

Topic: What will it take to meet and implement the priorities of the Jacob Zuma-led government?

Introduction:

Mazibuko Jara

Good evening everyone. My name is Mazibuko Jara. I'm pleased to welcome you to this seventy-sixth dialogue of the Harold Wolpe Memorial Trust. We are particularly pleased that despite the rain, you've responded quite well on short notice, which we apologise for. I would like to start by welcoming a number of new people who have joined our Wolpe Memorial Trust. First is our new National Director, Dr Lionel Louw. He has come to direct the Trust, after having been the Chief of Staff in the Office of Premiere, and is the Head of Department of Social Development at UCT. Welcome Lionel. He is also on the Ex-Co of the Trust, who has brought in over 2 million Rand. He teaches at the University of Stellenbosch, and I cannot speak too much about him. He is also a new member of the Harold Wolpe Trust. Jeremy, we congratulate you on your appointment. The one problem I have got with Jeremy is that as soon as this evening ends, I have to look for a lift to Muizenberg because the local and transport governor is here. We too have an apology from Dr Neetsa Misra. She was unexpectedly taken to hospital on Friday evening and she came out yesterday afternoon. She called to say that if she feels better this morning, she will make it, however, on further consultation, she was advised to sleep for the rest of the week. So unfortunately we will not have her presenting. We would have asked her to look at an overview picture of government entry figures in general, and also to look at education at the hands of government. We will move ahead and ask Professor Habib to be the first speaker. Professor Habib is the Deputy Vice- Chancellor for Research at the University of Johannesburg. He is also a member of the Ex-Co of the Wolpe Memorial Trust. We will ask him to put forward a number of challenges, ideas and perspectives, and from them, solutions to the big question for the evening: What will it take for the new government under President Zuma to meet and implement the priorities they set, and for them to be delivered in our society? Welcome Professor Habib.

Speakers:

Professor Adam Habib

Friends and Colleagues, good evening. It is a great pleasure for me to be here. It is always a great pleasure to be in Cape Town and to have debates on these issues. It is also always a pleasure to have the opportunity to engage as part of this duet. So I hope that this is something that you and I are particularly looking forward to, the engagement with both you and Jeremy over the next hour or so. The first thing that I want to suggest is: How does development happen? Because I think if we don't look at this issue, we can get into all kinds of other debates. I want to reflect, very quickly, in three or four minutes, on how development happens, under what conditions does development happen? The second thing I want to do is to address questions that are important to me and indicate what I think are the big issues that this administration should be focusing on, what I think the fundamental issues are that confront us, and then thirdly, I want to look at whether I think they will do any of what I suggest, or whether they are going to do any of the things that they have promised over the last twelve or eighteen months.

So let me begin with the first point: How does development happen? Now, last year towards the end of the year, I published an article in a journal, and effectively I posed this question: How do you get development to happen? And I really bemoan the forcity of debate on this issue in South Africa. Because if you look at the popular literature and the academic literature on the subject, what you'll see is that you can have these forces as an individual, and the assumption is that if you get the right people in the right job, then development happens. Now obviously, people support who the right people are, so if you are looking for commitment, the right people are people like Trevor Manual. If you speak to COSATU and the Communist Party, it is people like Jeremy Cronin. But the focus is on the individual and getting the right people on the job. Now I criticise it, because what I said is that if you forget the issue of institutional constraints, what has emerged in the great lesson of the social society over the last two or three decades has been that issue of institution constraints. And I think that that's an important thing, and often the popular debate has actually forgotten the reasons, but we haven't internalised the true meaning. And as I suggested in this article, is that development happens when the poor people have power. And how do poor people get power? When two things happen. One is when either they are mobilised, or when political leaders are forced to

go deep within the affection. And when they complete for the affection, poor people get leverage in the process. I suggested in this article for development to happen, for these two conditions to happen in South Africa, we need five things to change the reforms. I'm going to quickly go through them and stop, and then I'll come back to them in the end.

The first one is electoral reforms towards the bigger system, because what that will do is force MPs to become directly accountable to citizens, not mediators through the party remediation. And I thought that that was absolutely important for establishing an accountability dynamic. The second is the establishment of a viable opposition party, because what a viable opposition party does is it promotes competition, and then this competition enhances delivery. The third issue I spoke about was the plural civil society, because what a plural civil society does is it creates the checks and balances, and for me, that was the third condition needed for that to happen. The fourth thing that I suggested was to avoid social tax unless power is decidedly shifted in favour of a marginalised community, because if it happens in the context of deciding in favour of empowered sectors, then what you have is a situation of what then becomes a mechanism of cooption. I remember two things; I wrote for a series of institutional alliances constructed both at a continental and a more broad level because what that is doing, is it is an enabling environment for development within the international community. So those are the five reforms, or political preconditions that I thought needed to happen if we are going to have development beginning to emerge in South Africa. Now I want to stop there, because I'll come back and reflect on this in my final reflection on where I think we are, but let me shift quickly to the issue of what I think are the big issues for this administration.

Now obviously any political administration requires multiple tasks, and I'm not going to focus on all of them. Let me give you an example, whether you're on the left or the right, you'll see a large amount of people argue on the importance of institutional development. I think everybody agrees on that. I think that when we are to look at people, there's a large degree of humanity on dealing with violent crime; people who say that violent crime is something that we need to go out there in a big way and something that we need to deal with firmly. So I'm not going to touch on those obvious things. But I am going to touch on three issues that I think do create controversy in our society.

The first is dealing with and looking at inequality, and you need to look at poverty within equality. I think people misunderstand how destructive inequality can be in a society. Deal with inequality and poverty, and the only way to deal with this is by gripping the hand of the economic crisis. And I think even today, how I would get a growth rate, is to get people to deregulate the labour market, because as people deregulate the labour market, employers will start employing people, the cost of living will come down, profitability goes up, growth starts happening, and there you have it. The effects will trickle down to the poor and marginalised in our society. And for the unemployed, there was the suggestion to give them some training, put them through new forms of training, so that they become skilled in areas that we know the economy requires. Let me give you an example. One of the significant features of our employment crisis is the structural nature. A large percentage of the people do not have any form of qualifications and they fall into the unskilled or semi-skilled sector.

Now, if you look at the economy and the way that the economy has been formed, it is largely a border of the past ten or twenty years towards the service sectors of the economy. And that's not just what it's reminded you of, for the unskilled and semi-skilled sectors of our society. You can give short-term training to people who are unskilled, who are illiterate, or unskilled and semi-skilled as much as you want. You don't need to suddenly convert them into hearty entrepreneurs into society. It's not going to happen. It's a mad strategy. You are going to have to grow sectors of the economy that absorb labour. That's what you are going to have to do. If this requires high tax, then that's what you do. If this requires looking at the level of education, then that's what you do, but you do it in relation to growing employment in particular sectors. A great example of a child is not simply that he uses the market, not only the use of the market, but also of the manipulation of the market. To look, the one is artificially vital to the other. That's precisely what gives them a competitive edge. And that's something that we need. So that's the first issue that I would like to put onto the table.

The second issue that I think we need to do is protect the social support. Protect social support grants, and drive expenditure into educational allowance. Now, I think this is a very significant attack, worthy around social support grants, and I think that this not only happens in industries in the economy. I think there are parts of the sectors in the state that have been moaning and groaning about the size of the social support grants, and the people it impacts upon, and what we need to do about that. And that's something that I think is under major threat. I feel concerned, I feel that it is very important to protect those grants, and I feel greatly concerned that I don't think we have a very strong Minister in this regard. Something we should look at is to protect those grants, because not only do those grants deal with the acceptance of poverty in our society, they also aim to inspire entrepreneurship. That's a myth that is thought of around the support grants, that they create a dependency system. Its not based on any of the empirical evidence, and that's something that we need to think of. As for education and health, I think that there is a powerful evidence, empirical evidence, across the ideological divide that speaks to how important education and health are for the productivity in the economy.

