity pricing. In our econo-
my we have certain dominant actors which are called up-stream economies, such as the steel industry. Their pricing policies have affected those down-
stream manufacturing businesses and prevented them from being competitive. Import parity pricing is one type of pricing that we want to address.

There are also issues relating to our capacity for trade negotiations on the international front. More coordinated Africa development strategies are going to be crucial in this process. Our research and development investments should be higher as this will ensure our competitiveness.

There is also the issue of making bet-
ter use of BBBEE to encourage transfor-
mation. This is beyond just the transfer of equity — it requires serious involve-
ment in enterprise development.

Improving the quality of education

There are a range of interventions in education and skills development, but the critical one is the quality of general education. Here, there are two critical initiatives. The one focusing on mathe-
ematics and science in the Naledi schools is aimed at the poorest 20% of primary schools.

It is essentially set up to provide the schools with basic infrastructure such as water, sanitation, electricity, and to ensure that they have sufficient good quality classrooms. It will also ensure that every classroom from grade 1 to 3 in these schools has 100 reading books with every child encouraged to read a few of these per year. It will also ensure that teacher training at these schools is improved.

Four hundred schools will be targeted with the aim of doubling the output, particularly with regard to maths and science graduates.

Other initiatives involve the strength-
kening of the Further Education and Training (FET) system. About R1.9 bil-
lion will be injected into this pro-
gramme over the next three years. Already a core programme covering 11 learning areas has been put forward as the core curriculum.

Second economy interventions

We need to keep our emphasis on empower-
ment and second economy interventions up there in the spotlight. There are a number of ways in which these interventions have played them-
selves out such as in the extension of the Expanded Public Works Programme (EPWP).

The point of this is to ensure that our EPWP's are escalated. We do not confine ourselves to tiny projects whose overall effect is minimal in terms of employ-
ment opportunities and training.

The strengthening of micro finance ini-
tiatives and support of small businesses and agricultural initiatives is another area. Women are a targeted group to partici-
pate in the construction and infrastructure projects. This is going to be absolutely crit-
ical. All sector strategies might have devel-
opmental elements but they should embody these developmental goals.

Improving the regulatory environ-
ment for SMMEs is key in our strategy as we know that small businesses are overburdened by challenges that they face. Here we are identifying those chal-
enges and developing strategies to min-
imise them.

From a poverty point of view, there is a realisation of dead assets. It is a weird term, but it essentially refers to assets of poor people. We are looking at how these assets can serve as revenue and wealth enhancement. For example, if somebody has a piece of land we look at how we can assist in making that land productive.

What economists have shown is that economies grow not simply because they have increased investment, but if they increase their effective productivity. This means that if we increase our key factors of productivity such as labour, land and capital, then this will have a big effect on growth. In fact it can be a driv-
er for private investment as investors see the productivity.

The focus here is how can we make the assets of the poor work for them and how we can enhance them through our social development programmes.

Governance issues

One way we can make sure that Asg-SA does not happen without any-
body looking at it in a serious manner is that it has been put as a primary stand-
ing item that is discussed in the Investment and Employment Cabinet Committee. On the governance side we need to focus on local government deliver-
ancy capacity.

Asgi-SA supports the Project Consolidate initiative and related skills development and challenges. We might have to look at issues of skills challenges in municipalities with creativity because surely we cannot build capacity in all the 280 municipalities. Our key economic departments must begin to address issues of capacity constraints.

There is also a need for better mecha-
nisms for monitoring the implementa-
tion of Growth and Development Summit decisions. The review and role of development financial institutions is critical, especially how they allocate investments and if their funding for development initiatives is in line with the strategic objectives of government.

Conclusion

Asgi-SA is not a fixed programme. It is meant to be improved from time to time and will continue to draw on the views of experts, social partners and the pri-

dant. It is not a government pro-

gramme, but a national programme for sharing accelerated growth. Part of it becoming a national programme is for everybody to embrace its strategic vision, message and thrust, and to see its contextualisation and application at vari-

dious levels.
"What must be done in the next term of local government (2006-2011)?" DD Madurai, Director, Department of Provincial and Local Government (DPLG), assesses some of the main lessons arising from the first term of local government in order to achieve a fully viable and consolidated local government system in the second term.

We have conducted a comprehensive review in which the findings discussed in this article are based. We have tried to organise our findings into key performance areas.

The first key performance area that was identified was institutional capacity and municipal transformation. In this performance area a range of main challenges were identified. One of the main challenges is that core municipal systems are not established or implemented. Municipal management capacity and capability and high vacancy levels comprise another main challenge that was identified.

In addition, poor accountability mechanisms and serious challenges in the areas of financial management, programme management, engineering and organisational development were also identified.

The second key area that was identified was basic service delivery and infrastructure. Here, the main challenges identified included the slow pace and poor quality of services delivered. Furthermore, water and sanitation backlogs emerge as one of the critical challenges. Also significant are housing backlogs which were cited as a critical issue.

The third key performance is local and economic development where high levels of poverty due to unemployment, and poor quality of LED plans and scarcity of municipal LED specialist were seen as two major challenges.

The fourth key performance area identified was financial viability and management where inadequate billing, debt management and credit control systems were identified as one of the main challenges. Moreover, poor municipal financial management capacity and systems, and low revenue base caused by high levels of indigents seem to compound problems facing municipalities.
The last key area is good governance. Here the main challenges include instability within and between political and administrative domains; poor communication between council and communities; and the non-functioning of ward committees.

Clearly the main problems that underlie the performance of municipalities is poor capacity and inadequate accountability mechanisms. I have been in quite a few forums where people refer to local government as an autonomous sphere of government which is incorrect.

The Constitution says local government is a distinct but interrelated and interdependent sphere of government. We do not have an autonomous sphere of government in South Africa. Perhaps having so many provinces also confuses things, we leave that for the future in the next two years.

The next term of local government must result in a more sustainable system with reliable service delivery and a general improvement in government’s performance as a whole.

**Benchmarks for an ideal functional municipality**

There have been benchmarks identified to deal with the challenges mentioned above. These are also linked to the key performance areas that were identified as part of the findings of the review.

Regarding municipal transformation and institutional development, it was pointed out that an ideal municipality should have an IDP that is the expression of state-wide planning as a whole. The IDP is the most important document in government because it is supposed to be an expression of municipal plans. But all other spheres of government are supposed to express themselves in those plans as well. That has not happened.

A municipality should have a balanced infrastructure investment and sustainable economic development programme that is part of the IDP. There has to be an establishment and functionality of all core municipal policies and systems as required by law. If we do that as a minimum, municipalities will start functioning as they ought to.

Also required is the implementation of continuous management reform and improvement, and increased and appropriate utilisation of technology. Employees need to be empowered through focused and continuous professional skills development.

There has to be development and functionality of effective accountability and performance management mechanisms for councillors and officials. Sound labour management and human
resource relationships need to be consolidated.

Under local economic development municipalities must provide a conducive environment for a thriving and vibrant local economy and neighbourhoods. There has to be an ongoing programme of contributing to the development of an employable, educated and skilled citizen. They need to facilitate job creation and access to business opportunities for SMMEs.

Lastly, there have to be continuous and positive interactions with all key economic anchors and actors.

Important benchmarks in service delivery and infrastructure investment include a clean, safe and healthy municipality; universal access to quality, affordable and reliable municipal services (such as water, electricity, refuse removal); and regular investment in infrastructure and productive equipment.

Financial viability and financial management benchmarks for an ideal municipality include sound financial management systems; reduced dependency on grant transfers; development of annual and medium term outlook on revenue and expenditure plans and targets; and timely and accurate accounting of public resources and effective anti-corruption measures.

In order for good governance and community participation to be realised, there have to be functional community participation mechanisms and ward committees, and effective intergovernmental relations.

Historically marginalised communities should be given continuous and special attention. Linked to this is the provision of equal, easy and convenient access for the public to the municipality and its services. Feedback mechanisms need to be established in order to ensure responsiveness to communities.

**Strategic priorities**

On the basis of detailed analysis, there are three overarching strategic priorities for the next term of local government. They are, first, mainstreaming hands-on support to local government to improve municipal governance, performance and accountability.

The second priority involves addressing the structure and governance arrangements of the state in order to better strengthen, support and monitor local government. Lastly, the priority is refining and strengthening the policy, regulatory and fiscal environment for local government and giving greater attention to the enforcement measures.

At the July 2005 Cabinet Lekgotla a resolution was passed to the effect that all national and provincial departments are to restructure so that they can maintain a policy and monitoring and evaluation mandate.

When we set the state in 1992, we had an assumption that both provincial and national government will play a policy development role predominantly, and obviously the monitoring and evaluation thereafter. Clearly that role has changed over the decade. Provincial and national officials need to be deployed to municipalities. That is a resolution.

How do we mainstream hands-on support to local government? Clearly we are targeting this mainstreaming through five key performance areas. The first key area is that a functional municipality must have particular characteristics or framework for KPAs and KPIs.

Secondly, we intend undertaking specific tasks and actions by national and provincial government, state-owned enterprises and key stakeholders. Thirdly, there is a need to introduce measures to address differential capacities of the municipalities, focus on time-bound outcomes, emphasise the role of national departments and provincials government; and enforce monitoring and evaluation.

The fourth key area is vision and time-frames which state what must be achieved with local government and through local government by 2011. The vision and time-frames will provide a viable system of local government focused on service delivery and development, meeting obligations and targets of government by 2011, on course to 2014; and facilitate local government engagement with planning processes (IDPs and LEDs) within the context of government’s obligations.

While we upscale planning we also need to upscale implementation which the last key performance area identified.

**Strategic Priority No. 1: Cross-cutting priority actions**

National and provincial governments must provide support for the municipalities through the actions that I identify below. They will report to the July 2006 Cabinet Lekgotla through the relevant clusters on, inter alia, reflecting concrete support actions to municipalities in their strategic and business plans; and by streamlining their operations and providing appropriate resources to provinces, so that the latter can support local government.

Provincial government, especially, must prioritise support for municipalities through the actions identified by, inter alia, reflecting concrete resources to municipalities in their Provincial Growth and Development Strategy (PGDS); and the Office of the Premier and Premiers Coordinating Forum must assume overall accountability for coordinating and monitoring the hands-on support to municipalities.

The Department of Local Government must continue to nationally coordinate, facilitate, direct and monitor the priority hands-on support actions of national government to local government by improving its own institutional arrangements and internal capacity; identifying priority areas of support to local government required of national government, SOEs and key stakeholders; and facilitating, supporting and monitoring the implementation of these support actions.

The South African Local Government Association (SALG), in partnership with the Local Government Department, must intensify its support to the political leadership of municipalities.
ties by engaging in a structured programme of capacity building, stabilising the political and administrative components of municipalities, and unblocking political problems that negatively affect service delivery and support actions directed at municipalities.

There is a need to focus the relevant organs of state and stakeholders on the priority actions identified under the five key performance areas, the Project Consolidate, municipal action plans and the updated IDPs.

There also has to be a roll-out of an unprecedented capacity building, training and support programme to local government over the next five years. A series of orientation sessions need to be convened with mayors after the March 2006 municipal elections.

SALGA and the department need to implement a practically focused induction programme for councillors and senior municipal managers immediately after the 2006 municipal elections.

The technical capacity and capability of municipalities needs to be built through the mobilisation and deployment of appropriate skills and expertise.

Priority actions on municipal transformation and institutional (capacity) development

It involves supporting district and metropolitan municipalities to prepare final IDPs by 1 July 2006. The process will be led, at the national level, by the Department of Provincial and Local Government (DPLG) and the Presidency, and the Office of the Premier and the DPLG at provincial level.

Municipalities also need to be supported to establish the core basic municipal systems to function as effective governments as required by the law. The National Treasury and DPLG at national level and the Office of the Premier and DPLG at provincial level to lead the process.

In enforcing a more effective performance management system in local government the DPSA, National Treasury at national level, and the DPLG and the Office of the Premier to assist on this.

The DPLG and National Treasury from the national government and the Office of the Premier and the DPLG from the province will assist in finalising a local government competency framework by July 2006. This will include improving the regulatory environment by issuing regulations for the appointment, performance and evaluation of municipal managers together with other senior managers.

Priority actions to improve basic service delivery and infrastructure investment

There are clear targets and one cannot understand why some of them cannot be met, especially when you have roll-overs and resources that the state sends to municipalities. Actions taken here seek to ensure that service delivery targets are achieved.

These targets are that all communities must have access to clean water and decent sanitation by 2010; that all houses have access to electricity by 2012; and there is universal provision of free basic services.

The eradication of the basket system in 2006/2007 has been prioritised. In both these activities, DPLG, DWAF, National Treasury and Housing will offer support from national government with Local Government and Housing at the provincial level.

The Inter-Ministerial Committee and the Municipal Infrastructure Task Team will lead the process of developing a national Municipal Infrastructure Investment Strategy which will be a road map to achieving universal access to services.

A sector master plan also has to be developed and synergised with the PGDS and IDPs, and promoting the NSFDP. At national level, DWAF, DME, DPW, DEAT, Housing, Correctional Services, Sport and Recreation with Local Government, Housing, Public Works and Community Development assisting from the provinces.

Also important is prioritising technical hands-on support to less capacitated municipalities, the realigned (previous cross-boundary) municipalities and the 21 urban and rural nodes, for example, through the DBSA and SAACE support initiatives. Building capacity will include deploying a pool of engineering, project management and financial human resources by engaging existing and retired senior engineers and project management professionals to provide mentorship and coaching for young graduates.
It will also include developing a workplace programme which captures critical phases of training to be undertaken by the young graduates during the mentorship period. It will also include discussion with the Department of Education focusing on tertiary institutions in the engineering, project management and financial field to develop curriculum which will meet the technical capacity needs of municipalities. The Inter-Ministerial Committee at national level and Local Government, Housing, Public Works will assist in developing the programme.

A strategy to better utilise the services of large contractors, construction teams and state-owned enterprises will also be developed. The Inter-Ministerial Committee at the national level and Local Government, Housing and Public Works will contribute from the provinces.

Lastly, key service delivery departments (national and provincial) must include the identified priority actions in their strategic and business plans over the next five years. From national government, the DPLG, DWAf, DME, DPW, DEAT, Housing, Correctional Services, Sport and Recreation, SAPS, and the National Treasury whilst the provinces will contribute from the provinces.

Priority actions to improve local economic development

The first priority here is for both national and provincial government to support all district and metropolitan municipalities to prepare implementable LED strategies that are aligned with the revised IDPs. Central at the national level is the DTI, DPE, and Economic Cluster, the Presidency and DPLG, at the provincial level the Local Government, Economic Affairs and the Office of the Premier.

Provinces must also support all district and metropolitan municipalities by prioritising LED interventions in the Provincial Growth and Development Strategy. The AsgiSA team led by the Presidency and the Office of the Premier, and Economic Affairs in provinces will lead the process.

Another priority here is a draft National Framework for LED, including policy guidelines and strategies, which has been developed by DPLG. This must be finalised and implemented rigorously in alignment with AsgiSA across rural and urban municipalities by focusing on improving market and public confidence in municipalities; identifying and exploiting the comparative advantage of 53 municipal regions; intensifying enterprise support; and introducing sustainable community investment. The DTI, DPE, Economic Cluster, the Presidency, and the DPLG will spearhead the project.

The draft LED Framework will be implemented through mobilisation of key sets of LED-related capacity. Amongst these will be the deployment of experienced economists, development economists and planners in selected municipalities.

There will also be an identification of high-level foreign skills and a dedicated strategic leadership programme for municipal managers and senior municipal staff. A national economic analysis of district and metro areas will also need to be conducted. The DPLG, DTI and Presidency will play a leading role at national level with Local Government, Economic Affairs and the Office of the Premier working from the provinces.

There is also a need to strengthen national coordination for long-term economic development planning that will, inter alia, support LED across the state. The DTI, DPLG, National Treasury and Presidency will play a central role here. Furthermore, predominantly urban municipalities need special attention and must be supported to understand their unique LED role in contributing to the national economy.

Specific interventions must include focusing on making urban land markets work for the poor, and promoting more competitive city business environments and facilitating the movement of information, people and products within and between cities.

These interventions must also include the promotion of appropriate economic integration zones, the global city region concept and facilitating the global role of cities through a national trade and investment strategy. The DTI, DPLG and the Presidency will play a central role at the national level with Local Government, Economic Affairs and the Office of the Premier from the provinces.

Priority actions to improve financial viability and management

One of the major priorities here is that the national and provincial government must provide hands-on financial management support to, in particular, low capacity municipalities and appropriate support to the previous cross boundary municipalities. Central here, are the Treasury and DPLG, and Local Government and the Provincial Treasury.

In addition, on the agenda is improving the capacity to account for public resources and support all programmes that are designed to improve governance and fight corruption. Here, assistance will come from the stakeholders mentioned above with the addition of the
focus on municipalities in the Western

This is also the case in terms of the need to implement key local government finance legislation and strengthen financial management support and oversight at the national and provincial levels.

Key sector reforms need to be implemented and potential handicaps addressed. Similar stakeholders as above will lead this process. There is also a need for further refinement that should lead to finalisation and stabilisation of the local government fiscal system that should focus on improving efficiencies based on the revenue raising capacity, and bus intergovernmental transfers towards municipalities with low fiscal capacity and a low RSC base. The National Treasury and DPLG will lead this process.

Urgent attention needs to be given to the accelerated implementation of the programme of action that was adopted at the Municipal Finance Conference in April 2005 with regard to guiding the implementation of Municipal Property Rates Act, the Local Government Equitable Share Review; the Local Government Fiscal Framework with focus on the Regional Services Council Levies; and towards the establishment of the Regional Electricity Distributors.

Also adopted was that there must be progress on the rollout of the implementation of the Municipal Finance Management Act and the role of national and provincial government in the implementation of the Act.

National Treasury and DPLG will lead the process together with Local Government, Economic Affairs and Provincial Treasury.

**Priority actions to strengthen good governance, community participation and ward committee systems**

The first priority here is undertaking an intensive national campaign to improve mechanisms for community participation and empowerment with a specific focus on municipalities in the Western Cape and KwaZulu-Natal provinces; municipalities that experienced delivery related protests in 2005; the 21 urban and rural development nodes; and the erstwhile cross-boundary municipalities.

This process will be led by the Office of the Premier and Local Government from the provinces and the DPLG at national government.

It was also prioritised that premiers, mayors and ward councillors must lead public participation processes in their provinces, municipalities and wards. Stakeholders are the same as in the first priority.

Identified as a priority is specific focus and support which should be given to the municipal speaker’s offices. The provincial Local Government is a major roleplayer here.

Also stressed was support programmes with key development agencies to scale up the mobilisation of social capital for development. The Social Development and the Social Cluster, DPLG, DTI, DPE and the Economic Cluster would lead the process.

The last two priority areas here, at improving communication, refining the Izimbizo Programme and deepening social mobilisation; and strengthening political championship, support and oversight.

In both of these the Office of the Premier and Local Government will facilitate from the provinces with GCIS and SALGA supporting from the government.

It should be noted that the Handbook for Ward Committees and the Ward Committee Resource Book were launched on 10 February 2006 and have been included in the induction and capacity building programmes for councillors and senior officials since 1 March 2006.

**Project Consolidate specific priority Actions for 2006**

The priority actions for Project Consolidate in 2006 must focus on the four thematic areas: strengthening political championship, support and oversight; extending and mainstreaming hands-on support to municipalities; improving communication, refining the Izimbizo Programme and deepening social mobilisation; and accelerated and broadening stakeholder mobilisation.

**Strategic Priority No.2: Addressing the structure and governance arrangements**

This priority seeks to address the structure and governance arrangements of the state in order to better strengthen, support and monitor local government.

This will be achieved through the strengthening of the intergovernmental system in order to benefit local government by principally implementing the IGR Framework legislation.

Also recommended was support to for Project Consolidate, their responsibilities should include providing a framework and clear direction for the intervention in a particular municipality.

It also includes identifying and mobilising the resources (human, financial and otherwise) that currently reside within the government system. Moreover, the responsibilities include addressing impediments and bottlenecks, particularly those that are a result of national and provincial government actions (or lack thereof).

They also have to ensure that the intervention goals are delivered on time and with the desired impact. They have to negotiate with various stakeholders to ensure progress and success with the intervention, and mediate conflicts that would otherwise inhibit the progress and success of the intervention.
Strategic Priority No 3: Refining and strengthening the policy, regulatory and fiscal environment

The objective here is to refine and strengthen the policy, regulatory and fiscal environment for local government and to give greater attention to the enforcement measures. This will entail providing greater attention to enforcing existing aspects of local government legislation.

It also entails prioritising the refinement of the local government policy, regulatory and fiscal regime in planning for growth and development, a two-tier system of local government, ward committees and community participation; and distribution of powers and functions across the state and asymmetrical assignment to local government.

With planning for growth and development there is a need for the strengthening and rationalisation of development planning areas across government that will focus on the planning capacity at all three levels of government. This must be significantly improved, including designating districts as a planning hub.

It will also focus on municipal councils (following the 1 March 2006 elections) should prepare five-year perspective for their term that translates their political mandate and national priorities into concrete and realistic localised development and service delivery targets.

These targets will inform performance contracts of senior municipal officials and will form part of the national monitoring system. Certainty must be institutionalised in the national development planning system and rationalising national responsibility for, and the location of, development planning with specific reference to spatial and land-use planning.

Regulations and legislative amendments must be introduced to transform district and metro IDPs into expressions of government-wide commitments.

Lastly, the National Spatial Development Perspective must gradually evolve into a stronger and more directional and enforceable national development planning instrument.

The two-tier system of local government will be stabilised through the support of the local government in its implementation of the IGR Framework in the context of district and local municipalities, and through preparing standardised protocols and guidelines in view of the need to improve systematic and uniform monitoring across government.

The system will also be stabilised progressively, with districts beginning to assume the development facilitator and coordinator role as local delivery capacity develops and is supported by national and provincial government. These development facilitation and coordination functions should be more clearly defined.

Lastly, proposals should be developed on a “district shared service model”. The district could in future become a useful complement to our “Port and provincial structures.”

The report also includes guidelines to be adopted in the ward committee system for community participation. This has contributed to the uneven establishment rate and levels of functionality of ward committees across the country.

Relevant legislation should therefore be amended to make it mandatory for all municipalities to adopt the ward committee system for community participation.

Conclusion

The first term of democratic local government has been one of the most complex projects of state transformation since 1994. The task of local government transformation has proven to be more complex and protracted than was initially anticipated.

Project Consolidate has sharpened our understanding of the problems and challenges in the local government sphere and has led us to the conclusion that we need to mainstream hands-on support to local government in general over the next n years.

Project Consolidate would have ceased to exist as a time-bound measure directed at particular municipalities.

In answering the question, “What should be achieved with and through local government in the next 5 years?” the response must be that we must have viable municipalities and that this sphere should have assisted us in achieving our service delivery and development targets that we have set over the next five years. We should be on course with those targets that go beyond 2011.

There are three strategic priorities for the next term of local government. The first is to mainstream hands-on support to local government in order to improve municipal governance, performance and accountability.

The second is to address the structure and governance arrangements of the state in order to better strengthen, support and monitor local government. The last priority is to refine and strengthen the policy, regulatory and fiscal environment for local government and to give greater attention to the enforcement measures.
“Like a house of cards, customer satisfaction can be difficult to build, but very easy to destroy. That’s because there is a customer-care chain. The nature of the chain varies industry to industry, organisation to organisation. But even though the chain that applies to one will not apply to another, it only takes one weak link for any chain to be broken, for customer-care failure to occur,” writes Stephan Dando-Collins in Customer Care Revolution.

That is why the government is thinking of the cluster approach. Let us look at the rationale behind this approach.

The first rationale is to highlight and emphasise a greater sense of strategy and purpose to government programmes. It also seeks to bring synergy and cohesion to service delivery. It seeks to provide coordination, leadership and management function on a cluster basis.

The approach also seeks to strengthen institution-building and organisational development. It also ensures that monitoring and evaluation has impact and accountability to the electorate. I think government has chosen to take that step.

The social cluster is organised into seven thematic areas which are linked together by a social cohesion and development thread. Here, all the partners or departments are used as points of reference rather than points of departure. Put differently, these departments must see themselves as part of a whole, so that they impact on the whole. This will then create a coherent linkage to broader political questions.

Also important is that the ideological orientation of the state is organic to design and delivery mechanism. As a provincial cluster last year we had about 37 priorities, but this year we have gone down to eight because you cannot take everything that a department does. We need this common thread which goes through all departments so that we have themes identified.

Before I get bogged down in this, let me highlight the social cluster priorities at national level.

National Social Cluster Priorities

Priorities at the national level include, firstly, comprehensive social security...
which includes the consolidation of the Child Support Grant, assessing its impact and examining ways of extending its reach. In addition, the cluster seeks to operationalise the National Security Agency; provision of free basic services; develop comprehensive details on social insurance and its different elements to be presented to Cabinet; and address inefficiencies and unintended consequences of social protection.

The next priority is about national identity and social cohesion which must promote nation-building and reconciliation. This entails the rehabilitation of communities in line with the recommendations of the Truth and Reconciliation Commission (TRC). There is also a need to review the impact of socio-economic transformation on social cohesion in communities and across society. Social crime prevention would also be tackled through enhanced integration between the security and social clusters to deal with the problem.

Lastly, the macro-social report, to develop a strategic framework and policy. Here we are trying to see how the whole thing impacts on our plans. There is also housing and human settlement which is mainly about infrastructure and access to basic services. Here, the national social cluster is intent on implementing government’s comprehensive programme dealing with human settlement and social infrastructure.

Secondly, it wants to improve capacity of municipalities to ensure that the target of providing sanitation to 30,000 households per year is met and to provide detailed plans to eradicate the bucket system in established settlements by 2007. It will also ensure that each household has access to electricity.

The fifth national priority is in the area of food security and nutrition. This entails improving food security and implementing the National School Nutrition Programme, including social mobilisation for food gardens. The sixth priority is the social aspect of the second economy which includes the Expanded Public Works Programme and the implementation of ISRDP and URP.

The seventh priority is the broadening of access and improvement of quality of education. Critical here is the implementation of the National Skills Development Strategy with a R21.9 billion allocation over five years, working with the Economic Cluster and improving provision of general education.

The eighth priority is comprehensive health care which has a number of objectives. These include health promo-
tion, reduction of non-communicable diseases and unnatural causes of death. It also seeks to continue the implementation of government’s Comprehensive Plan to combat HIV and Aids. Added to this is combating tuberculosis, particularly the response to Multiple Drug Resistant TB due to non-compliance. There is also an attempt to reduce malaria cases by 10% per year. It is also within the broader national Social Cluster priority to bring about the reduction of costs of medicines at retail outlets through the use of medicine pricing regulations.

The programme also seeks to expand the health infrastructure, including refurbishment of existing clinics and hospitals, and the re-opening of nursing colleges. Lastly, within comprehensive health care, the Social Cluster aims to ensure that hospital managers are delegated authority and held accountable for the functioning of hospitals, with policy issues regarding training, job grading and accountability managed by provincial health departments.

These are all national targets. Based on these national Social Cluster priorities, as the Mpumalanga province, we came up with our own priorities.

**Provincial Social Cluster Priorities**

What should be remembered is that Mpumalanga is a peculiar province, so it will also address some peculiarities which are only found in the province, but in the main we take our cue from the national priorities.

The first provincial priority is comprehensive social security. Here the province needs to provide SASSA with an oversight in the running of social grants. Under this broad priority, the province also seeks to support the programme for child headed families and valuable children, and also the programme on social crime prevention.

The second priority is national identity and social cohesion. This year, a provincial heritage research project led by Dr Peter Delius from the University of the Witwatersrand will be launched. The provincial social cluster will look at the research recommendations so that implementation of the project can resume. We also have to speed up the process of geographical name changes.

