



THREE PREMIERS

- Raymond Mhlaba (1994-1997)
- Makenkesi Stofile (1997-2004)
- Nosimo Balindlela (2004-2008)



MHLABA I

- THREE ANC Regions
- THREE State Systems
 - Nothing from Cape
 - Superfluous DGs from CK and TK
 - Different Financial Systems
- * NO Administrative Leadership



MHLABA 2

- Extreme Clash of Political Cultures
Dr Mpehle
Danie Bezuidenhout
- Confusion of Functions at different levels
Potwa Strike
Dutywa Sewerage
Oom Ray begs for Discretionary Fund



MHLABA 3

- Transkei Revolt
 - Capital in Bhisho
 - Civil Servants Looting and Sabotage
 - Police Mutiny
 - Mr Mbana quits
 - “isidumbu”
 - 10th Province movement
 - UDM



MHLABA 4

- Fall of Oom Ray
 - Internal Tensions in PE ANC
 - Exile clique
 - Mandela withdraws support
 - Delegation to Deputy President Mbeki
 - Introduction of Stofile and Godongwana
- Unity gives way to cliquism



STOFILE I

- Immediate improvement

Style and coherence

10th Province crashes

3rd Tier (Local Government) kicks in

Supernumerary problems fade

- Clique tension rises 2002

- Mbeki orders Stofile to fire 3 MECs 2003



STOFILE 2

- Financial constraints inhibit Megaprojects
85% of national allocation goes to three social needs departments
- Paradigm shift – ECDC
Merger of 4 Development Corporations
Extended to cover whole province
Regional offices with own delegations
Aftercare for small businesses
Reverse takeover by CIMEC



STOFILE 3

- Provincial Revenue Fund (1999)
1999-2004: 6-8 % of budget topsliced
Persal adjusted – no temps, no overtime
Sits in Treasury, not reported or audited
About R 1.4 billion over 5 years
- Where did all this money go?



STOFIE 4

- Coega Development Corporation !
National Government pullout 2002
CDC shares acquired by ECDC
Province provided R 871,5 m to CDC
Total Value of CDC assets R329.66 m
- * Other megaprojects, eg Bushman Sands,
Fleet Africa



STOFIE 5

- 2004 EC Bankrupt

Overdraft R 744 million

Loss of interest R 150 million

Budgeted for deficit of R 563 million

Applied to DBSA for soft loan

* Fall of Stofie and Godongwana (2004)



BALINDLELA I

- Continuities

PGDP

ECSECC

- Interventions

Pro-active, pro-poor, 4am EXCO meetings

Refuses DBSA loan, dismissal of Godongwana

- Attack on ECDC, RIDA



BALINDLELA 2

- Balindlela Problems

Weak EXCO team, after fall of Mamase

Left-wing still controls PEC, Legislature, SCOPA, eg refuse 2006 Supp budget

New ventures eg school nutrition co-ops
Umzimvubu SPV (R 300m, now ASGISA EC)

Direct intervention in admin, eg Wakeford, Boya



LESSONS

- Transparency and participatory democracy
not cliques and caucuses
- Small-scale grass-roots must supplement Giant Infrastructure
- The Secret History of the Eastern Cape is written in its budget statements