But what I quickly want to remark on, is the issue of education at a tertiary level, and the recent remark by the new Minister of Higher Education, that what we need is research in education. Now, as a Senior Executive of the university, I don't share with some of my colleagues this opinion that they argue that if you don't pay for education, you don't value education. This is complete nonsense. If you look at Western Europe over the last fifty years, it shows you how effective their economies have become on the basis of a very generous higher education programme. That's not my concern, and I would welcome free tertiary education in our society. There's only one condition I will argue, and that is that the state needs to make up for the loss of fees that is due to the university. If you do not do that, you get into real danger, because what you will do is, there is this belief that there are large amounts of money sitting sloshed up in university accounts. In real terms, the budget is getting smaller and smaller over the twenty, twenty-five years. And if you suddenly take out that forty-five, fifty percent of student fees out of the universities, and don't compensate the universities, you'll destroy the universities. And then you won't only create free education for the working class; you'll create a sub-standard education for the working class. And that's the real danger. So for me, I welcome to the idea of a free education and tertiary education system, but I do believe you have to underline the extra costs from the state itself.

And then thirdly, I want to touch on the issue of redress and affirmative action. And the demand and need to transform them. Again we did a study on this last year, and this was published in a book called "Racial Redress and Citizenship". We found a strategy simply based on racial and we looked at how people from disadvantaged communities did that much better. When we looked at the case study of black economic empowerment and minorities, or the case study of grants and the dispersment of state grants, there was no question that there was sufficient empirical evidence to demonstrate that with the grant, people have done much better.

So, the action in my mind is that we need material criteria to define the beneficiary system to qualify, but I don't think the answer to that is the simple chip to a cloud, cloud-based affirmative action strategies on why some people associate it to the university of Cape Town. Because I think what happened, what we don't understand is there are two sectors that you need race-based criteria. Let me give you one example. If you want to deracialise the corporate sector, the upper end of the corporate sector, one strategy is the common charter, a charter between 2030 and 2035, that we want racial officials to be diversified. There are going to be elements required where we still need race-based criteria around affirmative action, and that's also something that we need to look at.

Now, do I think any of this is going to happen? Do I think that the subject of this new cabinet, that its going to view the kinds of things that we want it to view and the kinds of things that we don't want it to view. Now, do you remember what I said to you right at the beginning, that development doesn't happen because there are good guys. Development doesn't happen because we have a Jeremy Cronin sitting as the Deputy Minister of Transport. What we've got to look at is the systemic process in the society, in political systems that form development. Now the outcome of this society, political leaders are very nervous at the moment. They saw what happened in Polokwane. And they are going to remember this for a period of time. I heard this fascinating debate by a black person where he asked the question: How bad can it be for poor communities in our society? And let me ask this question: Why did it take fourteen years to think up that question?

But it seems to me that there is political equilibrium and therefore it is good luck, and also, internationally, neo-liberal politicians have lost their fad. Frightening, if you look at what the UK is doing. You look at what the US is doing. We're looking at a very interventional suggestion. It just shouldn't be compared. Our Cabinet, to Obama, and Brown. I think this cabinet is far better than the previous cabinet, but I do think we must not make the mistake to assume that because the left hand acted to the debate in the corridors of power, that we will be toying in the corridors of power.

What we have is the advantage of the Mbeki cabinet, but it is important to bear in mind that there are, in the Zuma cabinet, some people with very conservative views on development. And that's something, But there is the need to create business in the community, and that is something that does concern this new administration, and simply empowers our society towards making our politicians market compliant, and that was successfully in the mid-1990s, on the standards of an Alex Erwin. Don't you believe that it can never happen again. So what am I going to anticipate? What do I anticipate? I think we're going to have a culture shift. There's no question about it, but I think, within the shift to the left, this also happened in the last years of the Mbeki regime, and I don't believe that we are going to have a radical change in our society in macro-economic policy or in micro-economic policy. All we have in the lingo of the South African Communist Party, the Cabinet is facing a new terrain on struggle. What happens when all of us fall back onto the Cabinet is that it will determine what we succeed in and what we don't. And I'm going to end here with a final quotation, because I want to end with the words of an icon in the South African context: Nelson Mandela, and I know it's been quoted many times before, but I do think it's apt on this particular occasion.

"I have walked that long road to freedom. I have tried not to falter; I have made missteps along the way. But I have discovered the secret that after climbing a great hill, one only finds that there are many more hills to climb. I have taken a moment here to rest, to steal a view of the glorious vista that surrounds me, and Polokwane, I might add. To look back at the distance I've come. But I can rest only for the moment, for with freedom comes responsibilities, and I dare not linger, for my long walk to is not yet ended."

I think those words must be particularly remembered by this new Cabinet, otherwise development will not happen. Thank you.

Mazibuko Jara

Thank you to professor Habib. And now, we welcome Jeremy Cronin.

Jeremy Cronin

Thank you very much to Adam. I feel that I have a bit of a challenge. I've never been able to quite match Adam's animation. Adam has promised us a robust engagement this week and I'm battling to figure out what it is that I disagree with in a sense. Some of what he said was a bit more robust than perhaps what I can be, but both the detail and generality of what he said, I fundamentally agree with. I'm going to take a slightly different approach. Let me begin somewhere else, in transport, with the N2. Many of you, I am sure, travel along there, as I do. Now for some years, the outer lane inbound has had yellow paint on it, and says: 'bus only', but for many years it was just paint and everyone ignored it. And then fairly recently the city installed cameras and I think it's a three hundred rand fine, or something like that, if you're in a car and you're travelling between 05:30am and 09:00am in that yellow lane which is marked 'bus only'. Now for people travelling on buses and minibuses coming from Khayelitsha and Mitchell's Plain into town, their trips are taking about 20 minutes less than they were, and interestingly, even cars are moving more quickly, less so when jammed into two lanes in the morning, and not the three lanes from before.

Apparently even car travellers can't believe it, but the interesting thing to think about: Why is it on the inbound lane, 05:30 to 09:00, that there are public transport restrictions to those lanes, and why is there not a similar arrangement for the outbound lanes? And when I asked the officials that question, they say that it is actually slightly less congested in the evenings. Well, I am a little less confident than them. They also say they are going to get around to it, and that's what I'll also be saying now as a government official. But of course, there is something much more deep seated at work here, because inbound, the twenty minutes that is saved is the boss's twenty minutes. It's to make sure that you get from Khayelitsha or Mitchell's Plain on time, and you get to work, and you can't blame congestion as readily as before. But outbound, well, that's your hassle, that's family time, that's

community time, time to read, time to chat to the kids, time to do the shopping, or be involved in the community keeping forum, the school governing bodies and so forth. So, that's your problem. And if it takes you twenty minutes longer than it should going home, that's your problem. But as you know I am fascinated by transport, and I just want to park that for a minute.

Now, Adam began by looking at the institutional constraints to getting development and transformation going, and he's absolutely right. I don't want to dwell on those and there are many institutional constraints, although a word of warning that sometimes, with regards to the government, the ANC, and the SACP, especially from the ANC, the policies are all fine, it's just the delivery, the institutions. Not the national MPs or local council or mayor. It's more the delivery or the discipline, and so of course there are problems and challenges, in terms of capacity, institutional capacity and so on, which Adam mentioned.