The province also has the comprehensive health care priority which includes the revitalisation of hospitals, appointing hospital CEOs; comprehensive HIV and Aids plan; recapitalisation and opening of nursing colleges; improving access to primary health care; implementation of the pathological services plan; and health promotion and reduction of non-communicable diseases.

The fourth priority involves the broadening of access to services and social infrastructure; the provision of this equality infrastructure including ICT and all other social infrastructure projects such as schools, sports facilities, libraries; and to give career guidance and bursaries in order to address the skills shortage.

The fifth priority is food security and nutrition. There is a need to come up with a comprehensive and integrated nutrition programme where all the departments involved must come up with a programme and implement it.

The sixth priority, which comprises interventions in the second economy, includes attempts to establish new youth advisory centres and to assist with youth enrollment in the National Youth Service. Also to intensify the Youth Cooperative Programme and provide “set aside” for women, youth and people with disabilities to make sure that in our government procurement these target groups are benefiting, especially through the Extended Public Works Projects (EPWP).

In education and skills development, which is the seventh social cluster priority, the province acknowledges it no longer talks about the matriculation recovery plan. Instead, we are talking of a learner attainment strategy so that it takes the whole system into consideration. We are therefore talking of the quality of output in Mathematics and Science graduates.

We also intend to set up a data base of skills profiles in Mpumalanga and to link up with JIPSA. The recapitalisation of Further Education Training (FET) colleges is one of the major education plans. Lastly, the cluster intends to launch and implement a literacy and numeracy programme for lower grades.

The eighth priority is the coordination of the development of an integrated plan for the 2010 Soccer World Cup to be held in South Africa. The cluster sees this as an important provincial project.

The last Mpumalanga provincial social cluster priority concerns cross-cutting issues which we call transversal programmes, where we are intensifying the implementation of the Batho Pele principles.

We are also looking at integrated development planning with a special focus on the transfer and receipt of cross-boundary municipality functions.

**Conclusion**

The provincial social cluster priorities are mainly informed by the national framework. Aspects of the national framework influencing the province are SONA, SOPA, AsgiSA, PGDS directives which form the building blocks of its content and substance. The whole endeavor is an attempt to address challenges of poverty and under-development, and to improve the effectiveness of social development programmes.

Another aim is to ultimately achieve economic growth and development of at least 6% a year so that the poor in our country share in our growing prosperity.

This is the province, let us try these priorities and maybe take the 6% as early as next year because we are just a microcosm of South Africa. Perhaps we could influence the attainment of 6%.

I have an anonymous quotation that I want to use to close this paper: “In learning organisations, people continually expand their capacity to create the results they truly desire, where collective aspiration is set free and where people are continually learning how to learn together.”
The context for my paper is threefold. The first is that we have been going through a lot of restructuring of the parastatals in Mpumalanga province. Secondly, apart from the normal government programmes, we have had an intervention from the national government, the AsgiSA intervention, which has forced everyone to be refocused in terms of what they have been doing in the public sector.

Thirdly, and more significant, is that after the last election the ANC government was put in place in this province. I think the change of leadership brought about the change of vision as well and I think it is something which has not been spoken about. I will come back to it in a little while.

Background

At the outset, I should say that there is a big problem when we talk about what is referred to as “parastatals”. This is because the term parastatal is a made-up word. Being referred to as a parastatal, by definition, makes it a strange entity.

The term that is more relevant and used more often these days is “public enterprises” – if we are talking about the kind of institutions that we have in Mpumalanga which are not there to make a profit, although they have to be run as businesses. The term parastatal tends to make people think about them as entities which are not accountable to shareholders.

Over the years public enterprises have been a global feature in both the developing and developed world you find governments using public enterprises. The reasons for that are always similar.

In this country we had a particular history where public enterprises were used by the apartheid state. A lot of the former “homeland” areas and the border areas between the “homelands” and the apartheid state were a zone in which public enterprises operated. It was an attempt to crowd development into particular areas of our country. Those
efforts were all dismal failures, with a few exceptions.

Looking at the role of public enterprises since 1994, we all know the shocking legacy of the MDC, MEEC and various other institutions which brought nothing but disrepute to Mpumalanga province. A lot of the bad image that Mpumalanga had came from the antics of people that were located in some of these public entities.

I must also add that the decision to rationalise these entities in 2004, led to the merger of MEEC and MII.

I want to focus my paper on five key issues: the theories of development; vision, mission and values; culture; modus operandi; and measuring performance.

Theories of development

The theories of development issue is so important because underlying all government policies is some theory or ideological position which informs the way in which policies are crafted.

Of course, the way politics works, managers are told that politics is not their business and that they must be impartial civil servants. I do not subscribe to that theory. I think that whilst they must be professional in everything they do, the notion of impartiality is what Karl Marx would have called a “bourgeois fiction”.

All civil servants have some political values and ideas of their own. The issue is, can you do your work professionally and recognise the difference between those ideas and what is required of you by the government of the day? That is a crucial thing about being a public service manager.

The reason I am saying that is because if you look at public enterprises, they are set up to be independent of the government. If government could do what the public enterprises are there to do, it would not set them up. So for those entities to function, there has to be an understanding about what their role is in the development strategy of government.
We know the debates about the market vs state-led economy. What we all have to recognise about our government at this moment is that we have public enterprises that are operating essentially as a mixed economy. It is an economy in which the state plays a central role, because it is a developing economy. But it is one in which the private sector is extremely powerful. Most of the capital deployed in our country is in private hands. I think managers in public enterprises and the public sector must recognise that they cannot operate as if they are in the Soviet Union in 1922 or Vietnam in 1964. This is South Africa in 2006.

Whilst people might have ideas about the Cuban Revolution or think that George Bush is a fantastic guy, this is all not relevant to what we are doing in South Africa. What is relevant is: What is the government’s programme?

What informs us is that we have a notion in this country of a developmental state. It is a state that intervenes in the economy, society to ensure that development is promoted. So that “a better life for all” can be achieved.

That is what civil service managers are supposed to be doing. Anybody who is doing something else is not supposed to manage a public entity. Anyone who is there to make money for themselves, get a loan to their sister, or any other things that people do, are basically what we used to call “counter-revolutionaries” because they are operating in opposition to the government programme.

In our case, the developmental state operates in a democratic way. We have a constitution, governments are elected. This government that has been elected, has been given an overwhelming mandate to do certain things. When we drive programmes for public enterprises, put together new merged institutions, try to create necessary efficiencies and do away with the excuse, we have got to do it in a way that recognises that each of the public enterprises has a role in relation to development in Mpumalanga.

I think the most important thing in getting that right is to have a clear vision, mission and values for those public enterprises.

All civil servants have some political values and ideas of their own. The issue is, can you do your work professionally and recognise the difference between those ideas and what is required of you by the government of the day? That is a crucial thing about being a public service manager.

Vision, mission and values

Government obviously drives these things. It must develop what it wants in terms of a vision for any public enterprise. Once it has done that, government must then hand that vision to that entity and say, “This is the way we are going to measure you. This is the objective. We have given you a vision, mission and a set of values that we want you to adhere to.”

In the formation of MEGA this is what we are trying to do. We have said that our vision is to be “effective, efficient agencies for government in the sectors in which we are operating”. In the case of MEGA, this entails “promoting trade, investment and enterprise development”.

Our mission is to “provide support and services for development, growth and empowerment”. In doing this, the values that we must promote are “fairness, transparency and value for money”. For example, it is not good for government to give money to public enterprises to implement programmes that turn out to be more expensive than it would be to give grants to people.

Culture

Culture is a problem with public enterprises and a primary issue that we have to address as a challenge. Because they are neither public nor private or live somewhere in between the two you can either end up having the best of both the public and the private sector, or the worst. Generally, if you don’t have strong government leadership vision, you get the worst.

If you had to take an assessment of public enterprises in our country across the board, and look at provinces in particular, you would see that in most cases they have not achieved what the government wanted them to. The way to deal with this is the modus operandi, the way that these enterprises function.

Modus operandi

Even if they are not private enterprises, what we need to instil in them is the notion of contestability - using the market as a benchmark for efficiency. For example, if it is cheaper for government to give money to ABSA Bank and give the bank a criteria for giving loans, and if ABSA can do it cheaper than MEGA or the MEC, then why should the government give the task to an institution such as MEGA?

That is going to be the benchmark that we set ourselves against: not to be equal to the private sector - we have got to be better. The same will be true for any other public enterprise.

Secondly, whilst those enterprises are not government, government is their shareholder and therefore they are accountable to government. I think in the past this has been a problem, because there is a notion that these things become entities that belong to the people...
who run them rather than the government. There is a culture that then develops that they are accountable to nobody. It is crucial that government, in exercising its mandate, holds these entities accountable.

Thirdly, for those enterprises to be successful, they have to operate by building partnerships, which is the way in which they get efficiency – firstly with the private sector where they get value for money for what they do; secondly with the government as its shareholder; thirdly with the rest of civil society because that is the constituency that they are supposed to address.

If you look at any of the good public enterprises, or even local governments, you will notice that the notion of partnerships is key to success. Performance of these entities also has to be measured.

Measuring performance

In terms of where we are as Mpumalanga province, if I look at the progress we have made with MEGA and the other mergers and nationalisations, the decision that was taken to rationalise and improve these entities was a good one. We have gone some way down the road in putting all the measures together, but the key challenge now is to consolidate those measures and try to achieve benchmarks that are set up.

One of the fundamental ways of achieving this is through the issue of planning. The way in which public enterprises become efficient is to understand their role in relation to the government programme. This can function by ensuring that government’s planning involves public enterprises and ensures that they are held accountable.

If we want to develop this economy and achieve the kinds of targets that we have set out in AsgiSA, looking at Corridors Spatial Development Initiatives, we are going to have to raise the necessary capital for these enterprises to drive the development that we want. There are two places to get that: the government or the private sector. There are very successful models. For example, in KwaZulu-Natal there is a fund which was initiated by the government bringing the private sector on board as funders of the key projects in the province.

The other important point is that we need to acquire the necessary project management expertise because that is crucial to the implementation of the plans. It is good to have plans and ideas, but if you do not have people with the capability then you cannot have successful projects.

Conclusion

MII and MEEC have been merged. At the end of March these entities ceased to exist as legal entities. We have a new institution called the Mpumalanga Economic Growth Agency (MEGA). MEGA’s objective is to provide a seamless trade, investment enterprise development and project management capacity for government. It is a strategy that is guided by the government programme to increase trade and investment by targets to be set by government and provide finance and non-financial support to enterprises in the province.
Building the Capacity and Organisation of the State

Gauteng Accelerating Delivery Towards Vision 2014

With the local government elections now over, I want to thank those of you who took the time to deepen democracy in our province by voting in the local government elections. Our congratulations go to the new mayors who have been elected.

We look forward to working even more closely with them in building better communities, in making Gauteng a globally competitive city region and in continuing to tackle poverty and unemployment in our province.

When the President delivered his State of the Nation address in parliament recently he gave evidence of a growing optimism in our country, among business owners, consumers, and South Africans from all walks of life. He said that our people are convinced that South Africa has entered its Age of Hope.

In the State of the Gauteng Province address, I indicated that the Age of Hope is definitely true of Gauteng. I pointed out that Gauteng remains an economic success story and has continued to strengthen its position as an economic engine of the country and the continent, reaching a growth rate of 5.6% in the fourth quarter of 2004.

Furthermore, Gauteng accounts for close to half of all employees' remuneration and company turnover and 35% of all household expenditure in the country. It also attracts over half of the seven million international tourists who come to South Africa.

In addition to this, over 40% of all creative enterprises are found in Gauteng. The recent Oscar award for Tsotsi, which has once again brought international recognition and hope to our country, is an expression of this potential which is still to be tapped.

Of critical importance are the indications that this growth is also reflected in employment growth. Unemployment in Gauteng dropped from 30.4% in September 2001 to 22.8% in September 2005, despite continued high levels of immigration.

Knowledge, and therefore people, is our greatest asset in building our capacity and organisation to successfully drive our development agenda and in building a better Gauteng for all says Gauteng Premier, Mbhazima Shilowa, as he outlines the way forward for the province.
This good news about Gauteng goes beyond the success of our economy. We have also made significant strides in addressing the social needs of our people. Currently, 96% of households have access to free basic water; 77.6% of households have free basic electricity; 83% of identified bucket systems have been replaced and all bucket toilets in Gauteng will be eliminated by June 2006; over 80% have access to basic sanitation; over 80% have weekly refuse removal services; 1 142 172 people benefit from the social grant system, including 883 669 children on child support grants; and 310 881 of the poorest children in primary schools were exempted from school fees and 378 298 benefited from the school nutrition programme.

Adding to these socio-economic achievements, 35 972 children are benefiting from foster care grants; 18 231 of the poorest children in Grade 1 will have received free school uniforms by the end of March 2006; 66 318 of the poorest children benefit from free school transport; and 151 236 orphans and vulnerable children infected and affected by HIV and AIDS benefited from 98 community-based care programmes.

Between 1994 and March 2005, close to 900 000 housing opportunities were created, directly benefiting the lives of more than 3.5 million residents – more than one third of Gauteng’s population.

These achievements would not have been possible without the contribution of the Gauteng senior management corps. They have a central role to play in realising the massive potential which is inherent within this Age of Hope. The Age of Hope is based on our people’s experiences of the progress we have made, together with them, since 1994; it is based on our track record of delivery in tackling the challenges of poverty, unemployment and underdevelopment.

It speaks to the confidence that our people have in government and the future development of democracy, as well as their expectation that we will move speedily to address their aspirations and fulfil their mandate.

This places an enormous responsibility on government in general and the senior managers in particular as leaders of the public service machinery in Gauteng. Indeed, we can go so far as to say that our ability to live up to the expectations of our people and realise their dreams is in your hands.

As you would know, the mandate of the people of Gauteng is encapsulated within the Gauteng Provincial Government’s five-year strategic programme for 2004 to 2009 and our vision for the second decade of democracy to 2014. In particular, we made a commitment to place our objective of contributing to the halving of unemployment and poverty by 2014 at the centre of all our programmes.

In achieving this, our challenge is to increase the rate of investment and job creation, introduce a range of interventions in the second economy to ensure the integration of the two economies...
and to promote sustainable livelihoods amongst communities.

We also want to preserve and develop human resources through social services and a comprehensive social security system; improve implementation in an integrated manner and strengthen particularly the local government sphere; improve safety and security in a way that creates an environment for heightening economic activity; and prioritise the African agenda and broader international relations to benefit development.

Given that the state is a primary vehicle for development, it has become increasingly clear that our ability to achieve all our objectives rests on our ability to build the capacity and organisation of the state. This has emerged as a common theme in our major policy and strategy documents that have been developed at the various levels of government.

Our five-year strategic programme prioritises the building of an effective and caring government in realising our 2014 vision. Our Growth and Development Strategy, which we launched in April last year with a target for better public service management and responsiveness to public needs.

Improving the efficiency and performance of government is therefore not a “nice to have”, it is an essential prerequisite in achieving our objectives. While there is a lot we can be proud of, we cannot be fully satisfied with the current pace and quality of delivery. We need accelerated delivery and we need a qualitative leap in our performance so that we can avoid a situation where we are overwhelmed by growing development challenges. Instead we need to step up delivery and move at a faster pace.

We need accelerated delivery and we need a qualitative leap in our performance so that we can avoid a situation where we are overwhelmed by growing development challenges. Instead we need to step up delivery and move at a faster pace.

When we speak about the capacity of the state we are not just talking about sending senior managers on more training courses. We are speaking about the full set of capabilities and capacities that are required to best meet the developmental needs of our province and our people in line with their mandate.

With these imperatives in mind and in line with a national initiative, last year we undertook a study on building the capacity and organisation of the state. We emerged with a strategic framework designed to reposition the Gauteng governmental system to more effectively capitalise on available opportunities and deliver on our development agenda.

The challenge now is to ensure that the new capacities and organisation which the framework entails are embedded and further elaborated within the provincial government and an implementation plan developed by the end of April this year. This conference, and you as senior managers, have a central role to play in this regard.

The strategic framework points out that the Gauteng Provincial Government has achieved considerable levels of success in implementing national policies and improving service delivery that contributes to a growing economy and improvements in social conditions for the population of the province.

It also points to the very important process we have undertaken together with municipalities in the province to develop Gauteng as a thriving, globally competitive city region. This is a major initiative to help ensure that we achieve the higher economic growth rates required to contribute to halving unemployment and poverty, and reducing inequality by 2014.

The building of Gauteng as a globally competitive city region will not just benefit the people of Gauteng, it will contribute to building sustainable livelihoods and wealth creation for neighbouring provinces and indeed for South Africa as a whole.

The approach to creating this globally competitive city region, with a high annual growth rate, will be through, inter alia, sustained investment in infrastructure; boosting innovation in the high-technology and knowledge intensive economic sectors; renewal of urban living spaces; becoming a base for advanced human capital development in a “knowledge economy” context; high quality service infrastructure for businesses and households; and effective crime reduction.

This approach requires the further cementing of intergovernmental collaboration and integration across the spheres of government. It requires a “one for all and all for one” approach including the design and implementation of a coordinated, cross-governmental strategy that produces holistic benefits across government, maximises synergies and minimises duplication in economic and social programmes and investments.

The global city region perspective points to the need for institutional arrangements to support this level of integration, to promote joint decision-
making and cooperative governance with a clear delineation of powers between national, provincial and local spheres. In addition, a spatial coalition is required to build strategic networks linking government, business, financial, development and other sectors around common goals.

Our report on the capacity and organisation of the state points to the need to improve on our multi-year planning and budgeting system. For example, it argues that the provincial government in the first 10 years of democracy adopted an incremental approach to policy implementation and service delivery, with an emphasis on structure, budget and management. Key activities became “locked in” to medium-term budget plans with little room for new initiatives. This contributed to organisational inertia and prevented “even the smartest managers” from breaking paradigms and mindsets.

In improving our performance, we need to shift the direction of government action from “command and control” to “innovation in service delivery”. An innovation-focused development path which promotes constant analysis of change and rapid response mechanisms can play a major role in “raising the game” and elevating our performance and impact. Rather than change running ahead of provincial and local government, we need to position ourselves ahead of the game.

Since 1997, our strategy to grow the economy has emphasised the importance of knowledge and innovation in growing Gauteng as a smart province. Our interventions have helped ensure the emergence of a “knowledge economy” in our province and the country in general.

But we need to extend this more effectively to the public service. Knowledge intensity is a key factor of production resulting in innovation and advancement, not just in the broader economy, but in the public service as well. Our imperative in Gauteng is therefore to drive knowledge intensity both within government and in the broader economy.

We need to invest in capacities and organisational interventions that generate high quality performance of knowledge and innovation systems, including education and higher education, science engineering and technology-based economic activities across the spectrum of low, medium and high technology intensity, as well as efficient and effective services to poor communities. Critical components of this emerging South African knowledge economy are:

- Concerted long-term innovation and change in the business environment, including in industry, commerce and government, leading to the adoption of new technologies, new business processes, new business models and paradigms, such as e-business, social innovations, e-government, advanced manufacturing and refocusing spatial development in housing and urban planning.
- Significant public policy focus over a sustained period on science, engineering and technology, research and development and on building the National System of Innovation, including policies on indigenous knowledge and intellectual property rights.
- Creation of a range of financing models and public institutions to support the generation of new knowledge for innovation and competitiveness.
- Significant legislative and institutional support for building highly skilled human capital and for lifelong learning.
- Diffusion of ICT as a major platform for communicating and exchanging knowledge.

In this context, a knowledge economy exhibits a high level of demand for “knowledge for development”, whether social or economic, in the private or public sector. Thus, according to the World Bank’s Ian Goldin, “99% of development is about ideas. Money is important but only with the right ideas at the right time. This is why some countries are able to achieve more with the same resource envelope.”

To address new imperatives, our framework identifies a development path made up of seven strategic breakthroughs which require new forms of capacity and significant realignment of current capacity.

These strategic breakthroughs, some of which will be further explored at this conference, are: positioning and branding Gauteng as a global city region; facilitating a services revolution; exploiting niche opportunities in national development strategies; re-envisioning and intervening in the second economy; managing knowledge and innovation; steering human capital development; and establishing a business gateway to Africa.

The successful achievement of these breakthroughs requires a reorganisation of government, and shifts in programme design and change management. In particular, a shift in the approach to strategic planning is required that emphasises long-term policy development and planning, the use of geospatial information in decision-making and other quality
information that effectively analyses trends impacting on government programmes.

The macro-organisation of the government system needs to take into account the process of creating a single public service as well as the objective of creating “seamless government” whose aim is to effectively service citizens in an integrated manner.

The new intergovernmental relations legislative framework will assist us in building intergovernmental relations to set, execute and monitor key development priorities for the country regarding the creation of work, fighting poverty and reinforcing national pride, given the relative autonomy of provincial and local government in key areas of social delivery. It will also assist to consult another sphere on policy or actions that it must implement or that affects it before a decision is taken and to give due regard to its views and circumstances. It will manage service delivery in ways that are efficient, accessible to beneficiaries, responsive to the needs of our communities, and that result in integrated and sustainable service provision – despite jurisdictional boundaries and with due regard to unequal capacities.

The framework will also forge strong, flexible, goal-directed partnerships that can unlock the creativity and energy of collaboration and partnership without weakening performance and accountabiility. It will empower communities to participate in processes of governance whilst inspiring and supporting communities to become self-reliant.

It will also plan and act within the framework of domestic and global conditions, within available budgetary constraints and to account for performance in terms of existing legislation. Lastly, it will resolve disputes without recourse to court action.

A key priority in lifting governance in Gauteng to a higher plane will be to help strengthen local government. We are already working with municipalities on the provision of managerial, professional and technical staff and to capacitate local government on financial management.

In my state of the province address I outlined a set of commitments drawn from the provincial government’s programme of action for 2006/7 and the period to 2009. These are the commitments and deliverables on which all of us will be judged. I would therefore urge all of you to familiarise yourselves with this programme as you bear responsibility for the fulfilment of these commitments.

Our monitoring and evaluation system will track this implementation and we will also continue to publish information on progress on our website to enable members of the public to monitor our performance.

I want to thank all senior managers who participated in the revitalisation of the Batho Pele campaign in our province, including the Public Service Week in July last year. This year we need to take this a step further by extending the mobilisation of public servants and taking the campaign to the public so that they can hold us accountable for service delivery.

We are currently finalising service standards for all provincial departments and a provincial service charter. I would urge all senior managers to ensure that this process is fast-tracked and concluded as soon as possible. The effective delivery of services also requires that we build our interface with various stakeholders, including through strengthening and creating platforms and processes of interaction to ensure that our policies and services are indeed relevant to the needs of our stakeholders.

This must become a standard way of operating across the provincial government. In this way we can give effect to our commitment to build a people’s contract to create work and fight poverty in our province.

Knowledge, and therefore people, is our greatest asset in building our capacity and organisation to successfully drive our development agenda and in building a better Gauteng for all. Knowledge building and mobilisation across government, the economy and in communities should therefore be a top priority.

The journey we are embarking on today to reposition the Gauteng public service will be an immensely challenging and exciting one; it will be an unparalleled learning experience and bring about change which will put us up there with the best that the private and the public sector worldwide has to offer. As I said earlier, the future of Gauteng is in your hands.
Like most South African businesses I come from the traditional perspective that I call the western business model, the WBM. I think that in many ways our sense of government is still in the WGM, the western government model. Yet we find ourselves in a period of extraordinary change full of amazing complexity, and under pressure to deliver as you all know.

At Oxford and Cambridge universities in the 19th century they studied a subject called political economy. Then at some point they separated the study of economics from the study of politics, which I think was a tragedy. Because what I think as I look around the world today at the partnership between business and government, and the dynamism that is possible, is that we need to act as one.

I see that top of your list of priorities is to grow the economy. As I look at business and government the boundaries seem blurred in many ways and I believe they should not be blurred because they interconnect in the most powerful way possible.

If we don’t partner with each other and have the right interdependence and dynamism I think we will miss the boat. That does not mean that each does not have separate roles and responsibilities and interests. But looking at the role of the dynamic and activist state my impression is that it plays a very powerful role in enterprise and enterprise plays a very powerful role in terms of the possibilities of the state.

There are many different models around the world. We are seeing the role of the state as a developer of infrastructure and superstructure - this is a classic role. It is an allocator of resources, investment resources that are hopefully productive and innovative. It is an economic partner. It plays a central role in growth and the development of enterprise big and small.

And clearly the state is the main provider of the most important asset of competing economies - intellectual capital. Is our state failing? Absolutely not. Is it in a state of crisis? Well South Africa is in a state of crisis, a crisis of opportunity and a crisis of challenge.
In many ways things have never been as favourable as they are right now economically, and in many other ways. We are on the crest of a wave and if we ride this wave we can surely make a difference for those that follow.

I want to briefly explore some of these models I find so interesting where politics and economics, business and government seem to have different approaches, and then to ask the question: “What is our model?”

The USA Model

The USA is a very interesting political economy. For most South Africans it is probably an irritation at the moment. It has embarked on all sorts of strange projects but if we look at successful nation states we have to see the USA in context.

It is an extraordinary phenomenon of contemporary history that one nation has done so well and we should study why and how. And we need to look for what we can learn rather than just criticise. Maybe our model as leaders should be to learn from everyone but copy no one.

Why has the USA been so successful? The US accounts for 4% of the world’s population, 30% of its economic activity. Extraordinary - that number has remained consistent despite globalisation and the emergence of Asia for the last 30 years.

In terms of results it is pretty impressive. It has grown in the last 20 years at the rate of a developing economy. European countries are growing at 1-2% if they are lucky, while the US is bounding along at 4-5% and has re-invented a knowledge economy.

It is an extraordinary achievement from a huge nation and the largest economy because many people argue that size predisposes you against change. Yet the US, as the largest economy, went through a period of very rapid technical innovation in the 1980s and 1990s. It created companies that none of us had ever heard of like Google.

The E-bays, Microsofts, Dells and others are extraordinary successes of the modern global economy.

The USA is a democracy, the rule of law matters. Living there for five years I learnt what democracy meant in terms of rights on the streets for people. The justice system works. Although the political system is strange to many of us it is a functioning and vibrant state where politics and economics intersect in very creative ways if you measure results.

The European Union

Europe is an extraordinary political economy. It is not growing very fast but it is very sophisticated. It has a social
achieved extraordinary results in the last per annum and, yes, it is under strain. It of 1.2 billion people growing at 8-10% per annum. Let's start with China. Here is a country that is quite extraordinary. To talk of 6% growth in Asia is an embarrassment. I want to touch on but what is going on is quite extraordinary. To talk of 6% growth in Asia is an embarrassment. To talk of 6% growth in Asia is an embarrassment. To talk of 6% growth in Asia is an embarrassment. To talk of 6% growth in Asia is an embarrassment. To talk of 6% growth in Asia is an embarrassment. To talk of 6% growth in Asia is an embarrassment.

**Japan's model**

Japan is a very interesting story. The statistics are quite remarkable. It is an island nation. I often wonder whether South Africa is an island nation in our minds. It had a disastrous second world war. Life expectancy in Japan was in the mid 1940s after the war. Now it is 85. They have doubled life expectancy in 40 years. In 1950 Japan was the 23rd or 24th biggest economy in the world - today it is number two.

At the height of Japanese economic success the land and buildings of Tokyo were worth more than the land and buildings of the entire US. It teaches us that anything is possible, I think.

I want to turn to Asia. Over the last 15 or 15 years the more I go to Asia the more excited I get because I see a remarkable dynamism. It is complex because there are many different models that I want to touch on but what is going on is quite extraordinary. To talk of 6% growth in Asia is an embarrassment.

