

**CNBC Africa**

**Business AM (Lerato Mbele)**

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**Lerato Mbele:** Over two dozen prominent South African business leaders and intellectuals recently gathered to sketch out the future direction that this country may be taking over the next ten years. The results became known as the Dinokeng Scenarios named after the venue at which the workshops were held. Now three key scenarios have emerged. To talk to us about them we're joined by businessman and convenor of the Dinokeng Scenarios, Rick Menell who was one of the prime movers behind this initiative. Thank you very much for joining us. Three key scenarios - Walk Apart, Walk Behind, Walk Together with the government. Which do you think is the greatest likelihood from this point onwards?

**Rick Menell:** None of them are predictions. You've got to understand the scenarios are just useful, challenging, plausible pictures of the future and they're really tools to promote debate. Certainly Walk Behind is the one that characterises a strong state that takes the lead which is one that we have and we would possibly like to continue to support. Walk Together is a scenario we think that has the most promise for a long term sustainably future for South Africa. Walk Apart is obviously the downside. It's a fairly depressing picture of a country falling apart over the next 15 years.

**Lerato Mbele:** Lets talk about those a little bit more. Walk apart would mean the government is moving at a pace not in tandem with society, there's no accountability.

**Rick Menell:** Walk Apart is really not addressing, not confronting in an aggressive way some of the major problems and fall-behinds that have evolved in South Africa over the last 15 years. Its not acknowledging the failures in public administration. Its one of the...the name we came up with is Musical Chairs that's really changing the faces at the table but continuing with a structure that erodes because confidence and integrity of the public sector is weak and people increasingly look after themselves.

**Lerato Mbele:** And then Walk Together – what you're saying the ideal is when there's more citizen engagement. The government is finding out from us what we would like to see them do and we hold them accountable and we use our constitutional rights to do so.

**Rick Menell:** That's right. I think its based on the fundamental assumptions that the problems that we face of the development of equity in society – economic problems of job creation which are so enormous, of repairing our education system, of introducing and developing a first rate public service, to deliver redistribution and sharing and services are so great that no government can do it on its own. It really needs a very active and engaged citizenry who debate the issues and inject their resources of participation.

**Lerato Mbele:** Walk Behind seems to be the kind of scenario we're in at the moment. Increasingly there's talk of a planning commission where government will centralise control of resources and revenue in terms of the key priorities that its identified as the work that it needs to do. Now, Jacob Zuma increasingly is calling for a partnership between business, labour and the government so that whatever government is doing by way of service delivery its all fair with what it is that you as key constituencies need done. Do you think there's a problem though with greater centralisation or will it lead to efficiency?

**Rick Menell:** The scenario you describe is actually like the Walk Together scenario where you have a government that says we have major issues that we have to deal with, we're going to have to deal with it together and we're going to have to broker and barter our interests and participation. I don't think there's any question in any of the scenarios that the government that we elect as our leader, you know we give our government the greatest resources in this society and all those resources are available to government. Its the ability to manage and to allocate those resources that is the challenge. And then the time frame that we're dealing with to make the next 15 years, the next half a generation. We have major concerns about the capacity of government to take the reins on all the management that is needed to do what has to be done and its going to be necessary we felt to bring in the private sector, the labour sector, civil society, all to pool resources and to do that you've got to broker and negotiate participation.

**Lerato Mbele:** Paul Hansen, capacity is a recurring theme around service delivery for the new South African government since 1994. The planning is there, the strategy is there, even the revenue has been generated but in implementation things seem to really fall apart. Many people are saying there is a fundamental problem between how national government works, provincial government works and how that trickles down to local government where the key implementation areas are at. They say its a lack of planning, a lack of skills on the part of civil servants and its something that's been spoken about, but something that they're still battling to get their heads around. So what is the new government to do?

**Paul Hansen:** Well I think what Rick suggests seems to be the most logical way to do it, is to bring in business, bring in civil society to come and help because the transformation this country has gone through from 1994 to now its understandable that a lot of things wouldn't be working because there's a huge change so I think we'll have to follow exactly what Rick is saying. It would be the solution.

**Lerato Mbele:** Wouldn't another solution Rick, be just get rid of one tier of government?

**Rick Menell:** I think the seeds of our future lie in the present and in the recent past. For the 15 years we've tried one road and the Dinokeng exercise spent most of its time with a very representative group of South Africans. I'll stop for a second – over 35 people sitting round a table for really quite large chunks of time last year and my sense was that behind every one of those 35 you could see a thousand people, any one of whom could have sat there and come out with similar conclusions. We came from the full spectrum of racial, political, age, gender, background and there were people working very close to the poorest of the poor in our society. There were relatively few business people. So it was a South African combination and all of us acknowledged that we've done some pretty good things in the last 15 years but we suspended judgement on a number of our settings in society and in government because we had to give things a chance, but that this was a time for assessment. And we've done some pretty good things. I think an organisation like NEDLAC represents the best of what we can do but perhaps it wasn't in its right time working in the right way.

**Lerato Mbele:** Lets talk about the challenges going forward. We have a situation now where we've got a budget deficit which is 3% of our GDP, credit rating for this country graded down to B, utilities like Eskom which are cash-strapped, growth contracting at 1.8% so that's a pretty gloomy outlook – not as bad as many other countries in the world but not particularly promising. Coming from mining in particular, an industry where there's employment issues – 14 000 people may lose their jobs in the mining sector alone. How do we go about dealing with the situation of economic management? Are things going to get worse before they get better?

**Rick Menell:** This is a huge challenge. I mean, we were not able really to detail the economic analysis at our scenario process and we might be criticised for that because its fundamental to the country. We did agree that one of the four main pillars or drivers of the future for this country is the way in which we handle our economy, job creation and equity, more equitable distribution. We also acknowledge that we're in a pretty bad situation in the world and its not going to get better in a hurry and that its going to put certain constraints on our options in South Africa and how we manage those constraints is critical. To us its highlighted the need to work together, that if we continue with the paradigm, with the way of operating in our macro-economic policies, in our businesses as we did prior to last year, we're simply not going to go ahead. We'll go backwards and the difference perhaps is the greater co-operation among the players in society. Absolute top priority is job creation or maintaining jobs as you say. We're doing it in a difficult environment and its going to require a great deal more long-sighted, enlightened self interest on the part of all players.

**Lerato Mbele:** Thank you very much for taking the time to be with us. Rick Menell, convenor of the Dinokeng Scenarios about where South Africa could be headed in the next ten years but as he insists, they're scenarios to prompt public debate.