But I want to look at the other fifteen challenges that we've got, and apart from the inbound outbound transport paradox, we've got another huge challenge, and I think that the incoming government with its fresh mandate, and certainly not here in the Western Cape of course, is generally a refreshing update. We need to look very honestly at what has happened over the last fifteen years, since 1994. What has happened? Well, we have grown the economy, a capitalist economy, which had been in negative growth territory for all but one year of the last decade up until 1994, and with the global commodity boom that we've had over the last four years. We've also done some of the things that we have alluded to, such as social redistribution. None of that should be underestimated and much of it should be defended definitely, so the things that we talked about a lot in the election campaign, which I am thankful is over, are the eleven million social grants, almost twelve million, 3 million plus low-cost houses, some 2.7 of them free absolutely for poorer households, water, electricity, sanitation, a whole range of redistributed measures.

All of those things are notable achievements I think, but, and this is a huge but, if we look back over the last fifteen years, we remain, and I tend to agree with Adam, invariably, one of the most unequal societies in the world, certainly in terms of income and eco-efficient measures. We were, before 1994, and will remain that. Our statistics suggest that the soar of absolute poverty has lifted slightly due to social grants and housing and so forth, so people are not necessarily absolutely impoverished, but they are pretty impoverished, and nearly half our population are living in deep and serious poverty. And that poverty is racialised, nationally. There has been some minor deracialisation of wealth and housing privilege, but poverty is still the privilege of a black working class and poor majority, so we remain a very racialised society and we remain a very unequal society.

Notwithstanding the commodity boom, an unprecedented commodity boom for the last several years, a few sectors of our economy did very well. Unemployment came down marginally, the real figure probably close to 30%, if one was to look at the standard, and now with the commodity boom over, approaching again crisis levels of forty percent. I believe that an ANC government, since 1994, has tried earnestly to transform and to address the issues of poverty and racial marginalisation and so on, but looking back over the past fifteen years, despite growth, despite significant redistribution, the key markets of marginalisation and underdevelopment, poverty and inequality are all there, deeply seated. And I want to suggest that apart from the institutional issues that Adam has mentioned, there are fifteen socio- and economic realities, and therefore moving forward, because that wasn't what our topic was going to be: What are our expectations of the SACP and the ANC or of the next five, ten or maybe fifteen years. And I think that those expectations can't just be a wish list. We want to answer the fifteen issues: Why, despite good efforts, maybe disruptions here, maybe weaknesses there, but despite any substantial issues with very significant electoral support, have we not fundamentally transformed the key fifteen systemic realities of racial polarisation, of poverty marginalisation for the majority of our people. And how do we attack them? This can't just be a wish list of the things we're going to do, but in doing them, we must ask the question: Are we transforming this systemic reality or are we just reversing these systemic realities. I think that's been the story for the past fifteen years. We've done our best arguably but not quite enough.

So the first big issue I want to mention is the growth path. We had 3% and 5% growth, and get told that 6% is some plausible problem that I've never understood why, but that 3% and 5% growth has been of a particular kind.

In fact, it's been more of exactly the same kind that we've had for over a hundred years. So the development of industrial capitalism in South Africa, obviously there have been some changes, but fundamentally, it remains the growth path that is excessively export dependent, and is excessively dependent on primary commodity export, minerals, and so forth. It's hugely dependent equally on import of luxury goods and capital goods – machinery, technology, and so forth. It's an economy and a growth path that has extraordinarily high levels of concentration. That's not accidental. Capitalism came into South Africa in the last quarter of the nineteenth century. It didn't emerge organically out of small and medium production as it might have done in the UK or most countries. It came out of the box in what they would describe as the highest stage of development capitalism with banks, consortia and so forth and around the mining and industrial context capitalism grew in South Africa and marked the nature of the capitalist economy until this day.

So we have extraordinary high levels of concentration in our economy. Basically the minerals and the energy and the agri-processing, I'm leaving out one, but anyway, and this overlap between sectors, they wrap into each other as we know. Therefore also the growth market is very capital intense, as opposed to labour intense, and so the growth has simply not addressed the huge problems in the economy. The corporations that have done well have bygone other intensive corporations, but also how the public sector crowds out the context. The real crowding out of small and medium enterprises in South Africa are by these big corporations that dominate the market. They are beginning to pick up across the board, not just in Europe, but here is South Africa. A study done a couple of years ago showed the producers of about 90% of the wall, of the PVC raw materials that are required to make these plastic bottles, plastic buckets, anything that's plastic based, they produce some 90% of the raw materials, but in charge of local producers, 40% more than are chartered to Dubai and to places outside of our country.

And what that's doing is it's crowding out all medium enterprises. Hard as it might be – but yes, crowding them out. Those are the sectors that are more likely to absorb jobs, particularly at the lower skills where we need them, but that's just a snapshot of one huge systemic problem. We've got a growth path that is pretty much the same growth path that we have had for a hundred years or more, with a particular kind of capitalism in South Africa. What do we need now? Well, I think that the incoming government is very clear, or fairly clear – much to be debated, of course – about industrial poverty. It's become a very clear priority, which we really need to maximise our transformational methods, and I think that Adam mentioned that as well, and our industrial policies need to be fundamentally about job preservation and job creation in our country.

There are a thousand things that we need to do on that topic but to take the poverty example: What are the few things that are keeping what growth we've got from growing in our economy? And one of the few things that are keeping some jobs on the line in our economy is the massive infrastructure sector that governs the public sector. We envisaged spending almost eight hundred million Rand over the next several years on infrastructure for this generation, on public transport, on our 2010 stadium, on creating jobs and on construction. Our future in infrastructure and construction by the public sector, and in other ways from the public sector, a huge amount of it involves procurements from outside of our country, so there's no industrial policy linkage between the huge government spending which is positive and very important and industrial poverty.

So no one has thought if we're going for the huge expansion of this generation, where are we going to get politically small things, like nuts and bolts, and so forth? Are we making them in South Africa by and large? No, we are not. There are even more ways, like the Gau-train, 27 billion Rand that we are spending, and even some of the areas I've been involved in such as transport and so on, are also important. So where have we got to in our strategic discipline within the public sector? We've got to align what we're doing and what we are planning to do, for instance in the infrastructure much more thoroughly than the industrial poverty, incentivise the creation of small and medium enterprises. I think that our competition is beginning to show, and believe it or not, I think in our situation, we need a tough competition in which we can incorporate corporate, hardware, the steels, the SASOLs and so on, that are literally undermining job creation in medium entrepreneurship. We need proper planning.

So that's the one key area that I think is needed for systemic change, not just trying to swivel and wait for the commodity boom to come around again and who knows when, in three, four or five years time. And then we'll get

back to three and five percent growth. We will then, in turn, reproduce racial inequality, poverty, unemployment and so forth. We've got to transform the nature of the growth, even what we have grown now. It's going to be difficult to invest in infrastructure because of the global down turn, but at least what we'll be able to say is that we are making transformational progress.

A second key area which is reproduced in inequality, marginalisation and underdevelopment in our education, so there is not a single educational dispensation. All our children are supposedly in a primary school, but within the same dispensation we all know that there is a huge difference between a poor rural school and an urban school, between a township school and a suburban school. There is some racialisation in some of these suburban schools, but you don't find the white children in the Khayelitsha schools, and therefore the quality of character that education reproduces matches equality, so education for the ANC must be a key priority in the transformation of the character and inequality of education to working class, poor, rural kids. It is absolutely essential, otherwise our educational system stays not only nominally racial, but becomes an active component of the reproduction of huge inequality and discrimination.