**The case of China**

Let's start with China. Here is a country of 1.2 billion people growing at 8-10% per annum and, yes, it is under strain. It is polluting and industrialising but it has achieved extraordinary results in the last 20 years.

Beginning in 1979 it unleashed the idea of markets. Factory managers and farmers could sell their surplus once they had met the state quota, freeing 250 million people to build market economies.

Their growth rate is somewhere between 15 and 20% per annum. China is building 100 cities for a million or more people each as we speak. The number of cars increases by 20% per annum. China ordered their chairs for the Olympics the same week the Greeks did. It is an extraordinary nation-state led brilliantly by a communist party – that does not fit the WBM model. If China keeps growing at its preset rate by 2015 its economy will be larger than Europe's. It is a phenomenon of our time. It is driving the South Africa economy. If you want to talk about Gauteng as an economy you have to talk about China. Gauteng is still a minerals economy and China is driving the demand for minerals in the world.

Thirty per cent of the world's cell-phones are made in China, 45% of the world's MRI cat scanners, 25% of the world's aluminium is consumed in China. It started from an extraordinarily low base and is moving very fast to become an incredible super power led by the state. Shanghai is a city of 17 million people, slightly larger than us, growing by one million per annum.

**The Indian model**

India is another economy. When George Bush visited, the headline in one of the papers read: “The world's largest economy has come to meet the world's largest democracy”. Call centres, service centres, online processing, business processing, extraordinary companies that have come from nowhere. Sometimes in spite of the state because it is very bureaucratic and slow to make decisions and it is very complex. Balancing out the multiple ethnicities, provinces and regions of India is no small task. It is a culturally complex society of a billion people in a democracy. It was the first nation in the world to vote electronically.

Why is India growing at 8.10% per annum? Is it simply that they have uncluttered the bureaucratic process of government as many would argue? Perhaps, but I think what underlies it is the dynamism of Indian people. India is full of entrepreneurial ideas and moving very quickly. I met two MBAs who said they had a product to sell to South African schools to test the aptitudes of high school learners and help them study better.

At the end of the presentation I asked how much it costs. They said it was too expensive and they were trying to reduce the cost. It was $8. Tata, which is very much present in South Africa, will soon be producing a car for $2 500 – roughly R20 000.

India is moving very fast; the 20 million Indians who live outside the country generate more economic activity than the one billion who live in the country.
What is driving this dynamism? Will it last? Maybe, maybe not; it is very hard to predict what will happen next. But India and China are extraordinary examples of nation states moving very fast to become economic super powers of our time. What fantastic lessons there are for us to learn from them.

Lessons to be learned

The Indian railways are run by the state. The railways have 10 million employees. In Mumbai a commuter train costs four rupees, about 25 cents, for the day. Twelve million people come in and out of the city on trains.

Senior executives have lunch brought to them from their homes in the suburbs. Five thousand men go out into the suburbs to fetch about 300 000 meals at a cost of about 20 cents with an error rate of one in 10 million.

That is the human capacity that drives the writing of software and why India will now write more software than America.

The most popular non-fiction book in the USA now is called The World is Flat by Thomas Friedman. I bought it when it came out in June last year from Amazon at R600. I was driving in Mumbai two weeks ago and a young boy was selling the book for R24.

Intellectual property is a problem but I am going to send the picture to the author because his argument is that it doesn’t matter where you live any more, what matters is what you can do.

South Africa does not matter to people outside it. In a global economy that is flat, it is what you can do that matters. How fast, how efficiently, how innovatively?

There are many other countries with an activist state. Vietnam has a population of 80 million people currently growing at 10% per annum. In Ho Chi Minh City I saw entrepreneurship on a scale I could barely understand: a good quality T-shirt for R6, trousers tailor-made in 24 hours for R180.

The Middle East is another interesting model of political economy. These are family owned countries. The Saud family controls Saudi Arabia. In spite of all the conflict these countries are growing at 8-10% a year, twice the speed of our region. In 1960 the biggest building in Dubai was two storeys high. In 2005 it has some of the highest buildings in the world.

Where does this speed and dynamism come from and how do we think about the state?

Should we restructure the state? I don’t know, is it in crisis? How do we decide whether we should? The question all leadership face is, “Are you changing faster than the world around you, or at the speed of the world around you, or slower than the world around you?”

It is a question for a person, a team, a division or an entire organisation. There are three outcomes. If you change faster than the world around you, you get to the next level of performance. If you are moving at the same pace you stay where you are. If you change slower than the world around you, you go backwards.

An economy as complex as Gauteng’s has many elements. There is technology; there is skill building and entrepreneurship and personal growth.

Migration into South Africa from the rest of Africa is another element. It is a huge opportunity to seize because people who migrate are resilient and very keen to start again. The African continent is inviting us to assist it in development. We have an extraordinary role to play on the continent as long as we do not behave in an arrogant manner. So long as we genuinely partner with countries in which we do business.

Africa is a continent of 800 million people. There are 150 million people in the north who have a $2 500 per capita income a year. There are 50 million in the south who earn $3 000 and in between are 600 million who earn $600 a year.

Is this an opportunity or a threat? We are a generation of tremendous opportunity. South Africa has the infrastructure and the business knowledge; it has a functioning state and a functioning democracy. There is no reason why these things can’t be repeated.

The things that are happening in Asia don’t just happen. Look at the development of information technology in Costa Rica. Look at the development of Nokia in Finland. These are dynamic partnerships between business and government, between politics and economics, between institutions and enterprises.

We in business need to develop a much deeper strategic partnership with the state to understand that the interde
And perhaps when we in government do not think about enterprise and growth and freeing up the capacity for young people to start businesses and finance them we will miss the possible partnership.

Johannesburg is an extraordinary city. Cape Town was begun in 1652, Johannesburg in 1886. This gives Cape Town a 234-year headstart. How long was it before Johannesburg was bigger than Cape Town? The answer is six years. It is politically awkward but we were all arrivals in this city. The question for the 21st century is what do we do? Are we moving fast enough?

Six months after people came to dig the gold here there were 800 wagons a day driving in from Kimberley. Nine months later the main streets like Market and Commissioner were already in place.

I often think about the energy we need in all parts of our society to seize the fantastic opportunity we have as South Africans. I always say that I come from a country that no longer exists, and I live in a country that is waiting to be born. You in government play a very strategic and central role in making that happen.

Conclusion

Should we restructure the state? You know the answer to that as well as anyone.

Are you innovating fast enough? Is there alignment between policy and delivery? What are the missing pieces? Why is it taking so long to make things happen? Why is it taking so long to get the education system right?

When I go to KwaZulu-Natal I see hundreds of children full of energy. But I know that compared to my children they have very little opportunity because the schools are not properly equipped and all the goodwill in the world without infrastructure cannot deliver the kind of prosperity we need.
A strategy is a dialectical thing with many complexities but nevertheless must yield specific guidelines for action. In that sense strategy is a way of rendering very complex things into a set of things that can actually be done and hopefully will have an impact. In that sense a strategy should have a head, a heart and hands.

My presentation is biased towards the head, what this strategy is, a little bit about the hands but that will have to be developed — and just touching on the heart, which is the leadership aspect, the cultural aspect; and many of those things like the ethos that are necessary to drive through an ambitious strategy. That are required to accomplish ambitious but very great things.

Background

We proceed from a broad consensus that the Gauteng Provincial Government (GPG) has been a successful provincial government with many achievements, which are reflected in the general economic viability of the province and our ability to run ahead of general economic growth rates.

The frightening thing is that despite this some indicators are going backwards, for example our battle against unemployment and poverty, and in maintaining standards of global competitiveness. In that sense things have to be done and done within a very dynamic strategic framework. Within this framework we are looking for high levels of economic growth and for social inclusion. The broad priorities are:

- Increasing the rate of investment and job creation;
- A range of interventions in the second economy to ensure integration of the two economies and sustainable livelihoods among communities;
- Preserving and developing human resources through social services and a comprehensive social security system;
- Improving safety and security in a way that also creates a better environment for heightening economic activity; and

Unpacking the Strategic Framework for the Organisation and Capacity of the Gauteng Provincial Government

Professor Patrick Fitzgerald, Dean of the Faculty of Commerce, Law and Management, University of the Witwatersrand, looks at the prospect of turning Gauteng into a global city region, the role of the Gauteng Government and the benefits of knowledge economy.
The prioritisation of the global city region is a tremendously interesting and challenging idea. These regions are being prioritised all around the world. Adopting this perspective means looking at the integrated development context in a completely different way.

In our context this would mean provincial and local governments focusing on driving the establishment of such a thing. People have to start thinking and working in that manner and this will require considerable competitive intelligence capacity, something that probably has to be established in the Gauteng government.

A services revolution will be facilitated through focus on improving the scope, diversity, quality and efficiency of both public and private sector services. It makes no sense to differentiate between them, the customer does not.

There may be different models and partnerships but basically the services need to work well and in harmony with economic growth prospects. We need to explore opportunities to promote the services sector through African and global linkages. We need to provide services that go beyond our provincial, national and even continental borders. We have to be that good.

Niche opportunities in national development strategies will also be exploited. Gauteng can best take advantage of opportunities presented by resource availability such as advanced manufacturing technology strategies, the national biotechnology strategy, the ICT R&D strategy because these strategies already have momentum. They already have funding and approval from central government. We can come in on them and continue to drive them.

The second economy will also be re-envisioned. The second economy is often subject to debate: Does it exist, and is it a viable sociological concept? Perhaps we need to see the second economy differently. We see it as something that we must provide charity for, compensate for or something we can really intervene in because it is only the second economy - something we are embarrassed about and wish we did not have or must eliminate.

There are other ways of looking at it and one example is India where they want to eliminate it, but they understand that it is not going to go tomorrow so they eliminate it through developing and building it, not just through social welfare where resources are limited.

Whereas we have put a lot of thinking into intervening in first economy issues we could also learn how to build capacity, make interventions, create infrastructure to drive and improve the second economy. Maybe in the long term it will disappear but in the meantime we need to drive it.

When India started to factor in the transactions and human energy in the second economy they jumped 10 or 40 places in the table of nations. We can look at the second economy in this much more creative and dynamic way.

Knowledge and innovation have to be managed. It has been said over and over that it is all about knowledge but have we translated that into the way we do things organisationally, the way we manage our government and departments?

Knowledge is becoming the prime factor of production in the world, it is knowledge that people are competing for. The nation that can best use its knowledge will have economic and development successes.

Greater marshalling of knowledge resources for the GPG is required needing greater intergovernmental operations and stronger interagency knowledge and innovations networks, and institutional renewal in that sense.

There will also be a steering of human capital development. The question here, is where will the intellectual capital for this ambitious strategic project come from? In the short-term institutions can import scarce technical know-how and skills but that is not the long-term solution. In the long-term we need to build our indigenous knowledge, meaning not only traditional knowledge but also...
contemporary indigenous knowledge.
As South Africa we have not mar-shalled and exploited the contemporary indigenous knowledge that we have developed through our successful transition. We have learnt a lot. We need to use this indigenous knowledge, leverage it, even market it and sell it globally across low, medium and high tech knowledge domains.
A lot of services are low-tech and so is much of the second economy, but they can benefit from improved systems and processes, and improvements in the second will benefit the first economy.

Lastly, a business gateway to NEPAD should be established because Gauteng is so well placed. As economic performance in Africa accelerates what is our role? What services and skills can we offer as Gauteng conceived as a global city region?

If we have these skills, and I believe we do, why should people get them from somewhere else? We need to compete. We are not geared to be that gateway. Services may not be as well provided as from elsewhere.

We have to build the infrastructure and services to facilitate international firms doing business in Africa. One small example is competitive African contemporary design in textiles, music and so on rather than trying to compete with the Chinese on price and quantity. In the international fashion world people will buy a design that is different and special.

These breakthroughs require concerted effort over the next five, 10, and 20 years; new forms of capacity and significant reorientation of current capacity; and new structures and significant change management of current structures.
The need for new forms of capacity is not a moral reflection – we have to keep learning to keep up with the rate of change. Having to build new capacity is not judgemental. We talk about change management but how well do we do it?

Findings of the study

The paper does not examine the findings of the study in detail and readers should refer to the study document for a full discussion. The following points were presented with some brief comments.

1 Organisational and human capital

On organisational and human capital specific focus areas were identified: organisational design, human capital development and change management.

In the area of organisational design it was found that departments are still too internally focused. It was also found that formal organisational arrangements do not support integration and coordination – sometimes even within departments. Furthermore, there was limited use of team-based approaches, and performance and incentives are structured around individuals; they often ignore the requirements for integration and coordination. Government does not incentivise cooperation; it does not necessarily get you a salary increase or promotion. It may even bring you a lot of problems.

In the area of human capital development it was found that there was high staff turnover; adequate training and development; appropriate incentives; and supportive workplace environment. There is a high staff turnover.

In the area of change management there is a need for regular introduction of new initiatives; staff are unable to keep up, and changes are introduced without effective change management processes and supporting infrastructure to advance change. There has been a regular introduction of new initiatives. Staff feel they cannot keep up perhaps because the environment has not been supportive.

2 Institutional and stakeholder management

Here, mandate reviews, integration and coordination, establishment of purpose vehicles, knowledge sharing and innovation, and stakeholder management were identified as important aspects of the findings.

In the review of mandates the study found that continuous change requires assessment of relevance of mandates on regular basis – every five years. This also requires assessment of relevance of programmes on a regular basis – bi-annually.

A lot of the mandates have not been changed since the democratic government came to power. We need regular assessments and we need to find a way to streamline them and do them quickly.

In integration and coordination it was discovered that services are not designed within a context of an integrated and coherent system. It was also discovered that integration and coordination involves streamlining and aligning systems, processes, resources at the institutional level. There is also an argument to build operations management at a cluster level and strengthen co-accountability.

An integrated system is not the same as uniformity. Not every department has to be structured in the same way. It has to be coherent and aligned but not necessarily uniform. The system should allow for strategic asymmetry where people are doing different things that require different organisation.

We talk a lot about departments working together but when we did the study last year it was difficult to see where we have succeeded in doing this.

On the proposal to establish special purpose vehicles three findings were made. Firstly, this would provide increased ability to attract higher skills levels, greater flexibility to respond to change, work across organisational boundaries more effectively. It however requires guidelines for institutionalisation. Lastly, feasibility studies and effective risk management are required – that is new capacity.

We have some special purpose vehicles; some have been more successful than others. We have to accept that we are not going to run things like the Gautrain from inside the department.

It was hatched in the department and the feasibility studies were done there
The future of Gauteng is no longer in gold mining but is in knowledge services in which we act as a knowledge gateway to many economic, financial and developmental issues in South Africa, southern Africa and beyond.

But you need a special agency to launch and run the project. Then you use the special agency to attract special skills, which may not be attracted to the conventional public service.

On knowledge sharing and innovation it was found that knowledge sharing is beginning to happen but it is almost happening instinctively – it is happening despite the IT and other systems, not because of them.

The bureaucracy is not particularly designed to encourage creativity. This is an international problem. Everyone is grappling with how to make the public sector more creative and innovative. There are case studies from many places that show it is possible.

On stakeholder management, it was pointed out that already stakeholders were already being involved, e.g. GIGF, Intergovernmental Infrastructure Investment Summit, Imbizo, others.

There was also a need to strengthen and deepen practices for participative development – communities, business, development sector. The “GGCR” project requires a strong development network drawing on wide range of capacities.

There are some mechanisms for involving stakeholders in place but there is still a need to strengthen and deepen practices for participative development.

We need to face the fact that in a knowledge economy you will never have all the capacity you need in government. You need certain things in house but you will never have everything. You have to have a network and know where to source capacity to get things done.

This is why you talk about a global city region. It does not help if you have the best business sector in the world if the provincial and national government are not providing enabling services in terms of things like trade legislation, telecommunications infrastructure, labour regulations, reliable courts. Likewise it does not help if the Gauteng government is the best managed government in the country if the local governments are not up to speed and certain national departments that operate here are not. You have to build a global city region that lifts everyone’s performance to the same level. It is the Gauteng government’s task to manage that process.

3 Policy and strategy environment

Continuous change, increased levels of investment, longer-term planning, effectiveness of current budget and planning frameworks, and effectiveness of current spatial frameworks were identified.

On continuous change, the study found out that there is a rapidly changing environment, yet the machinery of government is not designed for change. It was found that administrative rules and organisational cultures tend to resist change.

A need to design strategies, operations and structures for change was identified. It was also pointed out that policy and real change was happening at a faster rate - need better data/indicators for decision making.

The policy and strategy environment changes all the time but the machinery of government is not designed for change. We have heard complaints about studies that have been done but nothing has changed, meanwhile the situation has changed even more.

Government is not designed to keep pace with change and we have to do something about that. All organisations, not only government, resist change. Organisations are backward looking, they are collections of how they did things in the past and the skills they needed in the past.

But we have to find a way of managing the organisation from a future-oriented perspective, not a past perspective. One way to design policies and strategies for change is to have better indicators and use them in a much more thorough way.

We found many examples where successful implementation of plans for housing, for example, would leave more people without houses because of increasing numbers. The same holds for other fields. The only way to win in this situation is to change the rules. There has to be more lateral thinking about how to deal with a situation like this.

On increased levels of investment, there were many that were cited to show that current levels of investment, in fact, lead to increased backlogs. It was pointed out that the rate of investment needs to be significantly increased which is a strategy for attractiveness.

On longer-term planning, the study pointed out that the future is inherently unpredictable, which in this case means that there is a need for longer-term strategy development. It also pointed...
out that there is not a good enough strategy to forecast the future. There is a need to facilitate a common base of long-term planning across provincial and local governments – 2014 and 2020 – and then measure success and failure.

If the future is unpredictable this does not mean that we don’t plan. It means we have to plan smarter, manage risk better, use more indicators so we can shift the plans if necessary.

If we look at future forecasts that were made in the past some were very good. Quite a lot of people forecast the economic growth rate that South Africa now has, but we did not plan effectively for that.

What is coming out in the debates around AsgiSA and so on is that our consistent economic growth has ruthlessly exposed our lack of high-level skills. We did not do the necessary work and now we are in trouble.

On the effectiveness of current budget and planning frameworks, it was pointed out that budgeting process currently dominates strategy formulation and is incremental. There is a need to review the utilisation of MTEF in the context of an expansionary fiscal approach for greater public sector investment in social and economic infrastructure, and to test whether MTEF can be used to establish zero base in, for example, year three.

A question on what opportunities there were to use developing financing models, was asked in the study as an important finding.

We all know that the medium term economic framework (MTEF) brought stability and discipline to the budgeting system, but like all incremental budgeting systems it means that you tend to look backwards and do what you did previously, not what your strategic plan says you should do now.

Is there a way we can look three years ahead and start with a zero budgeting approach while still complying with the MTEF? Otherwise there is the situation where the environment changes and you are still doing things that no-one thinks are the current priorities but you have committed yourself to it three years ago.

We have to get out of that trap. Strategy should drive budgeting and not the reverse.

There are opportunities to use development financing models outside the normal budgeting process. Possibly we are not using them enough.

Lastly, on the effectiveness of current spatial planning frameworks, the increased demand for spatial planning - economic nodes, transport nodes, sustainable human settlements, provincial and local government – with competing demands for land was seen as significant.

This was the case with the Review of National Spatial Development Perspective and GIS techniques and analysis, a crucial instrument to be used to change apartheid spatial architecture – economic, residential, infrastructure, and so on.

We need much better spatial planning to deal with competing demands for land. We need to use GIS much more effectively to deal with the apartheid spatial framework. To some extent we have come to accept it, or it has just converted from race to class divisions. We need to attack it vigorously with all the analytical and technical instruments.

Implications for the GPG

What role does the GPG have in increasing rate of investment and job creation; integration of second economy and sustainable livelihoods; preserving and developing human resources; improving implementation in integrated manner improving safety and security; and prioritising the African agenda? It has two significant roles. It has the role of an economic agency and that of the public service sector. These are distinct roles which have variable effects, and yet are interdependent. If you fail on one you will probably fail on the other. They have different logics but you need to harmonise those logics.

Unpacking the strategic framework

We did a knowledge and innovation management assessment (KIMA) of the Gauteng government as part of the study. We discovered a very uneven management of knowledge in Gauteng despite the fact that we are one of the most sophisticated elements of government.

The required organisation and capacity requirements identified through the study are competitive intelligence capacity; long-term planning capacity; integrated spatial planning (horizontal and vertical); and measurement capacity - GIS mapping, indicators studies, KIMA reports and Annual Gauteng Development Report.

We need a competitive intelligence capacity to make the global city region competitive.

Capacity and innovation levers

Here, innovations, people, institutions, and stakeholders. On innovations, the Private Public Partnerships (PPPs),
Agentisation, Triple Helix (government-industry-university knowledge partnerships), ICT have been identified as backbone infrastructure and applications for development.

On people culture, incentives, knowledge, skills and technology, talent management were seen as significant. Triple helix, government-industry-university partnerships, are very big at the moment in places like western Europe where they are trying to gear up to compete with the USA and the Asian challenge.

You can’t use ICT effectively unless you have the software, the protocols, the hardware and the skills needed.

We have heard quite a lot about the old fashioned personnel management, about how your secretary can’t have a higher rank than mine because someone will complain. That is the old personnel management framework, which is that you manage HR in an organisation, in Gauteng government, in Joburg Metro, Barlow Rand.

The Gauteng Global City Region paradigm is that you manage human resources in the whole global city region. Everybody must be good, that is what lifts the resources. If you lose someone you lose them to your neighbour and you gain somebody from them.

If people are attracted to the city region they bring human intellectual capacity with them, networks of people. You can’t have an HR attitude for just your own organisation. It has to be for the whole environment in which your organisation works and operates.

On institutions, mandate reviews, intergovernmental operations and operations management, collaborative planning and budgeting, strengthening formal and informal knowledge flows and knowledge management practices were seen as a key finding.

On stakeholders, community involvement, private sector, civil society were seen as significant to the success of GPG.

We have always consulted stakeholders and mostly this was done genuinely. But now we actually have to work with them. We have to leverage their energies and align them with ours. We have to give communities some responsibility and credit for driving their own processes and assist them without patronising them. We have to find ways to do this.

**Knowledge base**

Here, there was an identified need for long-term strategy for human capital development - low, medium and high knowledge intensity, and greater throughput rates.

Throughput does not mean that we accelerate staff turnover it is rather in the sense of accelerated capacity building in departments and for individuals.

In Malaysia if you can’t show that you are doing a certain amount of training you get penalised for it. You are responsible with your head of department for your own continuous professional and career development.

There were also structural findings that were made. There was an argument for a Competitive Intelligence Centre with specialist capacity to interpret global competitiveness trends, long-range planning (foresighting, road mapping, scenario planning).

There was also an argument for a more networked organisation. This would allow for interactions and inter-institutional flows which in turn promote innovation and quality service delivery. There is also a need for mainstreaming new organisational forms, e.g. agencies, and leveraging partnerships was identified.

When we did the study many departments showed us things that had really worked. But often these were on the side and when we asked about the main operations we heard all the woes. Some of these successes have to be mainstreamed.

The GPG is at the centre of the structure and has to play the apex role. No one else can do it.

The indicator studies raised the question of how many of the indicators are at our fingertips as managers and how effectively we are using our metrics. It is a complex and apparently chaotic environment out there and we need much better metrics to manage and plan or our well intentioned interventions will produce nothing.

For the KIMA study we developed a set of indicators to measure how well you are leveraging and managing your knowledge. Maybe we need to do that every three years or so to see whether, as government, we are embracing the knowledge economy and are capable of steering development within the knowledge age.

Further tools include the long-term expenditure framework, not just medium-term. Institutional performance management that goes beyond individuals to teams, clusters, institutions, interdepartmental and the provincial corporate rate itself.

We felt that there had been some loss of a sense of the Gauteng government as a whole. That does not mean that you lose your sense of your individual department but that you also have a sense of “how are we all doing” otherwise we won’t drive that cooperation and feel that our success is tied to the next department, and the next, and with national departments and local government.

**Some broad conclusions**

Leadership needs to drive integrated planning and networked structures within an intergovernmental context - both at strategic and operational levels. The GPG also needs new capacity to conduct activities new to the business of government.

It needs to engage in renewal of the knowledge and skills base of existing staff complement to reinvent public services quality and undertake an institutional renewal project.

It needs to facilitate and work in a network of institutions making available access to greater capacity than in one organisation.

Finally, financial resources alone will have limited impact, there is a need to also address “soft” issues, such as culture, developmental ethos, commitment.
The UNDP visited Malaysia, China, Canada, Scotland, Botswana and Namibia to try to understand the shift that has taken place in the governments of those countries and the thinking in those governments in terms of a new culture of service.

Perhaps the most impressive in terms of the principles of governance was Singapore. All of these countries have similar principles of governance that they place at the centre of their public service and South Africa also has similar principles. What was interesting for me was the way in which the principles of governance were not just stated, were not just up there on posters, but these principles are in your heart.

It became completely clear to us as we spoke to public servants that these principles of governance are embedded in their hearts and the principles are relevant and enduring.

The first principle is leadership, the second is reward for work, work for reward; the third is a stake for everyone, opportunity for all, and then anticipate change and stay relevant.

**Principles of governance**

The first one, the principle of leadership, is key. Leaders set the example in honesty and upright conduct. However unpopular government policies may be, people accept that they are not the result of corruption.

Leaders do what is right and not what is popular. This is particularly important in Africa where we come from a culture of patronage and the culture of leadership is often to do what is popular rather than what is right. Sometimes you can be popular and right but often this is not the case.

The second principle is reward for...
work and work for reward. I found this very interesting. It means that remuneration in the public service is tied very much to productivity and to the performance of your country.

The idea of having a base salary and a portion of the salary that is tied to individual performance is not new, but to actually have a proportion of salary that is tied to the performance of Gauteng as a province actually becomes a driver and gives you a direct interest in the province having a good outcome.

At the UN we have a very sophisticated performance management system but it is flawed in one sense. Ultimately your performance is based on what your boss thinks about you rather than what your clients think of you.

We need to rethink how we measure performance. What we found in several of these countries is that they are moving towards a performance management
system that is client-based rather than inward-based.

The third one is a stake for everyone, opportunities for all. It is interesting to see how in some countries the public service has internalised issues around community and family. There are interesting innovations aimed at finding a balance between work and home. For example, in Singapore they actually switch off the lights in government buildings at 6pm so that everybody goes home.

Something else that is rewarded is your participation in community life; in all kinds of activities, not just sports. The fact that you are an active community member, the fact that you are an active family member, that you are doing things that contribute to society are actually recognised as key contributions to the programme of the public service.

I found it very interesting in the context of the views that you must be neutral and impartial that the public service in Singapore states that you are not neutral, you are biased entirely towards the vision of the province or the country or of the community. You live that vision, you are not neutral.

The subject of change

The next point is to anticipate and execute change, stay relevant. In the UN you are discouraged from stepping out of the comfort zone. The performance management system discourages it and because of that you do not really learn.

You can talk about becoming a learning organisation being an objective of your government, but you will not be a learning organisation unless the entire system supports learning and risk taking.

Over the years many change management consultants have come and gone and many of them were good. But I think the big issue is to recognise that change is not an end, it is not a project, it is a constant thing.

The private sector tends to be much more attuned to this than the public service. But a number of governments – including Singapore, Canada and more recently Botswana – are pushing to create a place inside the Office of the President that is designed to really push and support the culture of change.

In Singapore the vision is that they want to be in time for the future, to anticipate change, to welcome change and see it as an opportunity for improvement, not as a threat. They have activities like change of culture training in the public sector.

