



Election gives Ramaphosa a chance to right the tilting ship

Poll should serve as reminder that we cannot afford to lose our hard-fought freedoms to the rot

PROFESSOR ANDRÉ ROUX

SEVEN tilting points will determine the country's trajectory in the upcoming election.

Imagine a South Africa in 2030 where "only" 10% of the eligible job-seeking population is unemployed; where the number of people living in poverty is measured in hundreds of thousands, and not tens of millions; where economic growth has hovered around a sustainable and inclusive 5% level for a few years; where the lights are always on; where most people live in harmony with one another regardless of colour, race, creed or gender; where an entrepreneurial spirit is palpable and vibrant; where more and more people are empowered to embrace the Fourth Industrial Revolution; where most incidents of crime are of a petty nature and where appropriate education and decent health care are available and accessible to all.

Now imagine a South Africa in 2030 where the unemployment rate is firmly entrenched at 25% (and much higher for younger people); where almost half of all children are living in poverty; where the economy frequently dips into recession, and when it does expand modestly only a few benefit; where a generator becomes the default option for gaining access to electricity; where people resent each other; where violent crime and unrest go uncurbed; and where access to appropriate education and health is confined to a privileged few.

But the real question is whether the future of South Africa will tilt towards the first set of outcomes or the second narrative. Right now, many South Africans – their thoughts and perceptions swayed by a decade of adverse and gloom-ridden social, political and economic developments – are possibly pre-disposed towards a bleak outcome.

The trajectory of South Africa in general, and the economy in particular, will be determined by at least seven tilting points, or key questions:

● How will we deal with the

democratic surplus? The hard reality is that for many South Africans the level and rate of democratisation have not been matched by the level and rate of economic emancipation.

● Will the country's stock of social capital depreciate or appreciate? A society cannot develop socio-economically over the long term if it is found lacking in its search for ethical behaviour, mutual trust and goodwill.

● Will we manage to generate sufficient appropriate skills to match the demands of employers? The OECD (Organisation for Economic Co-operation and Development) stated

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recently that the biggest challenge in South Africa is the unequal quality of school education, its low average level and the high dropout rates.

● Will we be able to generate sufficient national savings? To reach a 6% growth rate, the ratio of gross domestic savings to GDP needs to virtually double from current levels.

● Will we be able to restore and preserve the autonomy of our democratic institutions? Institutions establish constraints – both legal and informal (norms of behaviour) – thereby determining the context in which individuals organise themselves and their economic activity. Moreover, institutions influence productivity, mainly through providing incentives and reducing uncertainties

● Will we be able to exploit the potential benefits of demographic

dividend? The latter occurs when a country is able to achieve accelerated economic growth because it has a low dependency ratio (that is, the proportion of its population that is of working age is greater than the proportion of its population that does not work).

● Will we be able to become a competitive force in the global economy? According to the World Economic Forum's annual Global Competitiveness Report, South Africa's competitiveness ranking has plummeted from 47th position in 2016/17 to 67th in 2018/19.

All these tilting points are inter- and co-dependent. The two that stand out, however, by virtue of having the strongest effect on the other factors are the generation of sufficient and appropriate skills, and the restoration of the capacity and integrity of our democratic institutions. This is why next year's general election takes on a pivotal role in crafting the future of South Africa. Institutions matter a lot. When institutions fail, trust is eroded and the stock of social capital depreciates, thereby compromising economic growth and development.

Collaboration between the public and private sectors is a crucial co-creator of productivity growth: in the absence of strong institutions, however, the collaboration may become dysfunctional, with both sectors colluding in the pursuit of personal gain.

Unfortunately, there is large body of both anecdotal and documented evidence that some of South Africa's once-proud institutions and institutional values were dealt a cataclysmic blow during the almost decade-long leadership of former president Jacob Zuma. This was also accompanied by a warped allocation of financial and human resources. This is the legacy that President Cyril Ramaphosa has to contend with and repair. Moreover, he has to restore the credibility of the ANC as a viable and effective ruling party, while recognising possibly deep divisions within the party.

The elections will probably yield

one of three fundamental outcomes:

● The ANC fails to record an outright majority, and has to enter into a coalition with possibly the EFF. In this scenario, Ramaphosa's manoeuvrability to introduce sweeping structural changes, and to purge institutions of the weak and corrupt links will be constrained. Constitutionalism, fiscal rectitude and good governance will be sacrificed on the altar of populism. This points to the bleak picture.

● The ANC attracts close to 60% of the vote. This would provide a clear mandate to Ramaphosa to "do the right things" over, feasibly, the next 10 years. These should include a revamping of labour market arrangements, and the education system, both of which are displaying signs of partial dysfunction. The eradication of elitism, autocracy and illegitimacy and the establishment and entrenchment of a shared image of a desired future, with the government playing a key visionary role moulded by foresight and long-term planning, would tilt the country towards the far more desirable future sketched.

● Should the ANC register a slim majority (less than 55%), the implications would be more ambiguous. The leadership would probably feel rather vulnerable and reluctant to introduce significant changes for fear of alienating an increasingly critical and restless population.

The election should serve to remind us that we simply cannot and may not lose our hard-fought-for freedoms to the scourge of corruption and the erosion of constitutional principles and the rule of law. If the picture of hope smacks of wishful thinking, it might be worth rearranging the words, "Why we can't" (aspire towards a much-improved socio-economic condition?) to the can-do "Why can't we" (aspire towards a much-improved socio-economic condition?).

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