And then the final one I want to touch on is the space in South Africa. Look at our cities and look at the spatial arrangement of the areas that we are living in. The poor are still living a million miles away, twenty kilometres away and whatever. The RDP housing, well-intentioned, has reproduced that special marginalisation of people because not only are the 3.1 million RDP houses within the areas where the land is cheaper, but it's an issue in terms of fuel, pollution, congestion, and so on, and the need to subsidise transport when reproducing the spatial realities that were inherited from Apartheid.

So we have quite a massive spatial transformation because space itself is where we're trying to use the example of the N2. If you're located far away and it takes an hour to get home after queuing in a taxi rank, that's reproducing inequality, poverty and the ability to engage with social transformation. There is the important point that you need popular agency, but what undermines popular agency? Popular mobilisation, if that means it might be elite, if that means we are comfortable in our electoral majority, in Polokwane, or wherever concerned. I don't disagree with what Adam was saying, but there are some structural realities that undermine the ability for working class and poor people to be active agents in the transformation in our society.

Now this is true for working class and poor people, but the middle classes are very actively using those spaces – the school that my children have been at - the schools are taken very seriously by middle class and professional parents. They're challenging government policy using very active and some of the more competitive parents in other schools, so the places are there for participatory conventions and, yes, they might refer to them as politicians, taking a bureaucratic approach to these things, but it's also sheer pride. You get home to Khayelitsha after a long day, and are then expected to take part in the community teaching forum or the school governing body or some other civic activity like that, and amazingly, people do, despite those opposes. So there are other systemic reactions, which amongst other things have to do with distance, space, discrimination of both kinds and so forth. So then finally, we need to have an incoming government to look at transformation, of space, of education and of our growth, and the people will benefit in a variety of ways. At least those three are important because if we don't, we remain confident to stay in a discriminatory place, and we must improve.

If we continue on a growth path which we are happy on, then in five or ten years time I'm afraid I'm going to have to come back and say, in fact, that the indicators are telling us we've made no success. If we begin to do that we will also have huge transformations with a difficult and complex struggle, but we can't do it, and this is why the slogan is so important: 'Together we can do all'. And let me use an example that I'm now immediately confronted with: traffic. What have we been doing? Well, our cities planners and engineers are planning a wonderful bus rapid transport system, nice routes, and the wonderful plan in Johannesburg. If you drive your car then you can see amazing progress, a very rapid progress in terms of buildings, buses, stations and so forth. But we weren't looking at the social and economic realities as opposed to the technical realities of design and so forth, and no wonder the problems we've now run into are the problems of acceptance, I won't go into the details, but there is no point in

having a government and the minibus sector, but where are the others? Where are the commuters who are the key people? Why have we not mobilised them?

First of all to listen: What are their public transport frustrations? What are their aspirations and also that of those who are frustrated with the minibus sector as well? Why are we not mobilising them? What about the drivers in the sector who are paying the business? We are not paying attention to the government who have tried to implement these preventative measures, which will help to transform the nature of the state of mobility and accessibility, which I think is technically and bureaucratically like so many other things in government. And then we are trying to look for a bus industry, and we've forgotten about working class and poor communities. And we've forgotten the developmental level which I think we agree on, that there is no development unless it is driven, defended, changed and critiqued. There are things we can learn from South Korea, from China, or from somewhere else, but our developmental state, not because we want to be good or kind or whatever, but because we are unlikely to succeed unless that developmental state creates the space for popular agency, and unless that space is planned, and the aspirations are supported, defended, critiqued and amended by popular marginalisation.

Mazibuko Jara

Thanks for that, Jeremy. I forgot to introduce Jeremy at the beginning of the evening, as the Deputy Minister of Transport, and also the Deputy Chairman of this party, Adam Habib. We're now going open up the floor for questions. We will take five questions at a time only, because we do want to finish a bit earlier than the arranged time.

Question 1

My name is Simon. This is a question addressed to both speakers, but from slightly different angles. Firstly, to Professor Habib, you laid out what you thought were the issues for the government to address and you didn't touch on environment or resource depletion, or anything related to what ultimately will drive the economy or the consequences of whatever that might be. And if you look globally, we are at such an environmentally and resource crisis point, that we cannot skirt those issues. And Jeremy, you alluded to some of that in what you were saying, in respect to the growth path, and I absolutely agree with you that this is something that we fundamentally have to look at, because it hasn't worked and we're seeing at a global level how the systemic paradigm that we're in is beginning to crumble. Two weeks ago the commission for sustainable development in the UK released a report questioning the growth market. Are we having that debate? Are we having that debate at such a level where that debate is now public? So, I'd invite comments from both of you on that issue because I think that they are vitally important issues for us to address and I don't think we can skirt them.

Question 2

Thanks very much. My name is Toni Walters. I think that the systemic issue has been pointed out but a major gap, I think, is that gender insubordination and gender discrimination was not actually touched on. The position of women has not improved particularly. We've been told it's been announced that we're going to have a women's ministry, and as far as women and feminist activists are concerned, they have not been involved in this. There are many examples around the world of how a women's ministry does not help. It can actually get in the way. So where are we having that debate? How are we having that debate? The second issue is around the reformation of the education and training sectors. There are many people in the education and training sectors that actually think the creation of these two ministries are going to create more problems than they're going to fill. So instead of education fighting with labour, you're going to have basic education fighting with higher education and training, and when we try to find out what the actual plans are that are underpinning this, what the arguments underpinning it are, it is very hard to find those arguments. And so the question is: What is the role of the planning commission? Is there any hope that it can actually bring any pressures to bear on the various other ministries in order to get some sort of more coherent planning? Thank you.

Question 3:

This question is also about raising the education, and it's about the quality of our educational facilities. I know Professor Habib sort of alluded to it when he was speaking, in terms of finances and the fees being cut and with the

forces around education being improved, or to maintain the standards. It seems that definitely both the minister of basic education and for higher education focused quite heavily on the access to education, but you haven't really spoken about the policy of education that was created. That you can have as many people with matric or with a degree as you want in a country, it's that the quality of that matric, or the quality of that undergraduate degree isn't high. Effectively meaningless if it's not going to get them the qualifications they need for proper employment, so then what Mr Cronin is talking about with improving education for working class people is not just about improving access, it's actually about improving standards and improving teaching, improving both those forces. I want to find out whether that conversation is going on in Cabinet or not.

Jeremy Cronin

Certainly in parliament, especially on the transport front, invariably, when there's a problem with implementation, it's not just institutional incapacity and design, it's that there is something profoundly wrong with the policy, and the inability to implement effectively is a red light telling you that there are problems. So that's what I'm trying to say, that I actually agree with what you are saying. So I'm sorry about that misunderstanding. I think you're right, and neither Adam nor myself, although I've just touched on it gently, sufficiently covered the challenge of this decade which is about environment and source depletion, and it's a huge challenge. So I think you're absolutely right. Are we having that discussion enough? And the answer has to be no. I think it's begun a bit, but it's not seriously there. And that would then remain. What is your planning commission going to do? Well, I don't know, and some people have said that in the one and a half days that we've been in Cabinet, or slightly longer, this Minister has only said this and that Minister has only said that. Give us a little bit of a chance, not too long, just a little bit, because we're still trying to work out where the toilets are in the Union Building, so don't expect too much all at once. But, how are the planning commission involved? Well, I hope the way in which the planning commission are involved, or certainly one way, is that they shouldn't try to plan everything. Planning needs to happen everywhere, at a local level, at a provincial level, at a national level, in line with the department and so on. The key big issue that I think that the planning commission needs to look at is energy security, climate change, the things that seem to slip between the cracks. They need to make sure that planning is integrated deeply into these issues, because they are big challenges.