When we were there the senior managers were in a session testing their change scenarios against a recently published book from Harvard Press to see whether they were on track. They are constantly using scenarios and other methods to try to anticipate change.

The next thing is people development, and here we picked up some interesting principles. The first one is that public servants are hired for attitude and not skill. Many African countries have highly educated public servants. The issue is not skills but that we generally don’t have the attitude to carry out the work that we have to do.

The former head of the civil service college in Singapore told us that what they set out to do is to brainwash the public servants in order to change the prevailing ethos that focuses on how they personally will benefit from their work.

Inculcating a new way of thinking and questioning the current assumptions that underlie the approach of many civil servants is a key issue. We need civil service colleges that can impart both skills and values.

Excellence is a lifelong journey

In Singapore the public service has made one person responsible for all the areas that contribute to change in culture and they have completely aligned their education and training with the ethos of public service.

Leadership and management training are all aligned with this and pick up on the principles that we have been talking about such as a stake for everyone, opportunities for all.

They also have an interesting approach to training. A lot of our thinking around people development is around training. In Singapore they look at both training and non-training solutions to problems. They have training solutions but before sending people for training they will come in and establish exactly what the problems are.

Is it about engineering, is it about change management, is it about training or is it about attitudes? Every civil servant has 100 hours of training a year paid for by the government and this is split between 60% work-related training and 40% contributing to your own personal development, about self awareness and managing your personal life.

Conclusion

The public service recognises the impact of problems in private life on performance. A new culture, live the principles of governance, welcome anticipate and execute change. People development is about moulding a mindset in the public service that is aligned to your vision.
Gloria Young explains how “shadowing” – workers are tracked and interviewed about exactly what they are doing – helped San Francisco become more competitive by looking at the organisation’s procedures and processes.

In 1998 I was hired to manage the legislative branch of the city and county government in San Francisco. At the time 50-60% of our employees were eligible for retirement. The organisation was changing over to computers and many employees were not computer literate.

I had been hired from the city of Palo Alto in Silicone Valley and was used to high tech. In moving to San Francisco I was looking at what to expect in a larger city, one that was considered progressive in the United States and where politics would challenge every opportunity I had to put systems in place.

An important challenge was that much of the knowledge of our employees was implicit rather than explicit. The first thing I did was to consult the labour unions because I knew that in an organisation with over 90 unions representing 400 sectors it was critical to inform the unions that I was going to have to change the culture of the organisation.

In over 100 years of the history of the city I was the first women and the first black person to occupy that position. Recognising that I was hired from outside by the legislative body to change the organisation I needed to view my role as one of change management from the outset.

The city and county has 59 departments and over 30 000 employees. It deals with transportation, supplies water and is looking at becoming an electricity provider. It has an airport and a port.

The beginning

I began by looking at a work group that was requesting additional staff. The legislative body had created additional committees and we needed to support it in a different way. I asked the group to share with me exactly what it did.

At the time there was nothing written down. Not only was I going into an organisation that one would have expected to be well ahead of where it was, it was also an organisation where no one had been evaluated in the last 15 to 20 years.

The need to put in goals and objectives, the need to make people accountable was really challenging. There were also no written policies and procedures for work programmes. I asked the five...
people in the work group to write up the work challenges they faced. I got back a one-page document.

This said to me that if this is all you do I only need one of you, not five. That challenged them to look more closely at what they were doing. I also recognised that when people have been doing work for a long time much of it becomes implicit and it is very difficult for them to describe it in writing.

With the commitment of the group I hired a couple of people on a six-month contract to shadow the work group and interview them to find out exactly what they were doing. At the end of six months we had a 470-page document detailing the work and procedures involved.

It allowed us to see what was happening in that work group. Each individual in the group was responsible for a different committee. So if one person was absent or away for a time the whole group would stop to figure out what that person did. We realised from collecting the data that other members of staff could use the document if they had to support the work group.

Shadowing became a tool for us to identify our knowledge management procedures. To date 80% of the organisation has been shadowed. Our managers’ pay-for-performance measures include the requirement that their organisation be shadowed and that procedures be put in place.

We also ensure that the managers created teams and that the teams shared information. We are now doing cross-department team training, and cross-management integration. It has allowed our organisation to be extremely competitive in sharing knowledge and information and we no longer have to worry about a brain drain in the organisation when employees retire.

A number of cities in the state of California have not taken this approach and have to hire retired employees or consultants at much higher rates. This leads to dissatisfaction amongst employees in the organisation.

Through sharing knowledge we have been able to promote and transfer people in the organisation and we have also been able to identify opportunities to add value to our services.

We also started realising what information we could put on the web and what we could do to make information more accessible to our public. We were also one of the first departments to deal with the issue of ethnicity, using a link to a nearby university to translate and deal with callers in their own language so clear that part of the reason for the failure of enterprises there was that people took the knowledge they gained in a start-up company and bartered it to move to another company leaving the previous company with an information deficit.

In 1998 the public sector did not provide examples of how to deal with management procedures and processes. I had to look at the failures in the private sector to find learning opportunities for the public sector.

I realised that the shadowing concept provided us with incredible knowledge to use in our organisation. It allowed us to become much more competitive by looking at our procedures and processes. As a result over the last eight years we have decreased our budget by about $3 million and doubled our work programmes.

Why shadowing? It is in order to share the skill and go beyond the job title and mandated tasks. When I first went in none of my managers had been evaluated, none of them had reported to my predecessor and they did not feel any need to.

I really needed to work on establishing a management team and on having the performance of everyone in the organisation evaluated based on capturing the information about what they did. I realised that this was critical to our business processes.

Learning from failures in the private sector

Coming from Silicon Valley it was very

I realised that the shadowing concept
that we understand their requests. Shadowing not only gave us the policies and procedures it also gave us the unanswered questions - the other skill sets that might not have been in the job description. You got the full position of what someone was doing.

**The buddy system**

How did we manage to get this done in a unionised organisation where I was told when I first arrived that if I changed what people were doing they would walk out and take their knowledge with them? I felt that the organisation could not be threatened, that knowledge was definitively power and that we needed access to that knowledge. I also recognised that without funds to engage or encourage people by paying them more we needed to look at other types of recognition and opportunities for sharing.

The organisation did not have flexible or alternative work schedules and one of the real issues was that 95% of employees live outside the city and county of San Francisco. If they had family or medical issues they needed time to attend to them.

We created a buddy system, an opportunity for people to connect with someone else to mutually share their work programmes. I felt that it was critical as a public agency to be able to provide services every day and not to have to tell people they would have to wait until the next day for an answer to their question because there was an alternative work schedule.

The buddy system allows us to deal with issues when people are absent and makes the organisation much more flexible. Collecting data through teams also made us realise that it was critical for our department heads to be constrained.

Over the last four years we have had severe budget deficits and cuts of several million dollars. Those cuts were not made by eliminating existing positions, which has made the unions very happy. Instead when a position fell vacant we looked at whether others could take on those responsibilities or whether some of them were duplicated and we could make organisational changes to cover them.

**Implementation strategy**

To implement the shadow plan we really had to shift our organisational culture. Initially we brought in contract workers for the shadowing but we realised that the buddy system offered real opportunities to do this with existing staff, and we also brought in interns. This did not add any costs for the organisation.

Once we had created the information I looked carefully at our responsibilities and roles, and our current organisational chart. The information allowed us to identify the key components we are responsible for.

We have legislative bodies, including the board of supervisors, that the rest of the organisation supports. We have administrative functions that cut across all the individual departments and divisions.

We have the managers who have to respond to various initiatives and we have support services in three areas: legislative activities; customer relations management; and internal support, which includes IT, HR and accounting. Looking at the organisation in this way we could see that we were duplicating services across the areas.

That started us looking at how to cross-train and the kind of information we needed to be able to continue in any kind of environment.

On this trip I would be away from the office for a couple of weeks. In the past I would have received constant calls and would have gone back to a huge backlog of emails. Because of the transfer of knowledge and because the organisation has understood and shadowed me I was able to have the IT staff stop all my emails and bounce them back to be dealt with by others.

We need to know what goes on in an organisation and we need to share it. This makes you much more powerful in terms of your employees being part of your organisational decisions and it raises people to levels you would not have thought possible.

**Disaster management**

We have also looked at how we would continue if there was a disaster and employees could not get to their offices and computers. We looked at the knowledge we would need to access and we created portals in our website to hold documents.

We worked with Sun Microsystems’s Iworks system, which puts all the critical information on the server. We got their services free by agreeing to let them use our organisation to try out their system.

Several board members and key staff members have the Sun system in their homes. This would allow us to work 24/7 in the event of a disaster because these employees and managers do not live in the city and county of San Francisco. We would not have been able to do this if we had not taken the time over the last eight years to do the shadowing exercise and capture the knowledge and skill sets.

**Conclusion**

Two years ago I brought in a student from Stanford University to shadow me and capture what it took to do my job. This brought out qualities that would not have been captured in a job description, such as the networking opportunities and the resources that I bring to that position as a result of working as a consultant and in government for a number of years.

She also saw things that I was not aware of including that I was able to maintain ethics and values while working in the highly politicised environment of the city and county government. Shadowing is a concept that allows you to capture that implicit knowledge, make it explicit and create an environment of creating knowledge workers.

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**International Case Study**

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She also saw things that I was not aware of including that I was able to maintain ethics and values while working in the highly politicised environment of the city and county government. Shadowing is a concept that allows you to capture that implicit knowledge, make it explicit and create an environment of creating knowledge workers.
The problem in South Africa is that we don’t know how good we are. When we talk about innovation we try to find some correlation between this word and what happens in practice.

The tendency is to think that innovation is all about technology. We hope to show you a very different side of innovation, a side of innovation that can make things happen in your own environment.

At the outset we need to say that every senior manager in government and the private sector will talk about the need for innovation. But this is all lip service because there is a belief that innovation just happens. We hope to dispel this belief.

Normally when we are faced with a problem we try to resolve it by throwing more money, more resources at it. We have to ask whether this approach is innovative.

Defining innovation

We need to start by defining innovation if we are to unpack what it means and develop a strategy around it. First we have to debunk the idea that creativity is the same as innovation.

When we talk about an innovative idea or person or project we always talk in retrospect and what we refer to is something that had an impact. We must also be careful not to say that innovation equals invention. In fact innovation equals invention plus application.

This is crucial for any manager of innovation to understand. Innovation always follows a circular path that starts with an idea but then moves forward to check its application in reality before coming back to the idea.

I always use the words “idea to market” but people in government say that “market” does not apply to them. I want
to challenge this and say that your market is the public; the only difference is that you serve a 100% market and you do not have to fight for your share of the market. So I am going to keep the word market in – meaning the public.

So we can unpack the definition of an idea to market. On a personal level, and we will see that innovation is always very personal, it is creativity plus application. Anything you think of that is incrementally or radically different and you do something about it entails innovation.

To sum up, innovation is the process of taking an idea through to a useful marketable product. When we talk about innovation with technologists we always introduce the notion of the S-curve. The S-curve describes how we start off slowly with an idea and build on it until it is implemented.

The trick is to realise that as we get to the top of the S-curve the idea starts degenerating. We do not get the same value out of it and as managers we need to be in a position to know when to start the next S-curve long before the first S-curve starts dying out.

The concept is well established in the world of technology but let’s see how it applies in nature.

Innovation lessons from nature

We can say that all innovation starts in winter. We can call it the incubation of ideas. When you attend a conference many ideas enter your head; there is a quickening and you think this might be a solution, maybe I should do something about this.

You are searching for answers and in the cycle of innovation we call that the winter time. Somewhere along the line you experience an “Aha moment”. This is when things come together and you say I know the answer.

But the “Aha moment” is not really the important part. We can all have many new ideas. The difficult part is to do something about them.

This takes us into springtime. This is the part that is most neglected in the workplace. This is the time when the idea must be taken through to fruit. It needs to grow. You need money to develop and try out many ideas that may not be a success. This is the risk-taking period in any new idea.

Then you go through to summer, to implementing the idea. Every innovation cycle ends an autumn where you reflect, you learn and if you have a good system you feed back learning into your winter time to build your next cycle of innovation.

Innovation in services and processes goes on all the time around the world and they are now a recognised part of innovation. This opens a huge scope for us as people engaged in service delivery.

We can call people who have made a difference in the social sphere social entrepreneurs or service innovators. We have written an article in the GMDP journal based on interviews with a number of Mpumulo Award winners who are examples of successful service innovators from this country.

Here are some of the lessons we learnt from them.

Lessons learnt from innovators

Firstly, we learnt that there is no blueprint for innovation. The only consistent thing we found was the seasonal cycle of innovation similar to the S-curve that we have just explained.

Innovation starts from chaos, from systems, from structures, it starts from somebody’s heart as a result of something that moves them. There is no single starting point. There is a stirring and there is somebody who lives up to that moment and does something about it.

One example is Dr Ross who worked in a rural hospital where he faced the problem of how to get enough doctors to work in the hospital.

After trying many things, including importing doctors who all left after relatively short periods, he started a scholarship programme that took people from the surrounding community to study medicine and come back to serve in the hospital. This provided a sustainable solution to the problem.

Another lesson is that you must think big and act small. An example is Manfred Mentor who saw a hill in Soweto covered in garbage where gangsters hung out. In his mind’s eye he saw it transformed into a community centre. He followed his dream step by step starting by clearing away the garbage.

Another lesson is to think big but realise that you will have to get your hands dirty. Today we have Soweto Mountain of Hope and a conference centre supported by international donor funding on the same hill.

All the innovators say that things will not be easy. Nobody who has been successful did not feel like quitting somewhere along the line.

Innovation requires basic management skills. It is not glamorous – sometimes it is just plain hard work.

Another example is Rina Stander, a white woman who took a position as head of a remote rural school. When she first arrived some of the smaller children started crying. They had never seen a white person before but had heard stories about them.

She realised that the children could not learn because they were too hungry to concentrate. There was no water, no flush toilets. She introduced the Masakhane project, starting food gardens, getting water laid on so that she could fulfil her mandate to educate the children.

Every week their basic management involved asking what should we start doing? What should we stop doing? What should we continue doing?

Another lesson is that you have to see the doughnut not the hole. Any innovator needs to be an optimist. Optimists are healthier and happier. You also have to understand the environment you operate in and be sensitive to it. You have to understand the people you serve, your constraints and the culture in which you serve.

Another important lesson was that there was not one successful innovator who ran a one-person show. All of them were moved by the people who bought...
The one – called the garden approach – is that you must set the right conditions. If you think about it you will be able to unpack what those conditions are. We don’t need an ivory tower. We need people who don’t kill ideas fast, and you need a space to create innovation. That sets the right conditions but those conditions must be managed. You can’t just hope that people will innovate if you sit back. Managers have to actively encourage the innovation competency in the work place.

The other school of thought is that it should be a machine, there should be a process. Our view is that you should have both a garden and a machine. A culture feeds on a process, a process stimulates a culture. Get the business process around innovation sorted out. If it is still only in your mind you must try to formalise the business process.

To create a culture people must be inspired to be creative. Space, time and money are needed for people to struggle with new ideas and try them out to see if they work.

Thirdly, you need to be well connected with the people you are serving. That connection drives your innovation.

The next part is that you need an end-to-end innovation process. You need to assist with ideas and technology, knowledge management systems. You need to manage the portfolio and it needs strategic relevance. Nothing works or drives properly if you can’t measure it, so you need metrics on all levels.

Once there is a process of identification with a place where people can bring ideas, talk about them, develop them and have the money and support to try them out, then implementation is needed.

Usually a separate team that facilitates the first part is needed and then business as usual facilitates the implementation. All of these make up the end-to-end innovation process.

An innovation competency has to be developed that is sustainable over time so that innovation can be used consistently to improve service delivery. Without this it will be an ad hoc process.

**Conclusion**

Going back to the theory on S-curves we see that it also applies to service delivery. Any new service delivery process starts under the action line with ideas. You go through the “Aha” process; you need to try out and pilot that idea, then actually produce the new service and then review it and feed back into improvements for the next year.

Different management inputs are needed at each stage of the process; from time to reflect and generate ideas, think tanks and money to support pilots, production management, day-to-day management of service delivery and then feedback and review.

Remember that great innovations always seem to be logical in retrospect because of their impact and simplicity.
There is a challenge in the public service to make sure that we translate our objectives into tangible implementation and deliverables. We are urged to change our approach in dealing with the challenges facing us on a daily basis. We also need to fast-track the delivery of government services – ensuring faster, more convenient, less expensive, more accessible service delivery.

The Free State Senior Management Services Conference gives us an opportunity to chart a way forward towards the advancement of quality service delivery through sound administrative and management practices in the province.

The Free State Senior Management Services Conference gives us an opportunity to chart a way forward towards the advancement of quality service delivery through sound administrative and management practices in the province.

The conference follows right after other important landmarks that we have laid in the province including the launch of the Free State Growth and Development Strategy and the Anti Fraud and Corruption Summit.

The Free State Development Plan (FSDP) was drafted in 2001 to direct effective service delivery by the Provincial Government and the province as the whole. Through the three-year FSDP plan, which came into effect in April 2002 and ended in April 2005, we have laid the foundations for future planning.

We are in agreement that much more needs to be done in terms of the collective responsibility we have to lift the strain of poverty from the shoulders of our people. We need to go from strength to strength.

Our challenge in the second decade of freedom is to translate the Freedom Charter into solid progress towards the realisation of a better future. Vision 2014 consists of the clauses of the Charter towards which we all should strive.
Equally important, it will assist us in making a meaningful contribution towards reaching the targets of the Millennium Development Declaration. The latter indicated that we, as social partners and business in particular, need to put in place strategies and programmes that will address the immediate, medium and long term needs with greater impact than before.

A number of processes were undertaken since November 2004 – such as the summit process – to gather inputs for the drafting of the Free State Growth and Development Strategy (FSGDS). What gives these interactions their critical importance, including their role in laying the foundation for the FSGDS, is the fact that they have afforded social partners an opportunity for strategic reflection on the needs and interests of society as a whole, rather than just the pursuit of self-interest. The FSGDS was launched on 20 May 2005 as a direction-setting strategy for the next nine years. Some of the most important targets and objectives outlined in it are:

- To achieve an annual economic growth rate of between 6%-7%.
- To reduce unemployment from 38.9% to 20%.
- To reduce the number of households living in poverty by 5% per annum.
- To improve the functional literacy rate from 69.2% to 85%.
- To reduce infant mortality for children under five years to 65 per 1,000 live births.
- To reduce the obstetrical maternal mortality rate from 65.5 to 20.06 per 100,000 women in the reproductive age group.
- To stabilise the prevalence rate of HIV and AIDS and reverse the spread thereof.
- To provide shelter for all the people of the province.
- To provide free basic services to all households.
- To reduce the crime rate by at least 7% per annum.
- To provide adequate infrastructure for economic growth and development.

Current economic growth status in the Free State

According to recent research conducted by the former Premier’s Economic Advisory Council, the provincial economy is currently “under-performing” seeing that the economy of the Free State Province generates slightly less towards the South African economy than the relative size of the provincial population. This is confirmed by the fact that the province used to generate a higher contribution towards the domestic economy. As an indication, the Free State contributed 9% in 1980, which then decreased to 6% in 1990 and 5% currently. The level of unemployment (expanded definition) has increased from about 30% in 1996, to about 38% in 2002. The
Human Development Index for the Free State in 2004 was at 0.67, which is just below the national average of 0.69, and the literacy rate was 92.2% in 2003.

The decline in the mining sector places enormous pressure on our efforts in addressing the socio-economic challenges in the province. Therefore we are required to develop other innovative approaches to broaden the economic base of our economy in sectors such as tourism, agro-industry, manufacturing, the knowledge-base economy, and so forth.

The FSGDS outlines very clearly that the main focus of government in this second decade of freedom is to accelerate the pace of service delivery, alleviate poverty and create jobs through interventions in the second economy. For government to meet these strategic objectives, there is a need for the public service to function more smoothly.

As part of the launch of the FSGDS, I have announced three flagship programmes to kick-start the implementation of the strategy: SMME development, the establishment of the Harrismith Logistics Hub and the Expanded Public Works Programme as well as expanding the knowledge-base economy. The latter has particular reference to the creation of a highly skilled cadre of public servants.

Objectives of the conference

The SMS conference is therefore crucial as it provides an opportunity for our senior managers to review progress and chart the way forward with regard to executing their responsibility of implementing the FSGDS.

Experts from various government departments, academic institutions and civil society will engage provincial officials on how the province can boost growth and development and contribute to halving unemployment and poverty by 2014.

The conference also aims to boost interaction and share experiences of best practice between senior managers on issues of service delivery, leadership and management. It is pertinent to note that central to this conference is the advancement of the goals of the FSGDS which serves as our "pushing policy" in the province.

We must be able to develop some concrete resolutions in line with these and other issues. As a matter of fact these issues speak to a number of management and development challenges that we have to address as a province.

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For example, the question of a need for a strategic leadership to meet the challenges of a developmental state is something that we have to work hard on as a provincial government.

The establishment of the Free State Training Institute was for this purpose of training and developing public servants that are able to advance the goals of a developmental state. Amartya Sen, in his book Development is Freedom, says, "Development can be seen ... as a process of expanding the real freedoms that people enjoy." He goes on to say that “development requires the removal of major sources of major sources of un-freedom: poverty as well as tyranny, poor economic opportunities as well as social deprivation, neglect of public facilities as well as intolerance or over – activity of repressive states".

In defining our concept of a developmental state, Sen’s concept of removing poverty and tyranny is key. Expanding economic opportunities and fighting economic deprivation is critical and providing public facilities and services to the poor is paramount. Fundamentally, in a developmental state, civil servants are supposed to be servants of the people, champions of the poor and the downtrodden.

As senior managers you should each play an important role in translating government priorities into policy and service delivery to all South Africans and the Free State in particular. This cadre of public servants should play a significant role in ensuring that government decisions are realised and implemented.

It therefore becomes imperative that senior managers come together as a group, learn from each other through sharing of success stories, best practices and challenges, and at the same time develop common understanding and interpretation of the direction that government is taking.

SMS members are in the forefront of change and transformation. This requires innovative ideas, strategic thinking and leadership. It is therefore crucial to continuously equip our senior managers with knowledge to jointly address obstacles that may block continued growth and generation of ideas for better service delivery.

As government, we are faced with complex development challenges for which no ready-made solutions exist.

Integrated service delivery

Another important dimension of the SMS conference is to ensure integrated service delivery. It is important to note that the delivery of all spheres of government inevitably converges on municipal areas, which cover the whole country.

This means that some of the programmes and projects of national and provincial government will make long-term resource demands on the local sphere of government. National and
provincial government should therefore implement these programmes in consultation with local government.

This is what is expected from national, provincial and local spheres if we want to live up to the expectations of working together in a spirit of cooperative government, as outlined in Chapter 3 of the Constitution.

The three spheres of government must assist and support one another. Cooperation and coordination are not pursued for their own sake. The goal of integration is to provide seamless – and expanding – delivery of services throughout the country and particularly in our province.

It is also critical to the process of intergovernmental relations to achieve the convergence of nationally defined policies on the one hand, and the expression of local preference on the other. An important way of ensuring that this goal is achieved is to coordinate and integrate strategic planning.

The planning cycle of government seeks to align and integrate the Medium Term Strategic Framework (MTSF) and the Medium Term Expenditure Framework (MTEF) processes, as well as integrating the planning of the three spheres.

The processes of developing Provincial Growth and Development Strategies and Municipal Integrated Development Plans are part of the planning cycle. Hence, in order to spearhead the implementation of the FSGDS, the activities of the Free State Provincial Government have been structured in accordance with a cluster approach.

This cluster approach ensures that we reach optimal synergy and complementarity management of government programmes/projects between departments at a national, provincial and local level. In the province, we have four clusters: Economic, Employment and Investment; Justice and Crime Prevention; Social and Human Development; and Governance and Administration.

It is crucial that there should be constructive interaction in the planning processes of the three spheres, especially an engagement between national and provincial government with the IDP process.

We need to continue to work towards the goal of an integrated public service.

As senior managers in the public service you should actively promote the integration of your work within your department and between your department and other departments and spheres of government.

The objective is to serve our people better by ensuring that our resources are best used – no dysfunctional overlaps, no gaps and vacuums, no dysfunctional conflict and competition. It might sound impossible to achieve. However, we must continue to build on what we have already achieved, and strive still further to create a truly service delivery oriented government, aimed at delivering a better life for all.

Each senior manager should ask himself/herself the question: “Does my behaviour assist in integrating my effort and those of others in achieving our joint objective – improving the plight of our people?”

As government we cannot meet all the objectives we have around service delivery, job creation and poverty eradication alone. For example, there is no doubt that infrastructure development is one of the major challenges we are confronted with.

We need to speed-up the process of developing an integrated infrastructure strategy for the province. By doing so, we need to be cognizant of the role of the private sector in injecting the necessary financial resources in such an effort.

The Public Private Partnership model should be employed as one of the measures in the development of infrastructure in the province. We therefore urge senior managers to play their role in exploring new partnerships between government and business, for the betterment of the lives of the people we serve.

In executing our service delivery responsibilities, we need to be sensitive to the fact that the FSGDS is not just about strategies and programmes – it is about people and the conditions in which they live. Therefore we have established the Exco Meets the People campaign which is an intensive programme to interact with the different communities and business people of the province.

This campaign has been totally revised with the aim of bringing government closer to the people in line with the principles of Batho Pelo. It also encourages us to work towards effective, transparent and cooperative government which improves efficient service delivery.

The comments, questions and concerns that we are receiving through this campaign enable us to be more considerate and strategic when planning on socio-economic development issues. It is upon you as senior managers to take this forward during your visits to the regions and towns. This will assist us in creating a “caring government”.

Conclusion

While all our individual actions and tentative steps towards common programmes have ensured steady growth and social progress, the FSGDS is an injunction for us to integrate our plans better, to facilitate better contributions by each sector to the common good and to lay the foundation for enduring partnerships in actual practice in our day-to-day work.

It gives me great pleasure to announce the Free State Provincial Government’s plans to establish the Free State Society for Public Administration (FRESSPA), an umbrella body that will passionately align and mobilise public servants towards a common goal in terms of the Growth and Development Strategy, in particular around training.

It will co-operate and work well with other similar professional organisations in the field of public administration at provincial, national and international level. This is a joint initiative with the National Academy of Public Administration based in Washington DC.
Developing Skills and Competencies to Implement Corporate Governance in the Free State Municipalities

Local government is the basis for implementation of reconstruction and development in South Africa. The Constitution defines local government as a special and unique sphere of government which is developmental. Clauses 152 and 153 of the Constitution allocate to local government, the role of promoting social and economic development while maintaining and improving service delivery to all community members.

It is the key sphere for delivery and a key site for the creation of an integrated delivery approach. Certain exclusive legislative competencies are assigned to it to carry out its functions.

Its main objective is to provide democratic accountable government for local communities by providing and promoting social development; ensuring the provision of services to communities in a sustainable manner; promoting social and economic development; and promoting a safe and healthy environment and encouraging the involvement of communities in the matters of government.

Based on these responsibilities and expectations municipalities must become competent development facilitators.

Challenges facing local government in Free State

The Sector Skills Plan (SSP) is SETA’s macro-level strategic plan for the sector for four years. It guides the short-term annual planning of the SETA; it provides the context within which annual business plans are developed and implemented.

The document also provides an opportunity to develop a systematised and integrated approach to skills development in the sector paying attention to and integrating with other strategies where they
According to LGSETA SSP findings of 2005/06 the following were highlighted as challenges of skills and competencies within municipalities:

- inadequate requisite skills in critical areas;
- inadequate knowledge and information base within municipalities;
- insufficient expertise to interpret and translate policies into action;
- lack of in-house technical abilities to develop systems and support internal processes;
- inadequate level of staff and appropriate skills profile;
- insufficient strategic leadership capabilities to manage and guide the change process;
- lack of requisite operational infrastructure and technology;
- poor and low staffing levels in municipalities;
- administrative and political instability; and
- continuous tension between political and administrative component.