I share, and I think many of us share, huge misgivings about a women's ministry. We should give it a chance – we've got it now and need to give it a chance. But there are all the dangers of becoming genderised, and there are many examples, including the women's activist lobby in front of the ANC in that particular campaign. And they've had many debates around the Polokwane accounts. We've tried to reconfigure Cabinet and I think that there are some issues that we need to watch very carefully, including fisheries and agriculture. Are fish there just to be eaten, that could be the implication? Not if we get the integrated planning and so forth. If a strategic discipline crosses government, that's the key thing. So you can reconfigure in the next five years, reconfiguring and shifting people from one department to another, and that's part of the dangers of what we've done now.

On the other hand, and we've made some mistakes, we needed to learn something from these past fifteen years, with some degree of reconfiguration report. I think some of it is good and some of it has got question marks around it, but we will certainly give to it and support to make it work. But critically, integration and the planned commission have a huge responsibility. There is a push for a Planning Commission in order to get a better control for the strategic planning control of the budget, to be appropriate, and therefore to recognise the importance of budgeting and so on. But we've got a lot of authority and capacity, and I share some of the feelings with my colleagues in South Africa, expressing about the macro-economic policies and so on. What Trevor Manuel has said about the building of policies and so forth, I really hope that he will bring those forth in the ability to bear on a planning commission that looks at the environment, energy security, global warming and gender. Thank you.

Adam Habib

Well, there are a couple of questions at hand. The first obvious one is you're right, on the issue of the environment, that we haven't looked at it sufficiently. The debate is beginning to take place in the state and also around the budgets of the university, but it is not sufficiently central to the developmental debate in South Africa. And I suspect there is a reason for that because I think there is an implicit assumption there, but I think that often the

beurocrats are reluctant to say this. But if we don't also have the choice here by getting equity to look at the development and the environment, the choice we made will just stay focussing on the development. I think that behind these there are some silent propositions, and I think that what that means is that there are three issues that we have to put on the agenda for the issue of the environment. I think the first is that you cannot imagine bringing issues of this sort, like climate change and energy security, into the centre of the development debate without basically doing some kind of technical designs. The university I worked at before this, had a major breakthrough in technology, and eventually what they did was they found a German company who decided to make an investment, and then when we did that, the Cabinet said how can you buy and sell the technology to the Germans, but we couldn't find a single investor in South Africa. Now we do have one and we are going to start a plant in Paarl, but the only things that we've done so far are to plant this plant in Paarl.

That's the problem with this thing, and so the market logic is something that we need to figure out. The other point that I think we absolutely need to tackle in the department is: Who pays? And that is a global debate and it's a local debate. And that debate is not sufficiently central. What the thing is, we've spent some money to figure out a carbon capped mechanism, that transfers a little bit of money – its not going to happen. It's never going to happen, development in that kind of way, unless the fundamental issues get readdressed. Other than that, I think we're still debating, and I think that that's something that we're going to have to put on today's agenda in a much more dramatic way, and there we have it.

On the issue of gender, I think it is important and I didn't even have the notes, but I do think that there are fundamental issues. I think there are two questions that have to be at the centre of this issue: How do you empower women, because as soon as women are in power, they form a margin. And then how do you call them marginalised groups, because as soon as that happens, do their interests get taken into account? That is the big issue of mobilisation, but it fundamentally looks at the issues of structure and equality in society and how the two feed off each other in all kinds of ways. And I certainly think that the real concern I have about the divorce, or the divide between the women's movement and the government, is something we need to start thinking about in a much more dramatic way.

And on higher education, for me, I would carry concern about it. I'm not opposed to the idea of primary, secondary education and a higher education. In part, because I think that this thing was so big, that inevitably education in poor marginalised schools has got to get back to the point, in quite a dramatic way. But I was more keen on bringing together the higher education, because the large amounts of research money, the large amount of training and popularity of students in higher education, but there's a very big barrier between the two. I think it's a bureaucratic knowledge that when you want to spend the research money, you spend it elsewhere, and not enough in the universities. The two just don't seem to flow off each other, and I think that's where the real dilemma lies, and that's what we should be very concerned about. I think we are going to have all the problems that we have guaranteed. I just want to touch on one issue again. Look at all the focus on funding – ICP, energy, or alternative energy, biotechnology, nothing that actually drives the kinds of immediate concerns that will deploy large amounts of money. Now that's not to say that those things are not important. I'm not suggesting that. But if you look at the five top criteria of DSC, and look at what the industrialisation strategies are that are required to take to absorb labour, there is a complete mismatch between the two. And that's the dilemma you are confronted with.

And then you have the quality of education, absolutely crucial; I think that there are two issues that this government has been ducking. One of the first foundational things to get working in education is the teaching. If you don't deal with that, you are going to have a major developmental crisis, and that's something that's going to be confronting this government in a serious way. But to get teachers to give back, you have three problems. One is discipline – how do you make sure that the unions don't react when teachers make use of discipline when teaching? In large amounts of poor and working class schools, teachers are not in the schools, that's the problem. The second thing is how do you train the teachers? How do you bring up the quality of teachers again? And by the way, doing a small amount of training on the side by the universities is not going to work, because a large amount of teachers don't have the basic training around them. That is the dilemma? And thirdly, how do you change the circumstances to where people actually want to become teachers? One of the few peculiarities of course, in part, in

South Africa, is that the only people that want to be, the only stakeholders that want to become teachers in South African, besides those who are white, are the coloured women. Go to Takkies and you'll see. And one of the fascinating reasons for that is because they're doing this for the whole of the teaching choice, given their contextual circumstances. But if we don't have a drive, for instance, like in the old period under the Apartheid, by taking those kinds of steps, interventions or suggestions, we're going to have a serious problem with teaching and it's not going to come together. And unless you get the infrastructure in those schools, you're never going to get the kinds of things that need happen, to actually happen.

Mazibuko Jara

Thanks Jeremy and Adam. Now for the next round of questions.

Question 4

Hello everyone. My name is Thandi and I work for the City of Cape Town. One of the issues that I want to address is the whole issue of urban agriculture in different areas, because this can be productive for housing, and we want to promote the whole idea in Cape Town. As we know, Cape Town is the only city that utilises agricultural urbanisation in South Africa. So I just want to know from our speakers what is government thinking about urban agriculture and instituting it? Thank you.

Question 5

It is well known that worldwide there are over a thousand million people living in poverty. It is also well known that our economy and our system of taxation is similar in many ways to the rest of the world. But what has not been addressed is the fact that our system of taxation is a direct cause of unemployment. It is a direct cause of marginal names being put out of use and it is a direct cause of labour being marginalised and being replaced by machinery. The question that I would like to ask is: Can either of the speakers or anyone else tell me of any organisation, any institution, any university or any government department, that is taking a serious look at the effects of taxation on the economy? The present system is a direct cause of the meltdown in the economies of all countries at the moment. Thank you.

Question 6

Hi. I just want to ask a question about whether this debate basically circles around what this Cabinet needs to do now. Does the ANC have enough capacity in it's 56 points, in it's percentage, election win, to actually provide the impetus that we need in all the departments, or does the ANC only have the capacity of actually only hiring ANC people into the top positions, into the positions of power within the government? Do they have the capacity with their 56% to actually do that, or do they have the physical and governmental experience or maturity to actually give those positions to other people who can actually perform in the job?