Developing human resource in municipalities not only requires attention to issues of skills development and competencies but also other institutional changes, systems of management and shift of ideology and attitude. Without these, skills development interventions will be stunted.

Defining corporate governance

Corporate governance is the system by which local authorities direct and control their functions and relate them to their communities. Corporate governance lays down the necessary responsibilities and procedures that are the foundations for an excellent organisation.

It should also provide the organisation with the opportunity for in-depth study of the organisation in terms of knowing and understanding its core business, by-laws, financial statements and structure of governance authorities and delineation of powers between them; transparency and sharing of information to communities.

The principles of corporate governance include community focus, service delivery, structure and processes, risk management, and internal control and standards of conduct.

In order to comply with best practices of corporate governance, the organisation needs to satisfy standards and expectations established by all applicable acts to local government.

For effective and efficient corporate governance organisations need to know their core business, they must ask themselves why their organisations exist, then...
Case Study

their core business should be communi-
cated to their clients.

Learning interventions and
strategies

The Local Government Sector
Education and Training
Authorities (LGSETA) has been central in assisting
municipalities to become corporate
organisations. It has developed the Local
Government Leadership (Logola)
programme which is pitched at level 4 of
the National Qualifications Framework
(NQF).

It is a one-year individual-based
developmental programme aimed at
supporting the fulfilment of public lead-
ership responsibilities; empowering
leaders as they make difficult decisions
for and about their communities;
enabling leaders to assess whether their
policies are yielding the desired results;
and preparing leaders for new chal-
 lenges and changing responsibilities.

The outcomes of the programme will
focus on developing emotional intelli-
gence, analytical skills, effective com-
munication and interaction, and knowl-
edge management.

With emotional intelligence the focus
will be on developing the ability to deal
constructively with reality; capacity to
adapt to change; relative freedom from
behaviours associated with tension and
anxiety; capacity to find more satisfac-
tion in giving than receiving; capacity to
relate to others in a consistent manner
with mutual satisfaction and helpful-
ness; and ability of how to be in charge
and the knowledge of what it means.

In developing analytical skills the
focus will be on recognising and analyse power situations; assessing formal and informal relation-
ships; assessing organisational policy,
structure, mission and resources; and
appreciating the difference between tra-
ditional and shared leadership practices.

In order to develop effective commu-
nication and interaction there will be a
focus on learning and applied advanced
communication skills; learning to con-
sult with and empower diverse groups;
an appreciation of the benefits and risks
of citizen participation; an understand-
ing of the barriers to citizen-govern-
ment collaboration; an enhancement of
organisational accountability; and an
appreciation of the expectation of lead-
ership, ethics and public trust.

With knowledge management the focus
will be on developing learners’ abilities to recognise community assets; explore resources (including the media)
to create positive images of their com-
 munity; identifying strategies for
including people; participation in con-
sensus decision-making; and in develop-
ing allies, building and sustaining coal-
tions.

Conclusion

The demand for high skills is a result of
the need to upgrade and improve service
delivery methods, a process linked to the
restructuring of internal work environ-
ments which has resulted in new job
requirements and legislative and consti-
tutional changes.

Because of rapid restructuring and
transformation a mismatch has come
about in many cases between organisa-
tional structures (organograms), incum-
bents of posts, job descriptions and qual-
ifications required to fulfil certain func-
tions.

The recruitment and retention of
appropriately qualified people to munic-
ipalities must be an issue for discussion.
A talent management plan must be put
in place to address problems and chal-
 lenges of recruitment and
appointment of skilled personnel at local
government level.

Policy and legislative processes should
be enacted to avoid and close any loop-
holes in the system. Criteria should be
developed and agreed upon and be
implemented as matter of urgency.

Corporate governance will also play a
meaningful role in supporting and
strengthening the capacity of municipal-
ities to run their own affairs to exercise
their powers and perform their func-
tions appropriately.

All government departments will
have to start learning to share their
resources with municipalities in a mean-
ingful way when approaching and ren-
dering assistance to municipalities if we
really want municipalities to change into
corporate institutions.
Infrastructure development will constitute an important aspect of government’s attempt to halve unemployment and poverty, and for government to succeed in its implementation work it will largely rely on a strong public service administration under the leadership of senior managers.

The work that we are pursuing therefore requires a public service cadre with a full grasp of current challenges and the development trajectory we are pursuing.

This conference, as many may argue, is not just another routine gathering. I am convinced it is critical for improving the function of SMS, particularly as we enter the second decade of freedom.

The state of the economy

Our economy has experienced some growth in the first decade of freedom, but this was not to levels that significantly impacted on development. The unemployment rate has increased, despite the fact that government has made immense progress in delivering social services, and that about two million jobs were created in the first decade of freedom. Even the impact of the social programmes can be easily undermined by high levels of unemployment.

The problem of lack of skills in our workforce is very serious and must be dealt with intensively and urgently. We have a mismatch between skills that are needed by the economy and skills, or lack of, in society.

Thus, you not only have unemployed people, but many of them are in fact unemployable. This means that even if the economy was to grow at much higher rates, say 6%, many would still not benefit. This is what the essence of the two economies means.

Infrastructure is one of the major yardsticks of economic growth and development. A well developed infrastructure will lead to a healthy and efficiently functioning economy. In our country we have huge infrastructural backlogs arising from poor and racially inspired development planning of the past. These backlogs are in many areas, including in roads, energy, water, transport system, telecommunications and in...
Case Study

Social infrastructure such as schools, clinics and libraries.

These structural deficiencies in infrastructure constitute a serious handicap to economic growth and poverty reduction.

The poor performance of the transport system, as a key input sector in the economy, is imposing huge costs on economic activity in the Free State and in the whole of South Africa.

The catalytic role of infrastructure in economic development

A developed basic infrastructure would put our country and province in a more favourable position to focus on production and on improving productivity for growing and developing our local economy, and also enhance our competitiveness on the international stage.

Infrastructure development through public expenditure has played an important role in reconstruction phases of major developmental projects of the 20th century. These include the Marshall Plan of Europe in the immediate aftermath of World War Two, the Asian Tigers of Eastern Asia, and the reconstruction phases that ensued in many third world countries following the attainment of independence.

During reconstruction phases in these countries the state sought to play an interventionist role in the economy through huge expenditure on infrastructure so as to stimulate the growth of production and demand.

In South Africa we are currently in an era of reconstruction and development. And correctly the state must play an activist role in the economy utilising public expenditure. It is for this reason that at the beginning of this five-year political term of office we made a commitment “through government and state-owned enterprises, to invest more than R100 billion in improving roads, rail and air transport as well as telecommunications and energy; encourage more investment in key economic sectors such as manufacturing, information and communications technology, mining, and business services - this will further enhance our economy’s competitiveness”.

Already, at a national level, projects have been put in motion to spend R180 billion in public sector resources on infrastructure projects in the national logistics system, energy and water. Indications are that, as expected, these
Initiatives have great potential to crowd in private sector investments. Infrastructure development can help give communities access to such facilities as schools, hospitals, roads, water and housing. In this way it will help meet the challenge of basic needs. It will also create employment, develop skills and SME development opportunities, as the policy and practice of Expanded Public Works Programme enjoin us.

The development of infrastructure will also help attract investors into our local economy since it will reduce the input cost of doing business in our country. Our socio-economic situation demands labour-intensive methods in the delivery of social and economic infrastructure. Labour-intensive technologies are fundamental to our efforts aimed at employment creation, skills development and creating critical assets for communities and for the economy.

But more needs to be done, and not only in terms of access roads and small projects. It is important that we execute a significant shift towards labour-intensive technologies within overall public spending on infrastructure. Infrastructure development remains critical to achieving higher growth rates and increasing development in the economy, as the July (2005) Cabinet Lekgotla deliberated. It will help realise and even surpass the national GDS resolution of 5% of investable capital into productive investments. The need to pay more attention to sectors that have potential for labour absorption cannot be overemphasised.

**Improve co-ordination and integration**

Because infrastructure as a government function cuts across so many departments, spheres and parastatals, the need to work in a more co-ordinated and integrated way becomes a necessity. In this regard we must note various interventions that have been developed, including the Intergovernmental Framework Act and the comprehensive proposals on improving the organisation and capacity of the state, as whole, that are being developed by the Forum of Directors General.

For instance, the Department of Public Works has been tasked to lead the implementation of EPWP. Our role as Public Works will not only be implementation but coordination as well because many EPWP projects reside in various departments, municipalities, and state-owned enterprises.

The Minister of Finance announced that we are committing R15 billion expenditure to the Expanded Public Works Programme over a certain period. This financing was to be made available at the municipal level – and indeed that’s what’s happening by way of conditional grants to the municipalities. They are therefore using their infrastructure spending along EPWP principles of labour intensiveness. All municipalities develop and implement Integrated Development Plans (IDPs). This is a form of planning that is legally provided for and done as a development perspective. The problem that shows lack integration and coordination in the IDPs is that they do not include interventions made by national and provincial departments and state corporations in a given municipality.

The same can be said about national and provincial departments as well as state corporations; they do not always articulate a clear relationship with municipalities in their business plans.

**Strategic direction of the province**

The provincial government has put the delivery of infrastructure high on its agenda. For this financial year an amount of R866 million has been put aside to fund infrastructure projects in various departments. This amount represents an increase of 39.9% compared with the previous financial year but remains insufficient for meeting our infrastructure needs.

For instance on roads alone we could be talking of backlogs amounting to hundreds of millions, if not billions, because it is our province – by virtue of its central geographical location – carries a lot of national traffic on its roads.

The point being made here is that we need more resources in order to meet our infrastructure needs.

The Free State Provincial Growth and Development Strategy (FSGDS), which is a policy framework of the provincial government, has the overarching goal of aligning the provincial and national policies and programmes, and to guide development in terms of effective and efficient management and governance to achieve growth and development.

**Conclusion**

With regards to physical infrastructure, the FSGDS mainly identifies six policy issues: roads and transport, housing, energy, water, sanitation and communication. The centrality of infrastructure in helping and growing the provincial economy is clearly emphasised in the FSGDS. It also contains a strategy and programmes for addressing the social infrastructure backlog.

In the same vein, the Provincial Executive Council recently adopted a Provincial Spatial Development Framework whose aim is to guide spatial planning, land development and land use management in the province.

The framework proposes a number of spatial initiatives utilising structuring elements. These structural elements are Centres (Administrative, Educational, Legislative), Nodes (Economic Growth, Presidential, Industrial Development), Tourism, (Restitution, Nature Reserves and Conservancies), Hubs (Economic, Mining, Jewellery, Petro-economical, Logistical), Routes (Tourism), Axles (Transport), Corridors (Development), and Zones (Tourism, Controlled Tourism, Commercial Agriculture, Irrigation).

During October 2005 the Provincial Infrastructure Summit was convened to initiate the process of developing a comprehensive integrated provincial infrastructure plan.
Organisational culture is broadly defined as the manner in which an organisation does things and acts. An effective organisational culture is anchored by the management of a variety of organisational processes such as communication, decision-making, team interaction, goal setting and common vision.

Performance management is not only measuring, monitoring and enhancing the performance of staff as a contributor to organisational performance. It is also the planning, communication and management of organisational strategies to lead organisational performance.

For example, a communication strategy would, firstly, plan the number of times senior management will visit the regions per annum, contents of the agenda and monthly one-on-one meetings with subordinates. Secondly, it would communicate the big picture, team or organisational performance, organisational vision. Lastly, it would manage the effectiveness of the very same communication strategy.

Throughout the demonstration, an imaginary Department of Works will be used as an example to develop an argument.

**How to compile a live performance management system**

The first step involves a compilation of an organisational vision that is measurable with the timelines and specific definitions. In my demonstration, I use the imagined Vision of the Department of Public Works which is “to be a leader in the construction of quality schools and professional management of office accommodation rental through excellent people and SMME development by the next decade”.

Furthermore, to be able to monitor performance with regard to the implementation of the vision, you need to identify critical elements of the vision statement, hereby referred to as qualifications – all the key words in the vision statement above.

The rationale behind this concept is that all the identified qualifications can
be achieved through a number of specific and measurable actions or qualifiers.

On the leader, which is qualification number one, qualifiers (which are things that need to be done to achieve the qualification) are to lead the three levels of government in the Free State province with regard to construction expertise; and to present innovative and value-adding papers in the construction and building forums with regular frequency.

On quality the qualifiers include the construction cost per square metre as determined by an independent body; the maintenance cost per square metre as determined by an independent body; and delivery within specified project times.

On excellent people development the qualifiers are that all employees are eligible to at least 10 days of training; and that at least 7% of the payroll budget will be spent on training.

The second step involves a compilation of an organisational mission statement that is measurable. The mission statement for the Department of Public Works here is: “Efficient management of safe, affordable and accessible buildings”. A qualifier for safety is the construction of buildings that comply to occupational health and safety – SHE. On affordable, the qualifier is that rentals must be market related and affordable as per South African Institute of Rentals. The qualifier for accessible is compliance to disability ramps.

In summary the qualifications provide a threshold to measure goal achievements – if such qualifications are achieved then the goals of the statements would then be achieved.

The third step involves developing key performance areas. These are the key performance areas or core functions that the organisation will have to manage with excellence to move it forward.

The identification of the key areas emanates from the mandate of the organisation or the reason for its existence. However, all the key areas must be linked to a vision and mission statement. These key performance areas are therefore maintenance, construction, EPWP, people and SMME development, revenue, security and asset development.

Operational group performance

Step number four involves the determination of operational group performance targets for each of the key areas.

The identification of the key performance areas or core functions is vital for the establishment of group performance indicators. In theory, there should be at least one indicator for every key performance area.

The reason for this approach is that it will be difficult to manage key performance areas without a formalised performance target. In many instances it is important that all strategic stakeholders – such as senior managers and employees – reach agreement with regard to both the performance targets and indicators.

Another important aspect is the identification of performance indicator sources. Credibility of the sources will...
determine the credibility of the total performance system. Performance indicators should be independent and objective.

This means that an independent and objective source must be used to verify actual organisational performance. For example, BAS can be used to determine maintenance or building costs of the organisation, while information from a credible building industry report can be used to determine the performance target.

**Determining critical elements**

Step number five involves determining the critical elements of your PDMS plan. The current PDMS model is divided into Key Performance Agreement, Core Management and People Development.

Project dashboard is a monthly report which details all projects in terms of time and expenditure. Internal process register will document any initiatives that bring value to the organisation. For example, a change in an IT procurement procedure could reduce the payment schedule from 30 to 10 days. A change in cycle times would add value to most of our customers.

An HR audit is an annual audit by independent HR auditors who will verify whether the operational HR targets have been achieved or not. Examples of HR targets could be that all funded and vacant posts are advertised within three months; all disciplinary cases are finalised within six months; all employees have valid PDMS and People Development contracts; and the training plan includes all employees.

**Core management (20%)**

For the purpose of this paper the following elements were chosen and assigned equal weighting. An Organisational Effectiveness Survey (OES) is essentially an annual survey about management and leadership perceptions. Examples of an OES target could be that at least 80% of survey respondents know the vision of the organisation; at least 80% of survey respondents receive performance feedback; at least 80% of the survey respondents participate in decision making; and at least 80% of the survey respondents have individual performance targets.

It is acceptable that external auditors confirm or disclaim the accuracy of financial statements of public organisations. Thus the HR audit and OES illustrated would also confirm the performance of people management.

**Annual performance assessment grid**

Step number six involves the compilation of an annual performance assessment grid. The current PDMS model is divided into Key Performance Agreement and Core Management sections.

The grid determines the assessment you will get. For example, if your PDMS score is 70% then your assessment score will be three, and if you PDMS score is 85% then your assessment score will be four.

**Conducting annual performance assessment**

Step number seven is about how to conduct an annual performance assessment. During the assessment the works manager will provide, at least, the following portfolio of evidence to the assessor:

- a performance agreement plan with...
all the agreed performance targets;
• a detailed and finalised project dashboard with all the project details for both the operational plan and POAs (projects detailed in the MEC budget speech);
• a finalised list of all value adding initiatives and practices implemented;
• a BAS report detailing all budget and actual expenditure;
• a finalised HR audit with all the relevant scores; and
• an Organisational Effective Survey with the relevant scores.

The assessor will also have all reports that are relevant to the assessment at hand to proceed with the assessment.

The assessment should be characterised by an actual and target performance review, and the determination of marks for each element in the performance agreement plan. All listed documents above, prepared independently, will guide the proceedings as determined by the performance agreement plan.

Determining marks and scores

Step number eight is about how to determine the marks and scores. For the purpose of this paper, a score is a weighted mark (i.e. score = mark multiplied by weight). The weights, performance indicators, targets, scores and so on are the critical elements of the performance agreement plan.

Good management will make sure that all these issues and agreements are sorted out before the period of assessment. For example, the outcome of the Director of Work’s assessment would be captured by the Key Performance and Core Management matrices.

In many instances it is very difficult to quantify and allocate a single number to a process. In this situation, the process of negotiations should be started to resolve the difficulty, impasse or conflict.

Annual Performance Grid

The final score for the Director of Work is 83% which is above the 80% benchmark. This means that the Director of Work will qualify for an assessment mark of four.

Conclusion

The implementation of a performance system based on this paper would greatly enhance service delivery in the provinces because people and people development would be the centre of service delivery.

The paper deliberately does not focus on implementation issues but only highlights broad principles or conceptions about PDMS and presupposes that PDEM is a prelude to a high performance culture.

Implementation of this kind of PDMS would require a significant paradigm shift in many organisations and would fail if it is not championed by top management – both political and administrative.

A culture of high performance needs to be supported by a number of practices and structures. Firstly, there is a need for periodic performance audits for all disciplines such as HR and finance.

Secondly, there is a need for the “Head Office” syndrome to roll out the system and all other related standards. Thirdly, this kind of a PDMS system can also be coupled to an annual recognition and reward system.

Lastly, the CEO and COO structures are vital for the implementation of this system because the CEO will manage the political domain of the organisation while the COO will be a hands-on manager to steer the organization towards its goals.

A live performance is basically the planning, communication and periodic review of targets and progress and determination of a high performance culture.
In 1994 when the democratic dispensation was ushered in, the government made a commitment to bring about a better life for all by creating a society characterised by equality, justice, prosperity, freedom and democracy.

It was against this backdrop that on 25 May 2004, Premier Joel Sibusiso Ndebele, in his inaugural address to the people of KwaZulu-Natal, reaffirmed the commitment of government to remove any stumbling blocks and bottlenecks to the achievement of the ideal society described above.

This indeed may be interpreted as a tacit acknowledgement that, 10 years into democracy, service delivery was still viewed as less than satisfactory.

The most fundamental statement that he made among many was that there is a need to create an environment that is conducive to efficient and effective public service delivery for the betterment of the lives of the people of KwaZulu-Natal.

He understood his point of entry to be the transformation of the civil service of the province. He thus committed his government to the revitalisation of the Batho Pele principles, the principles of good governance and an improved public service delivery.

Most importantly, he invited the citizens as recipients of the services to take their rightful position – not only by determining their needs and aspirations, but also to be in the forefront in raising the red flag should the standards of service be lower than those promised.

The citizens can do this only if they are informed about their constitutional rights, the services to expect as well as the level at which to expect them, and the recourse that they have should government fail to meet the standards promised.

The Office of the Premier then moved to develop an instrument that would be the lever for change for the whole province, an instrument that does not only reaffirm the Batho Pele principles but also educates and empowers the citizens with regard to their rights.

This endeavour would indeed deepen the essence of democratic participation.

After several months of stakeholder consultation the KwaZulu-Natal Citizens’ Charter was born.

Through the Citizens’ Charter, the provincial government has been able to provide leadership and strategic direction to the civil servants as providers of public service and has firmly entrenched the rights of citizens to participate fully in the determination of their welfare.

The Citizens’ Charter seeks to introduce a fresh approach to service delivery – an approach that puts pressure on systems, procedures, attitudes and the behaviour of the service delivery agent so that in the end service is delivered to the satisfaction of the citizens.

In introducing this approach we have put the interests of the people first. The success of this approach lies in involving the citizens in monitoring the effectiveness and efficiency of service delivery.

Theme: ‘Together beating the drum for service excellence’

“Together beating the drum” symbolises bringing together all the people of KwaZulu-Natal to work towards a common goal of improving service delivery.
KwaZulu-Natal to deepen the understanding of what the citizens yearn for, so that all those involved are placed in a powerful position to revitalise their efforts to ensure a better life for all.

It also symbolises doing things together in harmony, with excitement, exuding energy, enthusiasm and willingness to perform – integrated service delivery. In the logo there is symbolism of circular movement around the drum. This is a symbol of continuing service delivery improvement or an endless quest for improvement of the lives of the people of KwaZulu-Natal.

Even when the resources run low and constraints multiply exponentially, (the dipping as well as the bottom of the arc) integration of efforts will see us through to a higher level of achievement.

We affirm our commitment to service excellence within the boundaries in which the symbol drum is placed: the province of KwaZulu-Natal.

What is in the Citizens’ Charter?

The Citizens’ Charter first explains the rationale for developing the Citizens’ Charter, that is, that the Citizens’ Charter constitutes a fresh approach towards commitment to and accountability for public service delivery, as well as guides the public service towards the realisation of the provincial priorities identified in the Provincial Growth and Development Strategy.

The charter also identifies the forces driving its development, which are the various pieces of legislation that seek to transform service delivery in order to meet the basic needs of all South African citizens; the good governance principles which are concerned with holding the balance between economic and social goals as well as between individual and communal goals, the ultimate aim being to foster good financial, social, ethical and environmental practices; and the need to reaffirm the commitment of the public servants of KwaZulu-Natal to the improved service delivery, using the Batho Pele principles as a guide.

The charter then maps out the expectations from individual provincial and local government departments.

All departments have developed their service commitment charters based on the guidelines set out in the Citizens’ Charter. These identify the location of the department; responsibilities of each department; services the department provides; benefits related to the services provided; service delivery principles (Batho Pele); service standards; and the process of dealing with queries, complaints and concerns, and to whom these should be referred.

Every department in the province will be expected to adhere to the general guidelines. For example, help desks were established at all delivery points within six months of the launch.

All personnel and staff wear identity tags, call centres established within six months and the telephone is answered within six seconds. Also officials attempt to minimise time spent on the telephone – a maximum of three minutes per call will be the general guiding standard.

They must identify themselves and their offices or departments when answering the telephone; offer to assist and/or refer queries to the relevant department/unit when necessary; relay messages without unnecessary delay; respond to promises made to clients within three working days; respond to telephonic complaints within four working days; and respond to electronic complaints within five working days from the date of receipt; respond to telephonic complaints within four working days; and respond to electronic complaints within three working days.

Provincial and departmental websites should be upgraded as necessary. And explanations provided, apologies extended and remedial action effected by the office or work station concerned.

To ensure continued service delivery improvement, departments are expected to develop annual Service Delivery Improvement Plans. These will be based on the assessment of the department’s performance of the previous financial year and will be influenced by the inputs made by the citizens on what they require from government.

In this regard, government encourages the civil service to join hands in living up to its mandate of fulfilling its commitment to the people.

Publicising the Citizens’ Charter

The Office of the Premier was very strong in its resolve not to reduce the Citizens’ Charter to a document that would eventually gather dust. It was important that the necessary publicity be given to the Citizens’ Charter, which culminated in the launch on 15 November 2005.

Indeed, although the Citizens’ Charter was only launched on 15 November 2005, it has sparked fresh enthusiasm among the public servants and citizens alike – the collective commitment to “do it together for the benefit of all”.

It will take the provincial administration a further six months to publicise the Charter among the districts and engage the public in an extensive “know your rights” campaign. Publicising the Charter will go hand in hand with the actual delivery of the services as promised. The process will also incorporate the revitalisation of the Batho Pele principles. The Batho-Pele Forum is at the forefront of the publicity process.

Conclusion

It is our submission that it will take time to deal with the individual attitudes of public servants. However, we are encouraged by the commitment that the premier of the province has always made to rid the KwaZulu-Natal public service of “...a public servant that is...insolent or absent”. Our vigorous commitment to making the Citizens’ Charter a reality will stand us in good stead.

It is therefore the belief of the KwaZulu-Natal government that its performance will be judged by its effectiveness in delivering services that meet the needs of the citizens, and the best monitors and judges are none other than the citizens themselves.
A consolidated and focused interest in developing service standards started in the workshop at Glen Agricultural Farm on 25 July 2005, where there was engagement over the Batho Pele Revitalisation. The main focus for the day was departmental service delivery expectation in support of the emerging farmers.

The department is faced with the challenge of moving agriculture into the mainstream of the Free State economy because it has been identified as having the potential to reduce poverty and unemployment in the province.

Three resolutions were adopted from the workshop. Firstly, the MEC instructed that a Service Delivery Charter be developed and new service standards set for agriculture. Secondly, the service standards should be communicated to officials of the provincial Department of Agriculture and its clients.

Lastly, extension staff need to be assisted with the norms and standards that will enable them to render an effective and efficient service to the farmers.

Implementation

After the workshop, the department’s Human Resources division spearheaded the Batho Pele Revitalisation project. The first step was the appointment of the project team. The project plan was developed and approved by the head of department who also approved the roll-out plan.

A departmental Batho Pele coordinator was also appointed to drive the project. Furthermore, two workshops were held in each of the five district offices, Glen Institute and the head office of the Department of Agriculture in Bloemfontein.

The Knowledge Management and Service Delivery Improvement Unit, the Office of the Premier, would facilitate and support Agriculture with this project.

The project team visited each district twice. During the first visit there were presentations made to all functional heads of department as well as corporate services covering the Batho Pele concept and practical approach (six steps).
templates indicating how to develop service standards.

During the second visit heads of functional components reported on in-house study and service standards templates. They also shared latest developments on the setting of service standards (national and international approaches). They evaluated service standards using the SMART principle. Lastly, they adjust service standards as discussed.

Challenges

Several challenges were encountered. There was the negative attitude of staff to the project; there was fear of the unknown by some members of staff; lack of commitment from some senior management; and doubts whether new service standards will be implemented.

We noted that attitudes towards the restructuring of the department will influence the setting of service standards. This is important because some of the staff did not take the project seriously.

Secondly, there were operational challenges. The restructuring of the department was not finalised when the project commenced. We noted that staff were still not sure about the linkage between Service Standards and Performance Management and Development System.

There was also a lack of knowledge on how monitoring and implementation of new service standards will be rolled out. Budget constraints will hamper service standards coupled with staff shortages and skills levels; and lack of training to do the costing of current services were major operational challenges.

Solutions

The senior manger in human resources visited districts where staff attitude needed attention and this helped. An expert in accounting trained staff to do costing of services, with templates examples made available to all staff.

The linkages and benefits of service standards and PDMs were explained to staff. Furthermore, linkages with current national project (Developing Service Standards) were also explained.

A system to monitor the implementation of service standards will be developed.

Experiences and lessons learnt

We have realised the importance of informing staff about the Batho Pele principles. Their fears should be addressed and morale boosted. A bottom-up approach needs to be followed to ensure that staff and managers are involved.

Service Standards and their purpose need to be explained to the staff in the simplest terms. This should include giving guidance and practical examples of service standards.

Senior managers must take ownership of the project and lead staff to success. They also need to explain the differences between a task and a service to staff.

Take one discipline (e.g. veterinary services) at a time to set new service standards. Continue with consultation during the process in developing service standards. Feedback should be given to staff in all districts and information should be shared.

Senior managers must take ownership of the project and lead staff to success. Lastly, there is a need to demonstrate the importance of the Batho Pele principles to the officials and how communication can solve problems between the officials and the clients.

Project impact

The project has changed the attitudes of staff towards service delivery improvement and performance management of the department. There is a visible new outlook on the improvement of services to the people of the Free State.

The staff are more in control of the services that they are rendering due to clear understanding of expectations. There is visible customer satisfaction and the image of the department has improved.

The envisaged benefits of Service Standards is that they will be used as performance indicators for individual performance management of staff. Districts will have an opportunity to compare Service Standards per discipline to ensure improved service delivery.

Service Standards will be included in the Service Delivery Charter. There will be better-informed customers with regard to services rendered by the department.

Lastly, improved budget processes (allocation, spending of funds) are envisaged due to effective costing techniques.

Conclusion

There is a need to obtain approval of new Service Standards from the MEC/HoD. Staff need to be empowered to render required services. New Service Standards need to be communicated. These standards also need to be implemented. This implementation needs to be monitored.

A Service Delivery Charter will have to be published and Service Standards improved annually.
Improving Relationships Between Health Care Users and Workers in Gauteng Department of Health Hospitals

In 2003, a social audit was conducted by CIET Africa which included canvassing community opinions on the quality of health care. The survey (Andersson 2003) was based on the principles of Batho Pele.

Amongst the findings it was reported that only 56% of households contacted during the survey expressed satisfaction with the health services, i.e. service standards, but 82% of those who actually used the services expressed satisfaction. This clearly reflects the influence of the media and “what people say” about the health services.

When the issue of courtesy was explored during the survey, one in three respondents rated health workers’ attitudes as bad or very bad. When respondents were asked to name the one thing they want changed in the health services, over half said “attitudes” or “bad service.” The results are shown in figure one.

It was evident in the survey that communication needs to improve and a culture of care needs to be rekindled. If the health workers do care, and do value their patients and view them as customers, they will communicate better and give more information - not only about the health services, but also about health itself.

It is essential to remedy the problem, not only to improve perceptions - which are clearly an important political issue - but also to improve the community’s health status.

At the time the survey results were made known everyone agreed on the importance of doing this, but the question was “how”. The question remained how to convey this information of what they should do to health workers, and, even more importantly, how to get them to change behaviours and do the things to make a difference.

This project is about this aspect. The project aims at not only changing behaviours, but changing the paradigm to one where all health workers view the patient as a valued customer.
Case Study

Defining the problem

In a relatively well-resourced health department, community members are dissatisfied with the service they receive. Complaints are largely levelled at the poor “attitudes” of the health care workers.

Simultaneously, only half of the health care workers are satisfied with their working environment. Dissatisfied health care workers are unlikely to render quality care, and are especially unlikely to communicate well with patients. An improved culture of care will largely resolve these issues.

Aims and objectives

The overall aim of the project was to improve relationships between health care users and health care workers. In order to do this, the project had three strategic objectives:

• To establish what behaviours lead to good relationships between health care users and health care workers in health care institutions.
• To develop a programme that can be used to establish good relationships between health care users and workers in the health care institutions in Gauteng.
• To transfer knowledge, skills and attitudes to the front line workers at the health care institutions to improve relationships between health care users and workers.

Implementation

The first phase of the project involves the establishment of behaviours that lead to good relationships. CIET Africa was asked to determine six health care institutions where community members considered services were good.

A “best practice” group was then convened by asking the manager of each best practice site to allocate one senior and one junior member of staff to work with the best practice group. An initial brainstorming session took place which enabled the group to generate six themes pertaining to improving relationships with health care users. The identified themes were leadership, teambuilding, organisation, communication and informing, redress and community participation.

After this, one session was held each week to further explore one theme. Two persons from outside the group, who both have higher degrees and were familiar with the context of the social audit, were designated as scribes to ensure that all contributions were captured. The facilitator of the group was experienced in this role and spent time after sessions with the scribes to engage with the material.

The participants in the group were asked to share what it is that they and their colleagues from the best practice sites do that they think contributes to the patients seeing them in such a favourable light in relation to the topic under discussion.
The discussion was quite rich and only if there was general agreement that something “works” was it captured. At the beginning of every session the material captured in the previous week was shared with the group to verify its content. This process was continued for six successive weeks.

Once the weekly sessions were complete, the material was developed into slide presentations for the health summit where attendees were asked to verify the information generated by the best practice group.

The health summit was attended by approximately 300 people, representing all stakeholders: labour organizations, non-governmental organisations, faith-based organisations, and all categories and levels of staff, representing institutions and regional and central offices.

The input from the summit was collated and became the basis for the “learning” section of each module of the BP Programme.

The second phase is about the development of a programme to establish good relationships. Determining the required behaviours for good relationships was an important beginning for this project. However, the real challenge was to determine how to get health workers to adopt these required and desired behaviours.

A steering group was appointed which, after conducting a literature search and consulting various people who had experience in the field of behavioural change, decided on the format for the modules to ensure that the health workers would understand the need for “positive behaviours”, and implement mini-projects in order to experience good practice within cooperative teams. This was thought to be the essence of bringing about behavioural change.

Each module was then researched separately and written up according to the agreed upon subsections of the programme, i.e. getting going, learning, implementation, monitoring, mentoring, rewarding and sharing. The research for each module included obtaining and assessing the validity of information on the topic itself as well as experiential exercises that could be used for the getting going section and recommendations for mini-projects.

Once the final draft was complete, a small workshop consisting of the steering committee, two members of the original best practice group and a person from each of the envisaged pilot sites was convened. They went through the training material to check, change and approve of the contents and format of the programme.

The workshop decided upon the content of the facilitators’ packs and the participants’ packs. It was agreed that the facilitators’ packs should consist of a facilitator’s manual, a participant’s manual, a portfolio of evidence, a set of slides for the learning module packed into a desk-top flip chart, a pen printed with a caption “Best Practice Programme”, and a lanyard printed with a slogan “I support the Best Practice Programme” and holding a card with the Batho Pele principles on one side and the modules of the Best Practice Programme on the other side. All these were packed into a briefcase marked with the Gauteng logo and the words, “I am a Best Practice facilitator.” The packs were designed to make it as easy as possible for the facilitators to carry out their role with a minimum of time and effort to try to maximise compliance.

This was done in the assumption that the easier it is for a person to do something, the more likely he is to do it. The packs were also designed to be desirable to own in an attempt to recognise the facilitators’ effort and to thank them for the additional work they are required to do.

The third phase is about the transfer of knowledge, skills and attitudes to health care workers. Two pilot sites were selected initially. Patient satisfaction levels were measured according to the tool designed for the purpose at each of these sites.

A sample of 10% of the patients was interviewed. The interviewers were all trained in the use of the tool so that they understood the purpose and the methodology.

The questions were all closed questions in order to better quantify the results and to reduce the possibility of reduced validity due to having multiple interviewers. Patients were generally very cooperative and were happy to answer the questions.

The institutional coordinators who had attended the workshop to validate the training material and were well versed in the aims of the programme and the degree of commitment required to
facilitate the programme at institutional level, were asked to select the facilitators from his/her institution.

Ideally, sufficient facilitators to train all frontline staff in the institution on a 1:15 ratio should have been trained. The selection criteria included being respected by their peers, being motivated and enthusiastic and with at least a grade 12 education with a preference for post school education.

The people selected were mainly nurses as this is the largest category of staff member in the health services. There were, however, allied health professionals, administrative staff and support staff as well, and one medical doctor in the group.

The training itself consisted of taking the facilitators through the whole programme module by module starting with the orientation module. Facilitators were given an opportunity in a group to prepare one module each and present it to their peers to ensure they became familiar with the material and the learning aids.

The difficulty was that the entire training was done in three days which meant that the mini-projects, which are the crux of the programme, were not possible to run. The group did, however, discuss theoretically some mini-projects, which could be run. Several ice-breaker exercises were included in order to introduce a fun aspect into the training and also give the facilitators ideas for their own groups.

The course was also presented in such a way that the participants were required to use all the material provided i.e. the desk-top flip charts, participants manuals, facilitators manuals and the portfolio of evidence.

Within a month of the facilitator training, facilitators were requested to present the introductory module to the people in their group, which provides an orientation to the group about the BP programme so that they would know what the programme was all about before signing up. Once participants were signed up, each facilitator planned the timetable for the course.

**Evaluation**

The first phase in the evaluation of the project involves the establishment of behaviours that lead to good relationships. The concept of building on best practice is a sound one. In essence what was done was a benchmarking exercise in that the expected behaviours in the course are based on the work of best equivalent providers.

The stakeholder consultation was fairly extensive in that the summit attendees were asked to validate the information to be presented in the course. It was, however, a costly exercise as it was done at a two-day summit attended by 300 people.

The morale at the best practice sites showed great improvement as they had a great deal of attention from the media and management at the time. It also assisted in directing the media to best practice sites rather than concentrating on the negative issues commonly reported.

The project aims at not only changing behaviours, but changing the paradigm to one where all health workers view the patient as a valued customer.

The second phase focuses on the development of a programme to establish good relationships. The most remarkable change that occurred in the pilot sites after this programme was health workers started to cooperate with one another and, if one listens to the participants’ remarks, the programme seems to have been a success with regard to behavioural change.

Some of the remarks made during the evaluation conducted in January 2005 were:

- I knew something was wrong but did not know what to do.
- I had no idea that people felt like that.
- Now I feel better about myself.
- Attitudes of people, e.g. staff, have changed and therefore staff are more aware of the patients they are taking care of.
- We implemented things due to the course which we took for granted and patient seems to respond and participate readily.
- Staff understand a better way of dealing with patients.
- Most of them are changing their attitudes. They also sing a song of self-discipline in their discussions and are always preaching the gospel of zero-tolerance to rude staff.
- Attitudes have changed for the better (although) we are still struggling a bit... the difficulty is with the patients who are impatient at times with foul language.
- People are starting to realise their weak points.
- There has been an improvement in our relationships and better understanding of one another.
- They (the staff) understand the frustration of staff better.

All these remarks indicate that the programme first of all raised awareness, which ultimately led to behavioural changes which was what was thought to be possible based on the assumptions of the model. However, the evidence is largely anecdotal at this stage and it is necessary to review the patient's satisfaction survey.

The facilitators who had run the course...
were asked if they thought the course had made a difference to relationships between patients and staff in their unit. Of the 16 facilitators asked, 14 answered "yes", one answered "definitely" and one answered partially, which in itself lends support to the assumption that the model and programme are successful.

Evaluating facilitation material is always subjective. The ultimate test is whether the facilitators themselves found the material useful. They were asked the question, "What is your opinion of the facilitator packs in terms of their usefulness for running the course?"

Responses included the following:

- I found them extremely useful – I would not have been able to operate, as I am not a teacher and had to refer back to my notes during preparation very often.
- Very useful and practical. Guides and teaches the facilitator, and equips and empowers you so that you believe in yourself and be confident.
- They are very useful and easy to understand.
- They are handy and have all the necessary information.
- Facilitators’ packs are of great help to us all including the other staff members. The pack prepared me when I did not know where to start. All the slides were of great use to us all.
- They have valuable information that can be used every time a facilitator encounters a problem. Straightforward English.
- They help a lot in reminding (me) what to talk (about).
- The pens and lanyards were very popular and were worn with pride by the majority of participants the team met during the on-site visits.
- Facilitators’ packs are of great help to us all including the other staff members. The pack prepared me when I did not know where to start. All the slides were of great use to us all.
- The one hospital had composed a BP Programme song, which incorporated the principles of the programme, the Batho Principles and the names of the modules. During the singing of the song they all referred to their lanyards and read the contents.
- The problem with the lanyards and pens was that many people signed up for the programme to get them and then did not attend the programme.

The third phase focuses on the transfer of knowledge, skills and attitudes. The facilitators attended training with great enthusiasm but several have shown less enthusiasm in running the programme themselves for their 15 participants.

The attrition rate is of concern as it takes three full days to train a facilitator and the cost of the facilitator packs is significant. In the institutions where the coordinators were very committed and enthusiastic, the programme ran more smoothly and quickly than at others.

Those institutional coordinators who had other jobs had difficulty in juggling their priorities. The departments/units where the programme has run best are those that work regular hours such as the kitchens, outpatient units, clerical departments.

The ones that have had the most difficulty are those working shifts and also those having emergency type admissions such as maternity wards and casualties. Again this is not a hard and fast rule as
it depends on the adaptability of the facilitator. One of the casualities where it has run was one of the first to complete.

It has been difficult to area where shifts are being worked to run the mini projects as the same group of people seldom works together for any length of time making sustainability a problem.

The programme has been most enthusiastically accepted by administrative and ancillary staff who have not had many other training opportunities. Health professionals often have other courses they are also expected to attend. Medical doctors have been particularly resistant to the programme.

Whereas other health workers seem to enjoy the fun element of the programme and the activities, the medical doctors seem to find these less attractive and cite pressure of work for not attending the programme. The handful of doctors who have attended the full programme have, however, found it beneficial.

In order to make a difference to patient perceptions of staff behavour and attitudes, the programme is designed so that 80% of the staff members at each institution should go through the programme.

This has been a difficult percentage to reach as the programme should be sustained over six months for maximum effect and staff attrition is quite high amongst professional categories. Again, the sustained enthusiasm of the institutional facilitators makes the difference.

Experience has shown that the smaller the hospital the easier it is to complete the programme. The academic hospitals are experiencing extreme difficulty in training 80% of their staff.

It is encouraging to note that most facilitators run groups consisting of more than one category and found this most beneficial. Professional health workers assist lower categories who may have difficulty with following an English-based course by holding multilingual discussions and making posters which are very visual in nature so as not to exclude the lower categories.

The benefit of giving staff of different categories the opportunity to spend time talking to one another and working on mutual projects is a great strength of the programme. Staff members show a much greater appreciation of one another’s roles and the improved cooperation between categories has been marked.

While there are serious logistical problems in getting sufficient participants through this programme, the overwhelming response from those who have followed the course and those who have presented it is one of enthusiastic support and excitement – so much so that it is essential to resolve the logistical problems and roll out the programme to all health care institutions plus local authority clinics.

Challenges

The 80% attendance rule is too difficult. We need to drop the requirement. Staff members with lower level education find module three too difficult. The mentor system also does not work because of the shifts that people work.

The doctors are not cooperating which makes it impossible to reduce waiting time. They should be given CPD points for participating in this programme to encourage them. We also have had a problem as HIV training has also started, It is difficult to manage both - there is not enough time.

The “rewarding” aspect is a problem as the facilitator lands up paying for all the cake and sweets. The programme is very good if you have time. The time-frame given is stressful as the participants take such a long time to choose a project.

Doctors say they are willing to do the programme but most are not interested and are genuinely too busy.

Recommendations

Facilitators need to be able to adapt the material to assist different groups. Scheduling it in meeting and in-service time helps. It is important to do the programme in the ward so that if anything happens you can go back to the patients. If you read the facilitator’s manual it inspires you and the course is then easy to run. The manual is very good.

Facilitators need to meet often so they can discuss problems and assist one another with ideas. The initial briefing is the most important thing as that is where you grab them. Projects must be simple, fun and quick.

It would be better to change the modules into a workshop format and run one module per day. This would also allow you to mix people up. It’s better to take them out of the ward where there are no interruptions.

It would be better for the community participation module to concentrate specifically on the hospital board - the participants don’t now how to get access to the community for their mini-project. If people thought this programme was linked to the performance management system they would be very keen to participate.

Lastly, we must have lower categories together with the health professionals.

Patient satisfaction

Patients are significant to the programme as they form an important

Graphical presentation of patient satisfaction rates before and after the BP programme
became clear that the institutional coordinators need a great deal of support to keep the facilitators motivated and also to ensure that the programme is being implemented correctly.

For this reason a provincial project manager was hired to drive the programme as this task is time-consuming and cannot be given sufficient attention by the Quality Assurance Directorate staff. Even so monitoring progress of 11 sites is challenging. This coordinator is required to assist in the training of facilitators and then to do monthly follow-ups at each of the institutions.

Case Study

There are now 11 health care institutions on the programme, including one group of clinics which is counted as one institution.

The training material has been slightly modified to allow for more flexibility in the way the modules are implemented and also to encourage facilitators to make posters for at least some of the modules to act as reminders of the content and to encourage group interaction.

More emphasis has been put on the need to monitor the projects and less emphasis on the mentoring and rewarding aspects as it became clear during the pilot that these are difficult to do and are “nice to have”, rather than essential aspects of the programme.

Examples of mini-projects that have been done have been included in the training packs to assist other institutions who are having difficulty to think up projects and to have the ideas of the pilot sites and see how successful many of the very simple projects have been. All of them would be useful if replicated.

More direction has been given regarding the choice of facilitator - not so much in the qualities or experience and qualifications of the potential facilitator, but more on the heavy commitment they are taking on and the need for sustained motivation and energy.

Potential institutional coordinators will also be carefully briefed and, where possible will be relieved of other duties for the duration of the programme. It became clear that the institutional coordinators need a great deal of support to keep the facilitators motivated and also to ensure that the programme is being implemented correctly.

For this reason a provincial project manager was hired to drive the programme as this task is time-consuming and cannot be given sufficient attention by the Quality Assurance Directorate staff. Even so monitoring progress of 11 sites is challenging. This coordinator is required to assist in the training of facilitators and then to do monthly follow-ups at each of the institutions.

Sustainability

The programme has shown every sign of being successful as long as sufficiently large numbers in each institution can be persuaded to complete the programme. While the material is written for health workers, the elements are generic and it would be straightforward to adapt it for other public service domains.

The costs of the learning material is very reasonable, working out at less than R50 per participant providing that each facilitator trains 15 health workers. The time the programme takes for full implementation is approximately 24 hours per participant, extended over a six-month period. The facilitator’s training takes three full days and as the programme is designed to be facilitator driven, the numbers that need to be trained are significant.

It is not possible for this programme to be run on a train-the-trainer basis as too much information and knowledge is lost in the process which will reduce the effectiveness of the programme.

The challenge is to get the facilitators to train their 15 people and to do so in the required period of six months to ensure sustained interest and motivation in the programme. Facilitators need to be adaptable and modify the times and manner in which the programme is presented to ensure maximum participation.

This is more challenging in hospitals where shifts are worked, but it has been shown that committed facilitators can make it work - even when staff are working night duty.

Ideally, in order to ensure success of this programme full-time project managers/institutional facilitators should be appointed at each facility for the six-month period the programme is running to ensure maximum commitment and compliance.

In small institutions this project manager could manage more than one institution. In an institution such as an academic hospital, this person would be needed solely at such an institution and probably for more than six months as the introduction to the programme would have to be staggered.

Ideally, too, in order to ensure that health workers maintain positive behavioural change, each group should be required to run a mini-project at least once every six months once they have finished the programme. This has the added advantage of ensuring that quality improvement projects are maintained in institutions.

The final essential ingredient is management commitment to the project, which has been a challenge to date. It has been suggested that a separate group is run for managers as they seem to find it difficult to mix in with their staff.

The ideal situation would be for them to mix as it would assist in building the team, which is the cornerstone of this project. A further suggestion is to make participation in the project a requirement of Performance Management.

Conclusion

There is no doubt that this programme has been successful and will benefit even further from sustained management commitment and additional resources. The fact that the staff members enjoy the programme and achieve satisfaction from introducing mini-projects are important results for this programme.

The improvement in patient satisfaction has important implications for everyone involved in the health services and may assist in turning the tide of opinion about the health services.
The Royal Netherlands Embassy has agreed to provide funding to the North-West Department of Education to take care of the Education Development and Support Centres “supporting rural development”. This project also incorporates “Schools as Centres of Care and Support for children”, an HIV/Aids programme.

The funding phase for both programmes is over four years (1 April 2005 to 31 March 2009). Both the EDSC project as well as the SCCS programme will have school and community components. The financial commitment is R110 million for the EDSC project and another R50 million for the SCCS programme.

The embassy started a new four-year South African funding phase in April 2005 and has identified quality education linked to rural development as the focus of its continued education funding. This links with South Africa’s national and the North-West’s provincial development priorities.

A strategic review of Netherlands programmes that have been implemented countrywide over the last five years identified the model that has been pilot-ed through the Multi-Media Rural Initiative (MMRI) as one around which a rural development programme could be built. MMRI ended in April 2005.

Through MMRI, 10 rural EDSCs were established in the North-West. These centres combine information communications technology (ICT) with print resources and face-to-face support to bring education resources and services closer to rural schools and communities.

These centres have become vibrant centres of school support, community life and learning in remote rural areas. The model is underpinned by the belief that rural schools cannot distance themselves from the socio-economic contexts that affect the surrounding communities where learners come from. Factors such as HIV/Aids that impact heavily on rural communities also affect the schools.

Early in 2004, the embassy asked MiET to facilitate a process in the North-West through which the education department would develop strategies and business plans for basic education programmes that use EDSCs to support rural development. This process has been completed.
When MMRI conducted needs analyses among schools and communities surrounding resource centres, combating HIV/AIDS was identified as a priority that had to be addressed through the EDSCs.

The embassy has therefore agreed to support an HIV/AIDS programme in the North-West, provided that this is integrated into the broader rural education development strategy.

Links to national and provincial strategic goals

The EDSC strategy supports the following goals of the North-West Department of Education as provided for in the strategic plan. Here I select relevant strategic goals for discussion.

Strategic goal number two is to bring down illiteracy among adults and youths in five years. The objective here is to attain the high levels of literacy among adults and youth to ensure their meaningful participation in the economic, cultural, social and political systems of the country.

Strategic goal number five is to develop the professional quality of the teaching force. The main objective here is to transform educators into professional learning communities with relevant skills to address educational challenges.

The sixth strategic goal seeks to ensure the success of active learning through Outcomes Based Education (OBE). The objective here is to ensure that all managers and educators embody the philosophy and principles of OBE and manage the transition (into OBE) through provincial sustainable programmes.

The eighth strategic goal is to deal urgently and purposefully with the HIV/AIDS emergency in and through the education and training system. The objective here is to manage the impact of HIV/AIDS in the education system effectively and efficiently through provincial sustainable programmes.

In addition to this, the EDSC will promote other national priorities such as improved access to quality education;
Case Study

Creating a vibrant further education and training system to equip youth and adults to meet the social and economic needs of the 21st century, poverty alleviation, job creation, and rural education development.

Aims and objectives

The purpose of “EDSCs supporting rural development” will be to establish a network of 63 Area Project Offices (APOs) and satellite centres that serve as decentralised nodes for the delivery of quality education and other socio-economic programmes, services and resources to schools and their communities.

Centres will be established in all 21 APOs in the province, with higher concentrations of centres in previously disadvantaged rural areas. The major aim will be to bridge the rural-urban and digital divide. It should also lessen the isolation, the lack of resources and the legacy of poverty, deprivation and neglect that rural schools and their communities face.

The EDSC project intends to establish a province-wide network of centres, build in participatory processes across all levels of the education system and in communities to ensure ownership, sustainability and good corporate governance; and build capacity within centre governance and management structures to effectively run and manage the centres.

It also intends improving communication and the distribution of information and resources to and from schools. Delivering quality education programmes to educators and school communities is also one of its major objectives. It also seeks to support the socio-economic development of communities around schools and help communities to combat HIV and Aids; and conduct internal and external formative and summative monitoring and evaluation.

MiET will work with the education department in regions and APOs to facilitate centre programmes that provide support to educators, school management teams, school governing bodies and learners in schools, as well as supplementary programmes that meet local community and educational needs.

This will not be a network of “one-size-fits-all” centres. Different categories of centres will provide different levels of service. At one end of the scale will be large regional or APO centres that provide comprehensive programmes and that support satellite centres.

At the other end will be small satellite centres in schools that offer a more limited range of facilities and services. APOs and clusters of schools will also determine the “supplementary” programmes offered by the centres.

The project is at implementation stage. The funding has been approved by the embassy. Advocacy meetings in all the five regions of the province are in progress. A Participatory Rural Appraisal processes workshop has taken place. Officials at the level of the regions and APOs were taken on board.

Challenges and solutions

A number of challenges have been identified. One of them is sustainability: ensuring that processes used to set up the new project and establish centres are sufficiently inclusive of all relevant stakeholders. If there is not sufficient consultation, the effectiveness and sustainability of the project and the centres may be compromised.

The implementation plan therefore provides for a series of consultative processes that involve relevant stakeholders at provincial, regional, APO and school cluster level.

The other major problem is the national crisis posed by HIV/Aids. The impact of HIV/Aids on educator’s health and mortality, as well as on learner’s lives, attendance and their ability to benefit from the learning experience, could adversely affect the achievement of results. Therefore it is critical that the EDSC project should include the HIV/Aids component as one of the programmes.

The management of funds is an area that still needs attention. If the education department is not able to put in place effective systems for management of funds, it may not be able to facilitate rapid transfer of funds to the contractors and service providers that will be involved in the implementation across all regions and APOs in the province.

This could seriously affect implementation. The chief financial officer of the department has therefore undertaken to ensure that adequate financial management capacity is in place.

There is also a lack of effective monitoring and evaluation systems which could also impact negatively on the project. It is crucial that the education department, MiET and external evaluators put in place thorough internal and external monitoring and evaluation mechanisms to ensure that the project benefits from lessons learnt.

Staffing issues also seem to block progress. The department of education committed itself to appointing a full-time provincial co-ordinator as well as centre managers in all 63 centres. Furthermore, the department and MiET have indicated their willingness to help EDSCs attain Section 21 status in order to sustain themselves.

Core services to be offered

One of the major core services offered is educator professional development and support. This may include providing comprehensive in-service training programmes that support educator professional development, providing specific support for gateway learning areas; and promoting the principles of lifelong learning.

It may also include making resources and related support available to educators; encouraging a pre-set-in-set continuum that supports teaching and learning and also promotes educator development and school improvement.

Other services include providing educators with skills in the development of learning support materials related to Outcomes-Based Education (OBE), Revised National Curriculum Statement (RNCS) and National Curriculum...
Statement (NCS), providing information on accredited and non-accredited programmes for educators in practice; providing training and support for action-research activities that inform educators on issues relevant to classroom practice; and serving as remote campuses for the North-West University and other universities that offer accredited pre- and in-service courses for educators.

Another core service to be offered is provide support for the development of school management and governance structures. Also a core service is the promotion of adult and youth literacy and skills development.

This may include making EDSCs a training ground for adults and out-of-school youth in skills that will improve their socio-economic status, providing opportunities for learner support, offering learnerships at the centres; offering career guidance to learners and out of school youth; offering Adult Basic Education and Training (ABET) programmes; and providing training opportunities for local government officials, such as municipal officials and ward counsellors.

Also a core service is help manage the impact of HIV/Aids on the education system. The “Schools as Centres of Care and Support for children” programme will manage this component.

The programme is funded separately by the Netherlands embassy. Services include providing HIV/Aids education to educators and school communities; helping schools to develop HIV/Aids strategies; providing support to educators in coping with HIV/Aids in terms of their work and own lives; and providing support to schools and their communities who are caring for orphans and vulnerable children.

Furthermore, venues for training, workshops and study will be provided as a core service of the project. These venues will be provided for regional, APO and cluster workshops. They will also serve as study centres for both pre-service and in-service educators and also support the provision of distance learning programmes for tertiary institutions.

Lastly, they will provide venues for moderation of continuous assessment portfolios.

Providing support facilities for Professional Area Support Teams (PAST), Early Childhood Development (ECD), ABET and Inclusive Education is another service that has been identified. This is in order to give assistance to learning area and subject advisors in offering induction programmes for new educators and educators entering promotional posts.

The project also seeks to provide access to training in ICT, e-learning, email and internet connectivity as well as reprographic facilities. The intention here is to provide training for all educators in information technology; link the department to its schools through emailing, faxing, etc; and provide bulk copying; faxing; printing and photocopying facilities at a cost.