Question 7

My name is Ben Cousins. Both speakers have, I think, correctly identified the structural poverty that has grown from the growth path from the past, and from unemployment at the core at the problem of poverty in the economy. I'd like to hear them talk a little bit about what kinds of policies they mean. Which policies? How are you going to do this? And I think that one of the biggest problems that has confronted us since 1994 is the lack of key ideas, clear ideas, about how to address structural unemployment, to see this as a major challenge from the new Cabinet. But I think there is a much deeper problem, even than that, and that is the set of deeply embedded assumptions about what development is and what the economy is all about. This is not only about policy makers, but also about all of us in our society, and this deeper assumption is about to become a dualistic assumption, and I think it's a direct effect of the kind of growth path we've had in the past. That assumption that the real economy is one of large-scale technologically sophisticated, market-oriented industries in society - modern enterprises. And anything else is backward, and in particular, you've got the activities that catered in the so-called informal economy. They are subsistence, unproductive and I think that they are something to get away from. And this kind of dualism is very evident in policies like fisheries for example, where people in fishing jobs are simply not catered for in policies. There is the assumption that you either have commercial fisheries or subsistence fisheries. But in fact there is a huge group of people who catch fish for themselves, and for the market. And of course that evidence is

with regards to the water policy, for example, evident in agriculture and in the industrial policies too. It is very peculiar in a way to South Africa, which has such a stunted informal sector that we conceive of the economy in terms of large technologically sophisticated, export-orientated enterprises. So a key challenge is in creating medium and small-scale enterprises which are labour intensive, and I think which are less carbon intensive. And it's not only a problem unfortunately of the policy makers, but also a problem of the workers themselves as this points out that we have a wage culture in this society, with expectations that there is no need to get a job. There's a lack of entrepreneurial skills in our society and there's a major challenge for education and training. How do we address that? At a much deeper level, there is a cultural problem, easily embedded assumptions in all of us, and I wondered if you had any thoughts about that.

Mazibuko Jara

Thank you. This will be the last question of this round. Then back to the speakers. We will come back to the other hands after the speakers have answered these questions.

Adam Habib

Okay, with these questions, some of the questions are very specific, and I don't know whether I can provide a substantially reflective answer. On the taxation issue, obviously I think that we could have a much more egalitarian tradition of taxation, but I would need much more clarity of the question before I could reflect more significantly on that issue. On the issue of urbanisation, one of the things that I was struck by is not only how do we deal with security, but how there have been a mix of strategies since 1994 that have completely dismantled a set of mechanisms, that could have provided a more foot-secure environment. And I think that that if you simply look at simple institutional mechanisms that the Apartheid status put in, post 1948, and how quickly our new religious leadership and our economic leadership formed after 1994, and then dismantled, you would understand how insecure and vulnerable they've made our society under these conditions.

So clearly, that's something that we need to rethink, that's something that we need to start taking into account. In addition to the how, I'm out of the panel and looking at the scenarios for Gauteng in 2034, in 2054 and all of this kind of thing, and in parts of this conversation, a lot, rather interesting, has emerged, is how can we use urban spaces to facilitate agriculture, and the assumption is, and I often check this assumption, that agriculture happens outside of the city centres. What was fascinating about this reception that we've engaged in, is how we look at the land, and how this can create the infrastructure for the urban agricultural agenda. And the kinds of crops that can be grown that could absorb employment, and I thought it was fascinating, and I don't know enough about the specificities of that debate, but it seems to me that we need a much more substantive conversation that would appropriately tell people about the issues of urban agriculture, more general issues of food-security and how we address that. And I think that some of the things we've done since the 1990s have just been completely disastrous, and we need to start thinking precisely with the kind of market logic, and this challenge to market logic to address some of these issues.

On the issue of the ANC and its majority 66%, I'm quite concerned that I am on record, and I think that if you look at the ANC's deployment policy, there is a need to deregulate within the institutions, but current statistics show something like 86% of the state is actually black. And then, a narrow deployment policy around this is counter-productive. Now that does not mean that the ANC does not have a right to deploy. Obviously it does, but a certain category of players, so the fact that they deploy just because the executive is the right option, as the ruling party. I would be careful for us to say that they are not entitled to deploy any particular personnel to a position. But I think once you enter the state with the Deputy Director General, or the Director General, I think we need to open up the state. And I think we need to have less of the deployment policy. I think that the ANC needs to be kept to respect the boundary between party and state in a much more dramatic way. And I think that if we don't do that, then it is something that we need to take into account and one of the things that we are severely criticised about. I think that the issue you raised is absolutely crucial, and in particular, for me, I think that there are clearly elements that we need to get around. I'm not an economist, but it seems to me that we probably need – I agree with you – I think that we're going to need to drive small and medium enterprises in a big way, because that way deployment does happen.

I think there is an assumption around institutions in the private sector. I think there is a whole range, but I think that there are a couple of elements that I can't imagine finding the new growth path without understanding the redistribution of land. And I can't imagine doing that without driving, not simply land ownership, but a complex set of models around how to create those cultivations, and capacitating those individuals to become successful, and I think particularly, we are going to have to do a cross analysis. I can't imagine being able to absorb the high demands of the unskilled and semi-skilled labour without thinking seriously. I think we need to start asking the fundamental question: What is going to absorb and facilitate the employment of semi-skilled and unskilled labour? How do we do that now, and in fifteen years how do we start migrating up the value chain? That's the fundamental question we need to ask ourselves.

And then finally, just to touch on one final thing which I think is the issue for me, is not simply when I think about power, the poor people need to be empowered. I don't mean they don't need to be simply empowered of the state. I mean, they need leverage against politicians; basically the millennial development experience happened because through a major upsurge of society volition, that shook up the agency and suddenly forced them to start thinking. You wouldn't have had the development and experience of the Scandinavian societies and the wage compassion that emerged, without the power of trade unions and the power of labour in Scandinavian society. And so for me, the difference between empowering in the state institutions is how do you add leverage, so that the Jeremy Cronin is worried that if it doesn't act in your interest, he'll be out of power. How do you make sure that the Standard Bank or the Barclays Bank or the Anglo-American is worried that they need to look at their state of agenda, because if they don't, they could lose the whole power? That's the kind of economic uncertainty, and what I liked about Polokwane, is it created that kind of uncertainty, and so long as that uncertainty exists, we have the possibility of a development agenda. Thank you.

Jeremy Cronin

Let me answer the last question which was about the SACP, the executive linked to what you've just said. Because the way the SACP, and Ben, reminded us of the dangers of jurilistic thinking. And I think that we've looked at another area where we can easily get into another dualism. I quite agree with what Adam has said that part of why we need popular mobilisation, activism and popular agency is the key to leads, not only politically, but also to a greater degree of uncertainty. But what worries me even more than that is the absence of popular mobilisation, and the inability of some of the executives, to actually implement developmental and transformational agendas, so leverage against, but also leverage with and for a transformational program, and that's what we've got to try and achieve, and that's the risk we are taking on as the Communist Party.