Further core services that are to be offered include a centre for distribution of teaching and learning support materials, stationery, supplementary reading materials, science kits to schools; and conducting programmes aimed at job creation and poverty alleviation.

Experiences and lessons learnt

A lot of experience was derived from the MMRI pilot project. It has been proven that distance is a deciding factor in how often and effectively schools use centres. A smaller centre that is closer to schools is more likely to be used than a large and well-equipped centre that is not within easy travelling distance.

All centres in a region will be connected to the main centre and will be serviced by the main centre staff. It was, therefore, important to consider having more centres at the level of the APO as well as satellite centres that are closer to the schools.

Project impact and service delivery

The project is underpinned by a range of principles. Amongst these principles is that it supports the national priorities in the second decade of the democratic government’s efforts to effect transformation.

It also supports the implementation of the education department’s strategic goals and gives effect to its strategy on EDSCs. In addition, the project facilitates an intermediary support network between the education offices and outlying deep-rural schools.

The project encourages and supports an integrated and multi-sectoral approach to rural development and promotes access to learning to all members of communities around centres. It also seeks to contribute towards rural education development and in particular bring about job creation and poverty alleviation. To ensure sustainability of the programme, it accepts that local participation and ownership is needed.

It also brings schools and communities together in seeking ways to combat HIV/Aids and look after orphans and vulnerable children.

Envisaged benefits and beneficiaries

The short-term benefits of the project include the fact that educators should be able to design learner-teacher support material from the EDSCs. It will also develop computer literacy.

The medium-term benefits include the fact that there will be enhanced communication and improved relationships between neighbouring schools.

The long-term benefits are that there will be enhanced community participation in education related matters. The contribution to education and rural development will be immense. There will also be a reduction of high levels and negative impact of HIV/AIDS.

A range of beneficiaries were identified. At the primary level users were, educators, PAST, SMT and SGB. At the secondary level parents, youth, community, non-governmental organisations and community-based organisations were identified.
Towards Accelerated Growth and Development, Infrastructure Investment and Roll-out Challenges

The context of Transnet is something that we need to understand in order to have a perspective of what it is that we are trying to do and why we need such a roll-out.

As a country we inherited poor and ageing infrastructure which is why we have something called stress in the economy. We currently have 2,360 locomotives and 85,633 wagons. The lifespan of these assets is 20 to 30 years. The average age of Transnet’s fleet is around 27 years. Its current availability is approximately 64%. This says that we cannot transport more goods than we are currently transporting.

As a result of the ageing infrastructure, we have constraints in the economy. Because of such constraints, we have been unable to create more jobs and we cannot transport goods in more effective ways.

This places constraints on faster economic growth and is happening at a time when the world economy and the demand for certain goods is growing. So the ageing infrastructure is the first challenge that we have. And it is not only on the rail side, because you can fix the rail side and have a problem at the port, so you need to look at the entire support chain to improve the competitiveness of South Africa.

Our premium port, Durban Harbour, is too shallow, too narrow and does not have enough space for the containers. So it has a serious constraint.

Over and above the constraints on infrastructure, we have a case where a guy who operates cranes in Singapore moves 64 containers per hour per crane whilst a guy in Durban currently moves 22 containers per hour per crane. And buying more cranes will not help until we have more trains to transport the goods.

The other constraint that we have is human capital. Apart from not investing in its infrastructure systematically over the last 30 to 40 years (the company last bought a train in 1981), Transnet has not systematically invested in its people.

The average age of our critical workforce is around 54 to 56 years. Some of these people are already unable to operate the new cranes because of ageing. So
Transnet has a monopoly of the rail sector in South Africa, but if we were a monopoly in the whole transportation of goods it would be different. The problem is that rail transportation of goods is cheaper than road, yet the road corridor makes 50% and rail makes 11.9%. In that 9 per cent, are two dedicated lines for good that can only go by rail. Iron ore and copper cannot be transported by road for the distances that we are talking about.

So we have two dedicated lines in there and yet we don’t make up 9% of the market share. This shows that we are not a monopoly – we are getting wiped out by the road corridor.

The focus on rail is declining in this economy, and that comes at a cost to South Africa. When there was a shift to democracy the economy was changed. We came out of closed economy into an economy that is located in the globalising world. Our transport infrastructure has not kept pace with the demands of the economy going into the future.

Transport logistic costs in this economy make up 14.7% of GDP. In Asia it is about 12%, in Europe it’s about 10%, in North America it is about 8%. So transport logistics costs are way too expensive and make South Africa uncompetitive in the globalising world.

Today we are very proud that 3 Series BMWs are built in South Africa and transported to the US, Japan and other parts of the world. That has created jobs. The problem is that if we cannot get our act together we cannot transport a BMW through Durban, onto a ship and out of this country cost effectively. And this could cause a permanent loss of 12 000 jobs.

These BMWs are also not transported by train to Durban. The last time we transported them by train, it was supposed to arrive there in three days, but it took eight days. And every gear in all the vehicles had been stolen. We could not explain it, so they stopped using Transnet.

It comes at a cost because the road costs three times more than a train, but they are prepared to do this because their goods get to the destination on time and in one piece.

**Case Study**

Our premium port, Durban Harbour, is too shallow, too narrow and does not have enough space for the containers. So it has a serious constraint.

**An integrated transport strategy**

Today, South Africa’s supply chain is competing with Mexico, China, India, Chile, Argentina and Brazil and our infrastructure has not kept pace with the demands of the economy and the globalising world.

We have to reduce the cost of doing business in this country. It is the mandate from the President in his State of the Nation address in 2004 where he said: “...the public sector discharges its responsibilities to our people as a critical player in the process of the growth, reconstruction and development of our country by reducing the cost of doing business in our country.”

If in the next decade we do not deal with unemployment and poverty, we will have created the environment for social instability. That will undermine democracy.

Government has set itself a target of dealing with poverty by 2014. This is a very ambitious challenge. But if you work backwards from 2014, you have to figure out today what you will have to do in order to meet this challenge.

The only way to deal with this is to create jobs. What creates jobs? It is high economic growth. This growth will be caused by higher levels of investment. China today invests around 34% of GDP in the fixed capital formation. The growth in their economy is about 12 to 13% per annum over the last 12 to 13 years.

India invests about 24% of GDP with a growth rate of around 8 to 10%. In South Africa we invest 16% of GDP. So we need greater levels of investment to make our economy competitive. Factors of production have to be added to this in order to deal with the whole supply chain.

As Transnet, we have taken the President’s mandate and said we will create a platform for an efficient transport system in the economy. We are avoiding theories, missions and visions. We want to make it practical so that you can feel it and touch it and be implementable.

Part of the problem in some of the theoretical approaches is that when it comes to implementation it fails. At Transnet every three or four years we bring in a new team or reorganise our team and offer new directions. We feel you need to do something first then you can know what works and what does not work.

Having said this, Transnet has a vision to become an efficient freight transport company in Southern Africa. Transnet seeks to provide efficient, integrated transport to the bulk and manufacturing sectors. It intends doing this through redirecting the business; restructuring the balance sheet; building human resource capabilities; and implementing strict corporate governance principles and adhering to vigilant risk management processes.

To enhance economic development we have to reduce the cost of doing business and target certain sectors. We have four implementation programmes: corporate governance and risk management; human capital development; balance sheet restructuring; and redirect...
and re-engineer the business.

Each programme has defined projects. Each project has defined deliverables, milestones, timelines and who does what when. All these have detailed project plans that underpin it. So at the moment no one is talking about strategy at Transnet, we are talking about delivery.

Today Transnet employs 78 000 people. In a year’s time, Transnet will employ 40 000 people. This is not saying that the jobs will be lost. It means that those people are no longer employed by Transnet, but by someone else.

From an infrastructure side, we are saying we need to spend R40 billion over the next five years. People say that 6% growth in the economy is a dream, it is not. Just by spending money that alone will multiply the effects of this in the economy.

The role of the private sector is significant. Just with two parastatals investment can increase the GDP by over 1.62%. This will create about 60 000 jobs. This tells you what investment does in the economy.

It does not make sense spending R40 billion fixing Durban Harbour without fixing the railways - so what is needed is integration, coordination and synchronisation. This is important so that you do not shift the problem down the supply chain, you fix the whole system.

Human capital development strategy

The challenge that we have as Transnet is the capacity to deliver the projects which are part of our implementation plan. How do we drive the infrastructure changes when we do not have the necessary human capacity?

As already stated, our capacity does not fulfil our long-term ambitions. So we have got an HR strategy that is built on our four-point turnaround plan. We are doing this in order to grow the business and create the enabling environment for ourselves.

We therefore have seven pillars of the HR strategy which include leadership and culture; performance and reward; capability building; talent management; transformation and change; employee relations; and HR systems and measures. Each one of these has a detailed action plan. This will enable this transformation and has changed the way we do business.

Transnet has developed a new competency model which creates a framework within which we want to access managers to drive this process. So it is about the skills and the kind of people that you need to lead this change.

As Transnet, we have taken the President’s mandate and said we will create a platform for an efficient transport system in the economy. We are avoiding theories, missions and visions. We want to make it practical so that you can feel it and touch it and be implementable.

We have developed three important pillars for this model. Leaders of this transformation need to know what it is to Lead the Transnet Way, Managing the Transnet Way and Sustaining the Transnet Way. This is to ensure that they have the necessary competences. If they do not show these competencies, they are cleared out of the way, or they come up with some development needs which allows them to be HR personnel.

What is important is targeting the talented people that will drive the change and business. It goes a long way from understanding recruiting and developing people.

Aligned to all this is change management. There are lot of ways in which you can do change management. The normal way is to find the kind of things that drive people. At Transnet, the simplest way we find to get people to change is by saying, “Here is what you did yesterday, here is what you are planning to do tomorrow, and therefore you are going to go through this training today to allow you to do that job tomorrow. And if you do that and you miss targets R1 000 will be taken away from your salary every month.”

That is the most effective way of changing people. Transnet has a substantial amount of people that pitch up at work every working day and hour, deserving a salary. If they work two hours a week they get punished. This is to change this culture. All this needs to be linked to what it is that you want to achieve.

Conclusion

Ultimately we have linked all this to some outputs and some outcomes. As part of the outputs, for each of the four turnaround plans we have decided what is the formation that will tell us what we have achieved in those things.

The strategy that we have to deliver is not going to happen over night, it is a three- to seven-year programme, so we need to be realistic about it. Ultimately, the outcome that we are trying to achieve is changing the rail share of Transport GDP from 9% to 20% over the next five years.

We believe this will create a platform for South Africa’s global competitiveness. This is Transnet’s target. So we have the challenges which form the context of this paper. In addressing them we have chosen practical, incentivised initiatives, and implementable solutions - nothing fancy.
To fully address the topic I must first do a lot of motivated amnesia because I was a Resident Advisor to the Provincial Government of KwaZulu-Natal; for three years I was head of the Department of Public Enterprise at the national level of government; I became the Economic and Development Policy Advisor to the KwaZulu-Natal Premier Dr Ben Ngubane, among other public duties. It is for this reason that my total memory included the “Ins and Outs” of working for the government. To deal with the topic requires me to undertake a memory surgery, in other words, separate and create a division within what are in fact holistic and mixed experiences.

The government and non-government environment is essentially a continuum and definable through, as it were, crossing the threshold. Being outside government would mean being outside the hierarchy while not being fully on the market (hierarchy versus market consideration). The consequences of an error are borne by those who are in the hierarchy. When things go right as a consequence of one’s interventions, one needs to be remembered by accolades and recognitions; when things go sour, one reminds everyone else that it is not your responsibility that things have gone wrong. The relationship between the “outsider” and the manager in the hierarchy is, among other issues, influenced by the sharing of the responsibilities for failure and success.

Notwithstanding, the field that I was in also operated within certain rules, standards, expectations and the responsibility for experimentation, risk taking and innovation was more available. The downside risk for error was less ghastly to contemplate.

The whole of government interest was more of a norm as opposed to sectoral or departmental interest. Government in its totality was its point of reference. Of course I worked with particular departments. But this did not remove the broader scope of attention.

I was also more susceptible to listening to the demands and the pronouncements of needs, expectations and aspirations of the public. Working in a matrix-like position, I had to be dually focused and influenced. I was part of the civil society (the public) as I was part of the government. I could not therefore be too...
government-centric or civil society-centric in my outlook, perspectives and conceptualisation of issues.

Lacking positional power, I had to rely on expert power. This had a positive contribution to my knowledge development. I was aware of the fact that it was my superior know-how of issues at hand that made senior government managers to listen to me and eventually work with me. Value-adding was, therefore, a key consideration. I had to know my stuff.

**Inside**

I have already alluded to the fact that being in or out of government is a difficult epistemological and ontological problem. This, of course, would be considered both in static and dynamic terms. Joining government after having been "outside" is inundated with sparking enthusiasm — an opportunity to show them how this and that would be done. The context within which issues are conceived and transformed into programmes in government is usually naively understood by outsiders. But it must also be upheld that the naive person is less constrained to try something differently. *dudula* may be what is needed to break through the impasse.

Latent memories of working from "outside" government remained with me for a while and this was good for government with its emphasis on the relationship between government and non-government actors. Having been "outside" government had its advantages even under conditions full of the dust of action inside government. It is my view that the outsider-insider position is a potential force of dynamism, experimentation and creativity within the hierarchies.

Government is an elephant and we are all blind persons trying to experience the phenomenon, to be an elephant. A person from outside is more likely to have more or less seen or experienced the total body configuration of the elephant. Through imaginations supported by memories, as one who was once operating from outside, but with interest in what was happening inside government, I was more likely for a while (subject to memory erosion through time) to perceive the elephant (read government) in its totality.

Having worked from outside government, I was well known by all senior managers within the KZN provincial government. It was, therefore, much easier to establish effective networks and relationships which are critical for performing government work.

In conclusion I wish to suggest more of the critical chapter that must be incorporated into the Legacy Book. These are as follows:

1. Procurement systems to support speedy programme and project management emphasising flexibility and close interactions between project managers and procurement staff;
2. Support services to its director generals, heads of departments, the premier, cabinet and FOSAD;
3. Support for innovation, risk taking and experimentation within government as part of learning;
4. Design and maintenance of integration, alignment and coordination mechanisms across spheres of government and using IPSP lessons in the alignment of NSDP and IDPS;
5. Management of change within discursive consideration and the political economy of institutional change; and
Sipho Ndlovu was amongst the young student activists who stood up against the might of the apartheid state in June 1976 by demonstrating their unwillingness to be taught in Afrikaans as a medium of instruction. The discontent of the "class of 1976" was a symptom of the harshness of life under apartheid and the failings of its education system.

The uprisings that began in Soweto sparked similar protests around the country and brought about unprecedented displacement and migrations of thousands of young people in its wake. Many young people fled the country to join the major liberation movements in exile. Others sought refuge with relatives and friends in other parts of the country.

Ndlovu was forced out of his native Soweto to the relative calm of rural Zululand where he managed to complete his primary and high school education. He qualified as a teacher in 1979 and subsequently added a string of other academic qualifications in the same field.

It was in rural Zululand that Ndlovu vowed to use his passion for education and the inspiration and activism of his generation to make a mark in some of South Africa’s most repressed and impoverished areas. It was with this winning formula made up of a teacher’s patience and the zeal of an activist that Ndlovu vowed to make an indelible mark not only in the education sector but also in the lives of people outside the education system.

Ndlovu’s first point of call after completing training as a teacher was Mambuka Public School, which is located in Ntambanana, in the former KwaZulu homeland. He found Ntambanana to be typical of hundreds of communities that came into existence as a result of forced removals from areas deemed “whites-only” to crowded and under-resourced homelands or townships.

With the disproportionate distribution of land as one of the principal defining features of apartheid South Africa, Ndlovu was not at all surprised that land issues were prominent in the plethora of challenges facing the people of Ntambanana, who were forcefully removed from the Richards Bay area under the Group Areas Act.
Ndlovu put more emphasis on finding practical solutions for coping with daily realities of life in the rural areas while not losing sight of the interconnectedness of local struggles with those of the national liberation project in South Africa. He was an active member of the United Democratic Front (UDF) in the region.

Ndlovu’s on-the-ground pragmatism is demonstrated by the fact that long before issues of land restitution entered public discourse, he managed to secure the building of schools and the provision of water and sanitation for the people of Ntambanana by negotiating with companies occupying the Richards Bay land from which the people of Ntambanana were evicted.

It is largely in the field of education that the principal, who is fondly nicknamed “Tiger” by those close to him, has effectively deployed the winning formula that combines his passion as an educator and the pragmatism of an activist throughout a career that spans 25 years.

When Ndlovu opted to take up the position of principal at Dover Farm School, he saw this as a vehicle to demonstrate that farm schools need not have a Cinderella status in the country’s education system because of challenges associated with rural schools.

Dover Farm School has its origins in efforts of local sugar-cane farmers to provide some form of education, however meagre, for the children of farm workers.

Dover Farm School opened its doors of learning in 1970 with only 20 pupils, two classrooms, a small hall and a single teacher. Although the number of pupils had increased to 120 by the time Ndlovu assumed his position as the principal of Dover Combined Farm School, the number of classrooms and facilities had not increased and the teacher to pupil ratio was one to 60.

High on Ndlovu’s to-do list during the first few days at Dover Farm School was addressing the obvious need for new classrooms and additional teaching staff. Within a period of 18 months 12 additional classrooms and other facilities were built with funds from the former department of education and sources such as the Independent Development Trust (IDT). This was achieved through partnership with the community as a whole, including local sugar-cane farmers under the leadership of the Umhlathuze Valley Sugar Board.

By the end of 1992, Dover Farm School results were for the first time the best amongst 905 farms schools in the KwaZulu Natal province. This positive trend continued when the school’s first matric class scored a 100% pass rate in 1996 when Dover Farm School became a “combined” school, namely, catering for pupils between grades one to 12, instead of only providing primary education.

Since then, the farm school has never looked back. It continues to deliver a 100% matric pass rate, with an average of 65% of the matriculants securing university entrance exemption.

Other achievements include the fact that Dover Combined Farm Schools is, perhaps sadly, one of the few farms schools in the province which has a computer facility that enables pupils to cross the critical digital divide between rural and urban, north and south.

The farm school continues to use technology to establish contacts with schools as far afield as the United States of America. It has an exchange programme with a school in Michigan that makes it possible for teachers and students across the Atlantic to exchange experiences through mutual visits and telecommunications.

Despite its successes, Dover Combined Farm School was never meant to be an instrument of comparative competition in the region or the province for that matter. It is instead a model that demonstrates how the constitutional right to education, especially for the children of millions of farm workers, could be realised through determined teamwork. It is an experiment that is informed by the fact that the meagre wages typical of farm work and the general extremely poor living conditions of people on or near the country’s farm lands often means that many eager young people are unlikely to break the cycle of poverty due to lack of educational opportunities.

As the Circuit Inspector under the former DET, Ndlovu was influential in preventing the closure of 15 out of the 27 farms in the region by negotiating with different stakeholders, including farm owners, and believes that as the Dover community celebrates its shining jewel, it is critical to maintain a sober perspective of the challenges faced by other farm schools in the rest of the region, the province and the country.
The Growth and Development Summit of 2003 highlighted the Expanded Public Works Programme (EPWP) as one of a wide range of initiatives aimed at reducing poverty and vulnerability.

The GDS resolution stated: “EPWPs can provide poverty and income relief through temporary work for the unemployed to carry out socially useful activities. EPWPs will be designed to equip participants with a modicum of training and work experience, which should enhance their ability to earn a living in future.”

This statement is very modest in stating what the EPWP is intended to achieve. Part of the challenge we have is that the EPWP is seen as the solution to the problems of unemployment and poverty in the country.

Now, what is the basis of EPWP? I will start with the Code of Good Practice for the PWPs.

**Code of Good Practice for EPWPs**

This is a document that was gazetted after discussions and agreements at Nedlac. People will know that to get something through Nedlac is quite a challenge, because you need to craft it in a way that satisfies the interests of business, labour and government. This was a very useful starting point to provide the framework for minimum employment conditions on the Public Works Programmes (PWPs).

The code also establishes PWP employment as temporary employment coupled with training. The coupling with training is very important. The trade unions agreed to minimum wage and temporary employment conditions.
because of the training entitlement of PWP.

In this context there is a close alignment of EPWP with the National Skills Development Strategy.

The code also sets targets for employment of women, youth and people with disabilities. It also allows payment on a task basis and a flexible minimum wage. This is done for two reasons. Firstly, to enable labour intensive production methods to compete with machine-intensive methods. It is very important that if you are substituting labour for machines, that you do not increase the costs. Secondly, to avoid attracting people away from other longer-term employment. At a local level this can be quite tricky when you are negotiating minimum wages. It needs to be set in comparison with minimum wages for domestic and agricultural workers, for example.

Now where does all this come from? There was a wide range of programmes established post-1994. A number of provinces had a number of initiatives. Here I want to focus on two such projects – the Gundo Lashu in Limpopo and Zibambele in KwaZulu-Natal.

The Gundo Lashu project involves substituting of labour for machines in road construction and rehabilitation. This project started after the floods that happened in Mpumalanga and Limpopo in the late 1990s.

The emphasis here is on developing management and supervision capacity amongst small contractors to achieve quality, cost-effectiveness and high labour intensity. There is acknowledgement here that you cannot change the industry if you cannot change the capacity of management staff and supervisors who implement these projects.

The project also offers long-term employment for small contractors and their supervisors. Lastly, workers employed by contractors obtain temporary employment coupled with training. Contractors employ labour from the communities. The labour that they employ, according to the Code of Good Practice, is entitled to training.

The other project launched within provinces that I want to highlight is the Zibambele project in KwaZulu-Natal. This is quite different from the Gundo Lashu project. It is a length person system where approximately 10,000 households are contracted to carry out routine road maintenance on a length of road near their homes.

Beneficiaries are targeted according to criteria of poverty, unemployment and female-headed households. Zibambele has done quite a bit in targeting the poorest of the poor through community interaction. Therefore, the benefits of
The road maintenance work allows long-term work and income for beneficiaries, due to ongoing nature of routine maintenance work. Maintenance is continuous. Households are trained in basic road maintenance skills. The project is designed to supplement the income of the households.

Overview

Previously I said that the EPWP is one in a number of government initiatives to alleviate poverty. If the overall goal of government is alleviating poverty and reducing unemployment, every government department exists to try and contribute to that goal.

There is a continuum of various interventions which start with improving the social security net. This is necessary to ensure that people, particularly the disadvantaged groups, are catered for through welfare grants and so forth.

At the other extreme are various economic interventions such as balanced economic growth and investment strategies. Linked to this are attempts to create an enabling environment for small business.

Another important intervention is education and training to increase the skills levels. The EPWP fits in the interventions that seek to utilise government expenditure to alleviate unemployment and increase skills. It is a short- to medium-term intervention and should not be seen as a solution in itself.

Design

The design of the EPWP must allow for a wide diversity of existing programmes. It seeks to expand best-practice of existing programmes. It is about looking at what works, testing it, and how its effect can be multiplied.

To be sustainable the EPWP must not be “make-work”, it must be “economically efficient”. Here the emphasis is on labour-intensive delivery of cost-effective quality services.

What we are saying is that if you look at the Great Depression in the United States of America where public works programmes were initiated, you had a team of workers coming to dig in the morning and in the afternoon you had another team of workers coming in to fill that hole. That was not economically efficient.

What is key to the EPWP is that when we identify projects, it must be projects that meet the needs of communities and that link to integrated development plans of local municipalities.

To avoid displacement, the EPWP should take place in growing sectors of the economy. It is government using temporary workers, but we need to be very careful that we are not displacing people in other sectors of the economy.

Nature of the project

We have deliberately not tried to tie the definition of EPWP down, not to restrict innovation amongst various government departments to implement EPWP. Firstly, the EPWP is a deliberate attempt by the public sector to use expenditure on goods and services to create additional work opportunities coupled with training for the unemployed and emerging enterprises.

It is looking at government as an economic actor. It asks what we can do differently to create employment and training.

The EPWP is also a range of projects that usually employ workers on a temporary basis (either by government, by contractors, or by other non-governmental organisations), under the Code of Good Practice for SPWP or learner-ship employment conditions.

The programme also incorporates areas where the public sector attempts to define and facilitate exit strategies for workers when they leave the programme in order to build bridges between the second economy and the first economy.

This is challenging. We are creating temporary employment; we develop skills and provide experience to people, but ensuring the link between the two economies is a challenge.

We therefore need to look at interventions in other government departments, and look at how training can be targeted for the needs in the labour market.

What is being expanded?

This is not a new programme. It is expanding from existing best practices such as the Zibambele and Gundo Lashu projects highlighted above. Importantly, the scope is to expand beyond traditional public works which focuses on the infrastructure, into the social and environmental programmes. Also looking at programmes with proven success will be motivation for expanded budgets.

Identified sectors for creating EPWP work opportunities

The EPWP is wrongly perceived as an infrastructure initiative. Again it is important to note the four sectors in which the EPWP is implemented: infrastructure, social, environment and economic.

In infrastructure the EPWP is about how we can maximise the benefits of government-funded infrastructure projects. The emphasis is on increasing the labour intensity of existing or already planned projects.

In the environmental sector there are a number of programmes run by the Department of Environmental Affairs and Tourism and Water Affairs, such as Working for Water, Coast Care, Working on Fire and so forth.

We are looking at expanding and improve on these programmes. Obviously more budget is allocated to them.

In the social sector, public social programmes have also been identified. There is a huge need around home community-based care work.

Here we are looking at initiatives that professionalise the interventions within the home community-based care workers and early childhood development practitioners. So we are focusing on the current huge number of volunteers or...
informal operations that exist within these areas.

Through the EPWP we are formalising it and linking it to formal training programmes, in terms of learnerships and so forth.

In the economic sector, every government department can play a role. We are trying to look at what government procure in terms of goods and services. We are also keen to find ways to engage with emerging entrants in particular areas, so that they can provide these goods and services, at the same time get access to training and work experience.

In the case study highlighted we indicate how we go about doing this in the infrastructure sector. The principles apply to the economic sector and we are busy working that out.

**Funding**

EPWP projects are funded from normal budgets of departments, provinces and municipalities. The emphasis is on changing the way in which normal expenditure occurs. Firstly, to reduce opportunity costs.

It is not about arguing that the money we use to improve roads could rather have been used in health or crime prevention. This money is already budgeted so let us change the way we use it.

Secondly, EPWP projects are identified and prioritised using existing processes such as the IDPs. Thirdly, we must mainstream labour intensity in all the projects that we are engaged in.

Fourthly, government bodies do not get involved in poverty relief projects outside their core functional areas. This is a deviation from the previous Community-Based Public Works Programme where the department of public works involved in projects such as chicken rearing which is not the core business.

Lastly, the EPWP is a national programme with highly decentralised implementation which makes implementation challenging.

**Labour Intensive Contractor Learnership**

In the infrastructure sector (a very conservative sector), we are trying to change the mindset from one where big yellow machines do road construction. We are changing it to one where you engage people in the community.

In conventional construction the largest percentage of the project budget leaves the community. It goes to pay for the big machines. In the labour-intensive scenario, the large proportion of the budget stays within the community.

The model that we have used tries to focus on the demand and supply. On the demand side, within the infrastructure sector, we have worked with National Treasury and made certain conditions that are specified in the Division of Revenue Act.

The Act earmarks funding via infrastructure grants going directly to provinces and municipalities. What the conditions say is that if you are implementing certain types of projects – such as low-volume roads, sidewalks, stormwater drains – you must use the Labour Intensive Guidelines that the DPW has produced.