We've had long debates and the debate continues about the point of releasing our General Secretary Nzimande to go into government, and some say that what was implied by one of the questions, governed by the definition of Capitalism, of bourgeois, you end up there, thinking about the beurocratic nature of the state and so forth. But the challenge, you know, we can't allow the state to be occupied. We need to take on the challenge of government. But all of this should be converted, and I won't mention names or make comments. I could give some examples but I should be more polite. Those are real and ready dangers, but at the same time, the job of developing the state, the South African developmental state for popular agents, and to understand the importance of that population, as not entirely oppositional. They won't, you can't control it, otherwise it is not popular agency. But if you did see it as oppositional and as beurocratic, then you're missing the whole point about the chance for development and transformation in our country, so that's why we've released ourselves into, or been released collectively into the particular positions. And to recognise that, but also as opportunists, we mustn't dichotomise, we mustn't become beurocrats ourselves. We must understand the importance for us of popular mobilisation, and therefore of strong organisations like the SACP, COSATU, the ANC and so forth. I really agree with what Ben said, and it would apply to my sector, which is the transport. We think that the development of looking after the poor and some kind of redistributed welfare interventions are very important. Meanwhile the real economy, which is perfectly good, gets on with its business.

That indeed I think is the prevailing paradigm. It's the paradigm that prevails – very much illustrated from the transport front, recapitalisation. There is an example of a robust entrepreneurial sector involving about 150 000 taxis, probably 300 000 people employed in this sector. The idea of this, well, it's not the first economy and therefore our intervention needs to be to help them to climb up into the first economy. If the first economy was functioning perfectly, transport was perfectly well-organised there, and what we needed to do was a technical intervention, recapitalisation, so we'll give them one more chance, a little ladder to climb up and then join the first economy and then it'll look after itself and the market will prevail. That's one policy to remind you that it's been a disaster, hugely problematic, based on the paradigmatic assumptions that the standard of public work programme has the same logic about it. That you offer people not work, but a job opportunity, a work opportunity for sixty days, and somehow from doing alien clearing, then suddenly, after sixty days of that, they will then find a job in the first economy, and the market and labour market will take care of itself.

And we know from all the research we've done that that doesn't happen. That all the people on the left, work force number four, and its sedentary work, its better to be permanent work, and we should approach these interventions in a much more serious way, but I still completely agree with what Ben was saying. Thandi, I wish you good luck in your battle with the housing department, in the struggle for urban agriculture - absolutely critical, and again I put on my transport hat, with peak oil, with energy crisis and so forth. We've got to look to move agriculture closer to where people are, to create much more localised pockets in the rural areas and in the urban areas and so on. It's absolutely critical. It's not just affecting the facilities, the agricultural areas, it's a paradigm shift that we need to make and South Africa, and the developed countries, Germany, and so on, I forget the exact percentage, a very high level in Berlin for instance of agricultural products are produced in and around Berlin, in small market gardens and so on. We imagine that that is the kind of third world that is in fact really important and I really wish you luck.

Godfrey several times over has spoken about this. I agree that we really need to think about this. Your direct question which I can easily answer for you is: Is there sufficient discussion about this? And the easy answer is no, there isn't, and my answer to that is inadequate and we really do need to look at this questions. I know that your particular interest is around the land issue and how taxation and rentals and so forth affect this, but I'm not able to do this. Then over to the next question, yes, I think there are big problems in this and I agree with much of what Adam had to say - all political parties including the DA by the way, have employment problems. The oppositional parties have run an election campaign around employment. That's not to say, and look at all they've done, that there are no problems in this area. And clearly where we are pointing, there are many examples in the municipal sector, of people who are inadequate for the job. And it undermines them and it undermines the capacity and so forth. And therefore the problem is important, we need to employ people we can trust - who understand the strategic imperative, carry an SACP card, and this is still not a guarantee of their ability. Not being from some other oppositional party. That doesn't mean that you're not exactly the right person, so we do need to think about this.

But there's another challenge now, related to this area. I think we're facing a huge crisis and challenge here in the Western Cape and especially Cape Town, partly because of the ANC, but also the opposition, and so what we've got is deeply racialised divisions in our society, and the DA, I don't want to get too much into Poleni now, and the elections and so on, but the DA basically succeeded very well and ran a good campaign and obviously won in the province, but at a huge price, which was having racialised the vote. The agenda of the DA is to mount the coalition of the opposition and to create a viable opposition to the ANC. So all of that in the Western Cape is politically governed by that strategic agenda and there's no way of having a developmental agenda in the Western Cape and the City of Cape Town in which the ANC is not also included in the process, where there is a coalition, but some kind of working arrangement. So the question that was thrown at me as the ANC must also be thrown back: How do we find a way of working together? It's actually really important and I think that the great majority of South African want that. We can disagree, but certainly my experience in parliament suggests that's its possible on various transformational issues to actually establish a working and unified relationship, actually to establish a common agenda when talking about these elections, that neither I nor the other thing – no political party wants you saying that the key priority is not poverty, crime and so forth. And can we afford, as the ANC, but also as the DA

and the coalition, I think that part of the developmental state that we're talking about is also one that is very important in multi-party democracy. But also understand that the huge imperatives, given the massive challenges, to actually find ways of working together. I'm desperately worried about the bus transport plan in Cape Town. The ANC mustn't play games, they mustn't use that order to deploy the taxi industry, or to undermine the implementation of that potentially wonderful transport system in order to support another side, but the sacrifice from the other side. We need to find the opposition, but also to position itself in a way that we actually seek to do justice to what we all recognise as being the key priority in our society. So departing from the question, but also raising a whole range of issues about how the party political and electoral implementation sometimes I think undermines this.

Mazibuko Jara

Thank you. We are going to take questions from the last three hands that I see. Please may I ask you to keep it short from now.

Question 8

Good evening ladies and gentlemen. I'm deeply saddened by the fact that so many people are making an exodus because the issue that I'm about to raise is about education and deepening the market field with regards to education. Now the article this morning spoke about the invited spaces, in terms of governing bodies, school governing bodies and so forth, and I'm glad that Jeremy raised the issue that its to remain a skew participatory process in terms of the reality. Interestingly enough, in our attempt to deepen democracy with regards to school governing body participation, what we have done is we've insisted that for them to be poor, for governing body personnel to be elected, we've gone from increasing it, from ten percent, to fifteen percent.

History has shown us, that when they ask for a ten percent quota, many schools, especially in township situations, have to reconvene, because they couldn't get a ten percent quota. This year, we've gone to saying we need fifteen percent of our parents to be present, so that the school governing body can be elected. What have we done? We've put pressure on schools to hold "the first mock election" and then to replan for a second one where they know that they don't need a quota. The question then is: How are we going to mobilise our parents in our poorer and disadvantaged communities to play a greater participatory role in school management and government.

And on the issue of the policy of teaching and learning, I need to argue, that we need a social intervention programme as well. We've created monsters in the issue of naughty schools for example, because we believe them, that the school is getting a subsidy and therefore no discipline is needed, et cetera. Our nutrition programme doesn't address all of the marginalised children. It only looks at schools in certain areas, and in a vast majority of schools, we have children coming, hungry, and many of them come with the two slices of pro-choice sandwiches. For those of you who don't know what these are, it is just peanut butter and jam. And unless we address that type of social intervention strategy, we are going to remain with a problem. Our orphaned and vulnerable children remain a problem as well. Thank you.

Question 9

Ladies and gentlemen, I'll be just short and precise. What are the four key delivery points of the government? Just the four key delivery points and how they are actually put there, and why?

Question 10

I just want to know, Mr Habib has mentioned tariffs a couple of times. I just want to have his plans on how he can implement that. Obviously China and the emerging market and the developed world, want all of us playing fair, but at the same time, can't we prevent global companies from just looking for subsidies? What are the industries that you think should be targeted and what is the framework for selecting those industries?

Question 11

Good evening. I think that each and every talk that one usually attends is always about how to develop the poor people of our country. The situation is always that it's the people from the middle classes that usually attend these

setups. Don't you think that it is time that people from Khayelitsha and all these other township areas are actually invited to discuss the things that are actually happening, because these development issues that they are talking about concern them as much as they concern you. The second issue of development in this country is because policies are made by people who sit on top and they don't involve the people that are actually affected by these policies.

Question 12

Thank you for giving me this space. My question is brief. Do you think that civic society is being oppressed by the orders of the state?

Mazibuko Jara

Quite a lot of questions this time. We will ask the speakers to answer these now.

Jeremy Cronin

The first question was around education and school governing bodies. I thought it was a statement rather than a question, and definitely more informed that I am of that theory. I think we all recognise that as a big challenge particularly in poor areas and so on, so let me not bother. For the next question, apparently the last Cabinet that was sworn in, not the interim one, but rather the one back in 2004, they were assembled a week after being elected, deployed into Cabinet. And for each department: What are your affordable deliverables, and what are you going to deliver in six months time?

I think we need to get out of that approach. Clearly we need to have strategic priorities, but the tendency when you put that kind of pressure on the state, is that we go for what we call in bureaucratic language "low hanging fruit". Your performance bonus and so on, delivery within a hundred days, two hundred days and x, y and z. And so you go for the easy and available things that have already been put forward, and that are nearly ready and so forth, and in so miss the systemic issues that I think are above them, as real challenges. So what I was trying to say was what I think are the key transformational areas which have to do with space, mobility, accessibility, which have to do with an industrial policy which is job creating, which has to do with education, and there are several more as well. So I hope you will be satisfied with that answer. I don't want to get into that debate that within one hundred days we are going to do "x" and within two hundred days we are going to do "y", because that is neo-liberalism, or the New Management Theory which I think is part of the big problem.

Caryn, this is addressed to you. But let's try to give a very professional response to you. Basically what the Cape Industry is saying, is that there is a lot of space for us to implement more tariffs protection, and still comply with international levels. What we stupidly did in 1994 I think, or even before 1994, but we went along with it anyway, is that we got ourselves classified in that round of international discussions about tariffs and so on, as a developed country, and therefore we've locked ourselves into tariff reduction as if we were a developed country. And so places like Chile or Argentina have a much higher tariff barrier on key industries in their countries than we do and so forth, and so there are those who have been fighting this battle, fighting the ANC, fighting the government and are now no longer in deputy mode, and this is a key area. The criteria for doing that, all of those things need to be yet informed by industrial poverty. It can't just be about protecting things that have no hope of moving forward, but critical again, the objective would be job creation. What are the sectors that have the best capacity to defend jobs, but also to extend and expand jobs?

Masibuko sort of answered the question on behalf of the Harold Wolpe. What is very important is that we have discussions, intellectual discussions and debates and so on in many areas. I don't think its an either or. Its very important that we address it in an intellectual, academic, research-based way, that certainly would let government benefit massively from the work that's going on. And how often there is insufficient connection between government and government bureaucracy, and often a very interesting work, research work, and other work that's going on in universities and some other places, and therefore, let's not be dismissive of the kind of discussion. At the same time we can't be satisfied that we are actually having these discussions, so I really agree with that one.

But at the end of the day, the real debates and the real discussions need also to happen in communities, on the factory shop floor. Those are critical places, and so I agree with you.

Related to that, Lisa asked the question: What happened to civil society. Well its actually pretty prevalent in South Africa. I think it was Mazibuko that keeps saying that we have a record number of protests in South Africa - ten thousand per year. The great deal of activism, and the tradition that we used to overthrow the Apartheid regime, the different organisations, we played our little role, The key voters for transformation were obviously the civic organisations, you, the women, the rural women, and so forth. That was the key thing that brought down the Apartheid regime. I think the Mbeki years were very like the current ANC, trying to reproduce political stability, and then, thanks very much the struggle is over, and we'll see you again in five years time for the next election to around. I think we've got to transform it. I think the Communist Party and COSATU have tried to counter them.

So, you asked the question of civil society in terms of that, and no doubt, in a variety of ways, whether directly or indirectly, but, to repeat the theme that I've been repeating over and over this evening, the state in South Africa, and you need to understand that it is weak, vulnerable and open to corporate capture, if it hasn't already been captured in many areas, unless it is buttered by civil society. And therefore the ANC and hopefully the Communist Party, COSATU, and a range of other organisations in general formation, are absolutely critical, and there is a complicated unity between the state and the organisation that is absolutely essential. In South Africa, we've had a South African bourgeoisie for a hundred years, and therefore the key alliance between the state and class forces need to be popular forces.

Adam Habib

On the administration fee and all the other things like free deposits when you come in and so forth, I think we need to start rethinking these issues. We need to be given mechanisms. I'll give you one example. NISPOT, last year was the biggest funder of many of our students. But you only get the money one and a half semesters after you've been there. So the big dilemma is, at the point where registration happens and so on, well it seems to be very simple. We can simply have a system where it is the same sets as the public institutions. We give it the go ahead to give it to the students when they come, and don't burden somebody and say: Where's your thousand rand before you register? I think there are certain practical things that we can do, but it does mean that we need to move things fairly quickly.

On big priorities, very simply, I think you're right and I don't like the idea of them, but I think if we don't address four issues, we don't address anything else. Firstly deployment, if we don't get deployed we get into serious trouble. If we don't get the education thing working, we're in serious trouble, and university education will never come right, the primary and secondary education won't come right. Thirdly is the urban space because this would be central to maintain social cohesion, and if you don't get social cohesion, you can't deal with the millions of other problems like crime and forth. So those are the four fundamental issues.

There was a question about should we be inviting people? Absolutely. In fact, I don't think people should be invited. I think these discussions should be taken to where the people are. And that's something that we need to start thinking about and creating the urban spaces for that. And one of the important things for government to start thinking about is space in poor urban townships, of places where people can come together. Where they can congregate. And I think that's something we need to think of. And then finally the question on civil society. I can think of two things. Firstly, civil society in South Africa has not been racialised in the last fifteen or twenty years, and I think that's fantastic. I think it creates a possibility for leverage. Secondly, you've got the emergence of NGOs, and you've got the emergence of kinds of social movements, and a lot of these social movements are getting better and better, and I think you need to speak to the many people who think of what we need, and they are often the NGOs.

I also think there is a problem of progressive people in the state who believe that the way you get development to happen is, is if you get civil society into structures, and then suddenly things happen. That this is all months of service. One of the most fundamental of delivery mechanisms, by the way, we did a study earlier on about social

movements, and electricity write-ups, and we thought: When did that happen most? Well, it happened in Soweto. Now, I don't think we need to be oppositional. I don't think it's always oppositional. But I think we need to recognise, that sometimes, the dynamics of development, and the pressures on government, happen from extra institutional action, and that is the final word I'll say about that. The most powerful stakeholder to have influenced the state post-1994, in 1994-1995 was the ANC. I mean there is not a single person today who has not heard of the ANC, and as extra institutional action and the utilisation of extra institutional leverage. I think that that's something we need to understand and think through in a much more dramatic way. Thank you.

Conclusion

Mazibuko Jara

Thank you. Thank you to our two wonderful speakers for this evening and for their critical perspectives. The speakers have given us a lot of food for thought. We've got a big memorial lecture in November. I will not let the cat out of the bag yet but there is a big international speaker who will also begin to relate to a number of these things. And now with those announcements, colleagues, friends, thank you very much.