Projects are identified, planned and implemented by departments, provinces and municipalities. The role of the DPW is, firstly, to set the conditions on the grants for the use of the EPWP Tender and Design Guidelines.

Secondly, the DPW facilitates training programmes for workers, officials, contractors, engineers and supervisors. Training is truly embedded in this. It is about changing the culture and the mind-set of how we used to do things.

Thirdly, DPW lobbies provinces, municipalities and public entities to participate. It also provides support to municipalities and provinces through advice, facilitation, and provides programme management support.

Lastly, it monitors, evaluates and provides reports. Through the Division of Revenue Act we are creating conditions for contractors who are specialist in labour-intensive initiatives to participate in delivery.

**Tender and design guidelines**

The guidelines are there to provide guidance for officials, engineers and special contractual clauses for tender documentation for EPWP projects. We have designed them in such a way that you can cut and paste certain clauses from the guidelines directly to the contracts. So from the design stage, those projects are designed with labour-intensive methodology in mind.

The guidelines also require contractors to use labour rather than machines for certain construction activities under certain conditions. It is not unrealistic. It is saying that if the soil conditions are too hard, and it is not economically efficient to use labour, then machines must be used.

### Targets for the first five years of EPWP

<table>
<thead>
<tr>
<th>Sector</th>
<th>Work opportunities</th>
<th>Person-years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>900 000 (four months average duration)</td>
<td>300 000</td>
</tr>
<tr>
<td>Environmental and cultural</td>
<td>200 000 (one year average duration)</td>
<td>200 000</td>
</tr>
<tr>
<td>Social (excluding home-based care)</td>
<td>20 000 (average two years duration)</td>
<td>40 000</td>
</tr>
<tr>
<td>Economic</td>
<td>5000 venture learnerships (18 months duration)</td>
<td>18 000</td>
</tr>
<tr>
<td>Employees</td>
<td>9000 employees</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>1 million plus</td>
<td>500 000 plus</td>
</tr>
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</table>
But where the conditions are conducive to employ labour, the machines should be replaced by labour.

It also makes sure of adherence to the Code of Good Practice by making it a contractual obligation for contractors, for example, to release workers for their training which they are entitled to under the code.

The guidelines also make it obligatory for contractors and engineers to undergo training in labour-intensive construction. What we are saying is that up until 2006 we are giving contractors an opportunity to enrol in these training programmes.

We will provide a cut-off and say that “you cannot provide the following services if you do not have the following qualification” in the future. We are creating the demand conditions.

The use of guidelines on relevant and appropriate projects is critical for achieving EPWP infrastructure targets. The 900 000 jobs that we want to create will only be created if we change this mindset within the industry, and if provinces and municipalities comply with the EPWP Guidelines, which is a legal requirement under the Division of Revenue Act.

There are certain training programmes that have been put in place with the assistance of Construction Education Training Authority (CETA) which are mainly about doing labour-intensive work.

In the training programme, contractors are trained how to do the following:

- apply labour-intensive construction system and techniques to work activities;
- use of labour-intensive construction methods to construct and maintain roads and stormwater drainage;
- use labour-intensive construction methods to construct and maintain water and sanitation services; and
- use labour-intensive construction methods to construct, repair and maintain structures.

We have put in a condition that contractors will not be given a contract unless they have registered for or done some of these courses. There has to be proof of the necessary confidence in order to get a contract in an EPWP project.

On the supply side, what we need is a new calibre of contractors able to meet these demands – which is where the learnership comes in. Essentially this learnership is an expansion of the Limpopo’s Giando Lashu programme. So we have got a best-practice model that we can expand on.

Emerging contractors and their supervisors are recruited through an open selection process to go onto a two-year learnership programme. The learnership consists of practical and classroom training.

Learners graduate with NQF qualifications, and are able to tender for labour-intensive projects issued in terms of EPWP Tender and Design Guidelines. This provides long-term income opportunities for the learners who are successful.

In summary, a learner goes through theoretical training, but when he or she gets to the practical on site training he or she is given a contract to implement by the province or municipality.

Other roleplayers include CETA which is critical in this. They look at providing training to the workers who are employed by the learners.

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A transitional government was established in the Democratic Republic of Congo (DRC) in 2003 after many years of civil war. The first democratic elections since independence in 1960 are due to take place in 2006 and the expectations of citizens regarding the improvement of living conditions and services are high.

The country however faces a range of challenges. Geographically it is very large, many areas are difficult to access, the weather can be harsh and essential transport and communication infrastructure is lacking.

Furthermore, the public service is largely dysfunctional and lacks essential resources. Public servants are poorly paid and morale is very low.

One of the key building blocks in reconstructing the country is the establishment of a sound public administration. A comprehensive public administration reform programme has been developed. However, available information that is required to implement the programme is unreliable - for instance, records about the public service are missing and out of date.

Furthermore, limited financial resources are available to support implementation and substantial amounts are being lost due to fraud in the public service. Strong support has also been required from stakeholders to ensure that the programme is implemented successfully.

The DRC government has decided that a public service census would be the most appropriate way to obtain information for planning purposes and to reduce fraud. The census will assist in identifying public servants and in ensuring that salaries are paid to legitimate employees only, and that ultimately the resources of government are utilised more effectively in service delivery.

A number of public administration reform projects are linked to the census project and are dependent on it, in particular the retirement programme for public servants, the development of a pension system and the development of a salary system as well as the restructuring of ministries and institutions.

The census is also an important building block in the development of a comprehensive human resource development strategy.

The Democratic Republic of Congo government decided that a census should be the first step in solving the problems of a public service left largely dysfunctional by years of civil war.

Trevor Holdsworth, Government Internal Consulting Services, Department of Public Service and Administration, explains the process.

Public Service Census
in the Democratic Republic of Congo

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Project approach

The census project is complex and challenging given the comprehensive information requirements of the public administration reform programme, local conditions and challenges associated with the post-conflict environment that the DRC finds itself in, the need to ensure the integrity and security of information as well as the need to sustain the work in the longer term.

Although a census is not a unique project, the approach to the development and implementation of the methodology has required an innovative approach.

In order to obtain support for the project, to ensure its viability and to meet the needs to the DRC government and other stakeholders, the methodology was developed in the DRC and has actively involved stakeholders such as the public service trade unions and teams of experts that are involved in the other public administration reform projects.

In the process strong support has been obtained, particularly from public servants themselves. The project is a joint undertaking of the DRC Ministry for Public Services and the South African Department of Public Service and Administration, which provides technical and some financial support.

Instead of appointing external consultants to conduct the census, the emphasis has been on developing local ownership and capacity to sustain the work. Census staff were therefore recruited and trained in the DRC to conduct the work and to establish permanent capacity.

Office space was renovated in the DRC Ministry and the information technology that is required to support the project has been installed permanently.

Census methodology

Due to the need to ensure the accuracy and integrity of information the census methodology includes two staff headcounts and includes various quality controls and measures to ensure the security of the information.

Firstly, a manual headcount is conducted to identify public servants and to collect information through the filling in of census forms (questionnaires). The completed census forms are sorted, assessed and the information is captured on the census database at the DRC Ministry for Public Services.

An assessment is done to identify
The census will assist in identifying public servants and in ensuring that salaries are paid to legitimate employees only, and that ultimately the resources of government are utilised more effectively in service delivery.

Census teams were recruited in Kinshasa to conduct the work in the various provinces. They worked closely with provincial government officials and community structures such as churches to find suitable venues, means of transportation and communication. Census forms were transported by air, road and by canoes. Radio telephones, local media and churches, government institutions and trade union representatives assisted in informing public servants about the census.

A permanent organisational component is being established in the DRC Ministry for Public Services to ensure that the work is sustained. About 1 500 temporary census staff have been recruited and trained and about 160 staff are being appointed on a longer-term basis.

Financial aspects

The actual cost of conducting the census was higher than expected, particularly due to logistical challenges that were experienced in the provinces. The census was also delayed at times. However additional funding was obtained to speed up the process by expanding the facilities in the DRC ministry and by appointing additional census staff. An amount of $8.8 million has already been spent and a further $3.125 million has been identified to complete the work in 2006.

Conclusion

The first staff headcount of public servants in Kinshasa has been completed and the second staff headcount is still underway. The census information has been collected in all 10 provinces and the census forms are currently being assessed in Kinshasa.

The process of transferring information electronically to the retirement programme has also begun. Provisional results have indicated that the size of the public service is substantially smaller than estimated and that a significant number of ghost workers, as well as duplicate records, exist.

The review of the pay lists for the public servants that are employed in the capital city of Kinshasa has realised substantial financial savings that have been used to improve salaries and is contributing to improving the morale of public servants.

The methodology of the project as well as the results, challenges and learning experiences are being documented and it could assist in conducting similar projects elsewhere in the future, particularly in post-conflict countries.
The government veterinarian had never expected to be a bio-terrorism expert. His work generally led him to farms or processing plants for inspections, ensuring that the food chain was safe for Canadians. When animals died, he would be expected to do autopsies but the causes would undoubtedly be natural. Now he had been called in to assist with a suspected bio-terrorist event, to perform an autopsy on an animal which had died of unknown causes, and to work within an interdisciplinary team for the first time.

Dressed in protective equipment and working in the “hot zone”, he cut through his glove. Not having experienced this danger before, he turned to the other team members who taught him then and there how to change his outer glove without contaminating himself. This was knowledge transfer, or knowledge management, in action and it was a result of the Canadian government’s science and technology (S&T) initiative to prepare against terrorist threats.

**Catalyst for change**

The impact of asymmetric threats on national security became a shocking reality for North Americans in the autumn of 2001. The shift in the balance of power in which relatively small groups of individuals could have a disruptive impact on large and powerful nation states was no longer hypothetical.

Massive fuel-air explosions and letters containing anthrax spores convinced the citizens of Canada, next door to the United States, that the use of weapons of mass destruction on civilians was now a horrible actuality. The Canadian government responded quickly with the Public Security and Anti-Terrorism plan and budget announced in December 2001.

By that time, however, the Canadian government had already been in the midst of searching for innovative models by which the federal science community could lead Canada’s innovation system in finding solutions to pressing national problems.

The threat identified during 2001...
provided an excellent proving ground for an innovative model to address the chemical, biological, radiological and nuclear (CBRN) terrorist threat and other national security issues.

Canadian innovation agenda

Earlier in 2001, the Standing Committee on Industry, Science and Technology had released A Canadian Innovation Agenda for the Twenty-First Century. This aggressive strategy set forth changes in Canada’s approach to enhancing national S&T innovation for economic growth and enhanced quality of life.

The agenda defined an “innovation system”, in which industry, universities, research centres, government laboratories and education and training facilities worked together and shared S&T information and results.

It recognized the need for new complex, non-linear approaches with “more coordination of intramural S&T activities among federal agencies, as well as greater collaboration on major horizontal issues - those that cut across departmental and agency boundaries”.

Within this context, the Canadian government S&T community recognized that new models would be required to address new challenges. The traditional funding of stove-piped, albeit mandated, programmes would not provide the edge that would be required in countering the destructive use of disruptive technologies. It would merely serve to do more of the same and would not exploit cross-disciplinary opportunities for new and innovative S&T development.

Their alternative approach represented a shift in the model of science delivery in Canada, where traditionally the focus has been on developing science policy and supporting S&T in the industrial sector. A new model arose that differed in that it was initiated and would be led by the federal S&T community using new horizontal governance and management techniques. A proposed model had three fundamental elements:

- Understanding and assessing the risk would provide the scientific basis for identifying capabilities and gaps and for prioritising responses. Detailed gap, capability and risk assessment

would set the priorities for investment and a baseline for future evaluation;

- The creation of Laboratory Clusters would provide the ability to leverage existing scientific expertise and facilities as well as to transfer scientific knowledge to a broader community; and

- Building S&T capacity required the integration of all national partners: industry, academia, national security departments and agencies, and emergency response personnel.

This model was conceived as one in which the federal S&T community could lead the national S&T counter-terrorism response by engaging knowledge-based scientific planning, by leveraging and transferring existing knowledge to a broader community, and by devising mechanisms that ensured sharing knowledge and expertise across the entire national S&T spectrum. In short, it was a knowledge-based initiative that would build upon limited, but high quality, Canadian resources.

S&T delivery for counter-terrorism

Announced on December 10, 2001, the CBRN Research and Technology Initiative (CRTI) was launched within five months in May 2002. Following the proposed model, the CRTI was mandated to strengthen Canada’s preparedness for prevention of, and response to, a CBRN terrorist attack through new investments in science, research and technology capacity by:

- Creating clusters of federal laboratories as elements of a federal laboratory response network to build S&T capacity to address the highest risk terrorist attack scenarios;

- Funding research and technology projects to build S&T capability in critical areas, particularly those identified in the scenarios that addressed biological and radiological attack;

- Accelerating technology into the hands of the first responders community and other operational authorities; and

During a field exercise, a government veterinarian receives the benefit of first responder knowledge to avoid biological contamination.
Providing funds to those areas where national S&T capacity was deficient owing to obsolete equipment, dated facilities and inadequate scientific teams.

At the time of the attacks in the United States, Canadian S&T departments and agencies did not have inter-departmental mechanisms for coordination in the scientific response to CBRN terrorism. Federal science response preparation was focused on emergencies initiated by accidents, spills or explosions. Yet within each of the entities, there were pockets of expertise that could be applied to these new threats, but there was much to be shared and learned. It was this collective expertise that would become the basis for the CRTI.

Predicated by 50 years of expertise in CBRN research and development for national security purposes, Defence Research and Development Canada emerged as a natural leader for this initiative. Other partners were identified as a result of their mandates in various areas of CBRN expertise or response capabilities.

**A knowledge management approach**

From the onset, the CRTI was established upon knowledge management principles such as those expressed by Thomas Davenport and Laurence Prusak who in *Working Knowledge* wrote, “emphasize the creative potential inherent in the complexity and diversity of ideas, seeing differences as positive...” and Ikujiro Nonaka and Hirotaka Takeuchi who in *The Knowledge-Creating Company* posited that innovation arises from a dynamic tacit to explicit knowledge conversion through social processes. Fundamentally, the operating model was designed to bring together sectors, organisations and individuals from across disciplines and jurisdictions into communities and project teams. In this way they would benefit from one another’s expertise and be able to cross boundaries for novel new solutions.

The model, as shown in the illustration, was designed to ensure that this cross-fertilisation would be facilitated. The “intention” of the CRTI was to improve Canada’s preparedness against CBRN threats. This was established from the beginning by bringing together disparate communities to scientifically assess the risks posed by these particular threats.

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More recently, a new category of technology demonstration project requires an operational partner. Additionally, each project proposal is evaluated for relevance to the intention and for innovation.
Challenges

Like other knowledge management initiatives, the CRTI has experienced various challenges in attaining its goals within the model. Keeping members engaged and focused, maintaining a balance between the core membership and expanding the reach, ensuring that there is something “in it” for all participants and building the basis of trust are but some of the issues that must be tackled.

The challenge of keeping 18 government departments and agencies and other national participants motivated and engaged cannot be underestimated. The initial pressure that was evident immediately after the 9/11 attacks has dissipated with time and the fortunate absence of further attacks on North America. This relaxation is, however, moderated by world events and an awareness of the consequences of the threat, but more immediate demands compete for attention and resources. CRTI has used exercises as one way of keeping the membership attuned to the threat, engaged and prepared.

Funding opportunities for the S&T community have provided real incentives for participation in the CRTI. However, after four rounds of project proposals and funding, many of the top performers have reached their capacity limit.

Sustaining this research and technology capability requires additional facilitation of new partnerships. Enticing partners from peripheral communities to participate in cross-boundary research calls upon the CRTI to look to additional approaches of engagement.

Demand on the time of the players is one of the greatest obstacles for full and complete participation in this cross-jurisdictional programme. The individual participants of the Laboratory Clusters are already committed to their mandated responsibilities and CRTI activities are a requirement on top of those commitments.

Their enthusiasm and willingness to participate is a driving factor, but as with any community of practice, the payoff must be evident for both them and their parent organisations. Rewards and recognition, both intrinsic and intentional, have helped to sustain the participation.

In community building, particularly with such diverse groups as in the CRTI, there are many expected challenges. Trust building is a fundamental issue that must be addressed if the CRTI is to work.

Successes

After more than three years in existence, the CRTI can report many examples of success from the tangibility of S&T innovations that were facilitated by the model, to the less tangible successes which relate to increased cooperation between organisations.

To date, 18 technology acquisition projects and 64 research, technology acceleration and technology acquisition projects have been funded for a total of $134.2 million Canadian dollars. This represents a significantly increased federal government laboratory capacity and many promising new technologies. It also signifies many new partnerships and the leveraging of knowledge throughout the country.

Whether it is the hand-held biological agent detector, a low-cost, portable device which is now available to detect airborne biological agents, including pathogens and toxins, developed by GD Canada, or Health Canada’s Accident Reporting and Guidance Operational System (ARGOS), a decision support software system which improves Canada’s ability to coordinate a timely and effective response to a nuclear or radiological emergency, or Med-Eng Systems’ FOD 9 Helmet which provides first responders with significantly improved protection against standard explosives and explosively driven chemical and biological (CB) agents, CRTI projects are meeting their objectives for the operational community.

Each project has benefited from partnerships on their teams.

Of potentially more interest within the context of knowledge management is how the CRTI model has contributed to incremental levels of collaboration. Knowledge sharing through previously
non-existent channels has continued to be demonstrated since the inception of the initiative.

Testimonials from university researchers have indicated that they would never have had the opportunity to work with the combination of federal government laboratories which allow them to pursue research in such specialized areas as detecting engineered virulent genes in new bio-terrorism agents.

Others attribute CRTI facilitation to introducing them to first responders who then include them in exercises and other planning discussions.

Perhaps of most significance has been the influence of the Laboratory Clusters. In 2002, most of the members were unknown to one another; in many cases they are now in one another’s inner circles. This has happened through a series of events. The Radiological/Nuclear Cluster has developed a coordinated approach to planning its response in the event of a terrorism incident. This plan has included a series of ascending more complex field exercises in which participating departments and agencies have deliberately used lessons learned to build future capabilities. The growing maturity and success of the community has been evident from exercise to exercise.

The Biological Laboratory Cluster has also engaged non-traditional partners in exercises to share and learn new skills. A field training exercise on “Forensic Sampling for Evidentiary Purposes” brought together veterinarians, laboratory technicians, scientists, forensic identification specialists and police responders together in a simulated bio-terrorist incident.

This exercise provided a number of valuable experiences for the participants. Their work together in the field exercise established familiarity, respect and confidence between the partner organizations, a solid basis for team building and networking. During the exercise, they shared knowledge about preparedness levels, protocols and hazard assessment.

Participants learned about the effective use of personal protective equipment, decontamination procedures, and evidence gathering techniques. The simulation also provided an opportunity to practice and discover areas for improvement before an emergency occurs.

The Chemical Laboratory Cluster has leveraged one partner’s expertise by sponsoring an annual workshop where scientific experts trained in the mass-spectrometry identification of chemical warfare agents have shared their knowledge with other laboratory personnel from other departments and agencies.

With the large geographical size of Canada, having personnel with this training located across the country would be critical during a chemical based terrorist incident in which laboratories would be called upon to handle
The CRTI provides many opportunities for pan-cluster discussions and learning opportunities as well as for the broader Canadian CBRN community. Annually, it sponsors a scientific symposium to share the most recent developments of projects and other research. A first responders’ workshop is another yearly event that brings together the S&T and operational communities to share both new technological developments but also the observations and lessons learned of the expert first responders. Other tabletop exercises, workshops and training events are sponsored to encourage the facilitation and creation of new knowledge generation.

Fortunately, since the inception of the CRTI, Canada has not been subjected to any large scale CBRN terrorist events that have trialed the country’s preparedness. It is therefore necessary to use “surrogate markers” which both indicate the state of readiness and the overall success of the CRTI in achieving its objectives.

One example illustrates how the model has done this. During the 2003 SARS (Sudden Acute Respiratory Syndrome) outbreak in Toronto, Health Canada’s National Microbiology Laboratory called in a team from the Defence Research and Development Canada – Suffield lab to perform monitoring for airborne viruses in area hospitals. This linkage was made because of the relationships formed within the Biological Laboratory Cluster and the technology acquisitions that they had selected.

**Lessons learned**

In these first few years, lessons have already been learned. It is evident that money counts: a funding source helps to get partnerships started! Providing opportunities for mutual benefit and giving participants visibility in their efforts and successes is critical. Building trust, mutual respect and leadership are building blocks for the initiative’s achievements.

However, perhaps the most significant lesson is that knowledge transfer alone is not sufficient. Rather, the focus will have to turn to knowledge exploitation, i.e., ensuring the knowledge is actually brought to bear on affecting the identified outcome of enhancing national preparedness to address a possible CBRN terrorist attack.

It is evident that the CRTI will have to improve its ability to identify and contribute to the enabling conditions for this knowledge exploitation. Issues such as intellectual property management, access to venture capital, early regulatory approval, societal acceptance, standards, user training, are all examples of non-technical issues which, unless addressed up front, will mitigate the timely uptake of the research and development results.

As the CRTI moves forward, its framework will have to incorporate these types of components.

**Conclusion**

Building on these experiences, the Canadian government’s S&T community will continue to explore new models of service delivery. The CRTI is an example of what has worked, but it is not a cookie-cutter approach for future initiatives. Indeed, lessons learned from its implementation should serve to positively influence other approaches.

As the Canadian government moves forward within the framework of the National Innovation System, the S&T community is evolving from a nurturing approach of science integration to a proactive, intentional footing. The integrated components for the future capacity enhancement of S&T in Canada will cut across Canadian science-based departments and agencies, universities, social sciences networks, the cultural sector, the manufacturing, service and resource sectors, and it will work within Government policy development.

One thing is clear, the Canadian S&T community will continue in its strategy to pull together expert resources and draw upon their knowledge base to find national, scientific innovative solutions for problems that face Canada and its international partners.
The World is Flat

SBN: 0-141-02272-8
Price: R123.00 (Exclusive Books)
Reviewer: Nelson Kgwete

Those who are optimistic about the future of the African continent regard the 21st century as the African Century – a century for African political unity, economic integration and sustainable development.

But, as Thomas L Friedman shows in his book, *The World is Flat*, globalisation dictates that countries advance technologically so that they can be connected to, and improve with, the rest of the world, which has been “flattened” mainly by technological advancements.

Friedman discusses in detail how a so-called third-world country such as India is taking the world by storm when it comes to technological innovations that put its citizens and companies on a par with those of developed countries of the west.

Perhaps the most profound message Friedman sends to Africans about their continent’s contribution to the world “flattened” and reduced in size by various technological and political developments is his silence on what is happening on the continent.

In *The World is Flat*, Friedman says literally nothing about the goings-on in Africa, which begs the questions: (a) If advancement in technology is a passport to countries’ full participation in the globalised world, are we Africans doing enough? (b) If we are not doing enough because of lack of resources, how do other developing countries such as India and China afford it?

A report on the World Bank website by Dapo Olufunremi (a senior fellow at the Panos Institute in Washington DC), titled *The African Century?* claims that “there are more phone lines in the borough of Manhattan [New York] than in all of Sub-Saharan Africa”, adding that this “underscores the urgency of developing crucial technologies that support social transformation, knowledge creation and development” in Africa.

These “crucial technologies that support social transformation, knowledge creation and development” are key to countries’ contribution to the globalised (or rather flat) world, as Friedman passionately explains in *The World is Flat*.

The book is well-researched and provides some very important lessons that our continent can learn from fellow developing countries. After all, we Africans cannot afford to remain the poorest of the poor, the least developed, the highly indebted, etc. forever.

*The World is Flat* is a must-read for everyone interested in how other nations are approaching the 21st century – not forgetting those who want to know what happened to the round world.
Our Latest Releases

STE Publishers have just published the latest editions of two of the most comprehensive sources of information on all aspects of our country: the South Africa Yearbook 2005/06 and the Pocket Guide to South Africa. Published on behalf of the Government Communications and Information System (GCIS), these colourful, user-friendly annual publications are the perfect study companions for learners and provide loads of interesting Learner Teacher Support Material. No home or classroom should be without one!

Telecommunications Law in South Africa, has been written to provide an overview of the policy, law and regulation of telecommunications in South Africa. It includes chapters on the important regulatory topics, including Licensing, Interconnection and Facilities Leasing, Pricing and Universal Service. It also includes chapters on The Regulators and Convergence, as well as an Overview and chapters on Economics and Technologies. Authored by recognised experts in those areas. This book will prove invaluable to legal practitioners in the field, as well as policy makers, legislators, regulators, journalists, academics, researchers, consultants, students, and telecommunications companies.

For regular news of the best in South African cultural and political history titles, join our emailing list and find out more about books such as: the Turning Points in History series, Images of Defiance – South African Resistance Posters of the 1980s, Creative Beginnings, Khula Udweba, Mopak – the Miriam Makeba Story, Come Back Africa, The world that made Mandela and many more.

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Creative publishing solutions
Polish Divorce…

A Polish man married an American girl after he had been in the US a year or so; and, although his English was far from perfect, they got along very well. Until one day he rushed into a lawyer’s office and asked him if he could arrange a divorce for him – “very quick”. The lawyer said that the speed for getting a divorce would depend on the circumstances, and asked him the following questions:

Lawyer: “Have you any grounds?”

Pole: “Ja, ja, an acre and half and a nice little home with three bedrooms.”

Lawyer: “No, I mean what is the foundation of this case?”

Pole: “It is made of concrete, brick, and mortar,” he responded.

Lawyer: “Does either of you have a real grudge?”

Pole: “No,” he replied, “we have a two-car carport, and have never really needed one.”

Lawyer: “I mean what are your relations like?”

Pole: “All my relations are in Poland.”

Lawyer: “Is there any infidelity in your marriage?”

Pole: “Yes, we have hi fidelity stereo set and DVD player with 6.1 sound. We don’t necessarily like the music, but the answer to your questions is yes.”

Lawyer: “No, I mean does your wife beat you up?”

Pole: “No, I’m always up before her.”

Lawyer: “Is your wife a nagger?”

Pole: “No, she is white.”

Lawyer: “Why do you want this divorce?”

Pole: “She going to kill me.”

Lawyer: “What makes you think that?”

Pole: “I got proof.”

Lawyer: “What kind of proof?”

Pole: “She going to poison me. She buy bottle at th drug store and put on shelf in bathroom. I can read … it says, “POLISH REMOVER”

Euro-English…

The European Commission has just announced an agreement whereby English will be the official language of the European Union rather than German, which was the other possibility.

As part of the negotiations, the British government conceded that English spelling had some room for improvement and has accepted a five-year phase-in plan that would become known as “Euro-English”.

In the first year, “s” will replace the soft “z”. Certainly, this will make the civil servants jump with joy.

The hard “c” will be dropped in favour of the “k”. This should clear up confusion, and keyboards can have one less letter.

There will be growing public enthusiasm in the second year when the troublesome “ph” will be replaced with “f”. This will make words like fotograf 20% shorter.

In the third year, public acceptance of the new spelling can be expected to reach the stage where more complicated changes are possible.

Governments will encourage the removal of double letters which have always been a deterrent to accurate spelling. Also, all will agree that the horrid mes of the silent “z” in the language is disgrasful and it should go away.

In the 4th yer people wil be reseptiv to steps such as replasing “th” with “s” and “w” with “v”.

During ze fift yer, ze necesary “n” kan be dropd from vords containing “ou” and after zis fift yer, ve vil hav a red sensi riten styl.

Zer vil be no mor trubl of difikultis and evrivun vil find it ezi tu understand ech oza. Ze drem of a united urop vil finali kum tru.

Und efter ze fift yer, ve vil al be speking German like zey vunted in ze forst plas.