

The Reconstruction and Development Programme: *a view from business*

Anglo American Executive Director, BOBBY GODSELL, comments that the Reconstruction and Development Programme (RDP) is a valuable first step, but questions whether it sets achievable targets.



The responses in this article are a result of a first reading of the sixth draft of the RDP. A further draft has already been produced. Furthermore, the 61-page document is complex. Inevitably this article cannot do justice to the document. It can only be a first word in what must be a continuing dialogue.

Welcome elements

The RDP contains much that must be welcomed. Its very production is a positive step. Few political movements participating in the elections can have put on the table so comprehensive and detailed a document.

Secondly, the spirit in which the document is offered is encouraging. The document's introduction notes that this draft is the result of consultation and joint policy formation with the ANC-led alliance. It notes

further that "Other key sectors of our society such as the business community must be consulted and encouraged to participate as fully as they may choose." I am confident that business is ready to participate both fully and constructively.

Thirdly, the programme seeks an integrated approach to responding to the country's political, social and economic needs. Such an approach is imperative. In South Africa, perhaps more than in many other countries, political, social and economic constraints and considerations inform, even determine, each other. We will not achieve economic growth without political stability. Political stability is not possible without growth.

In this regard, the document's assertion that growth and development are not

necessarily antagonistic is important. Social investment can be growth promotive. Growth, ultimately, is the engine of poverty relief.

A fourth welcome aspect of this document is the pragmatism it displays in many areas. This is well illustrated by the document's treatment of the role of a new democratic government in the economy. The paragraph concerned is worth quoting in full.

"4.2.4 In this context, the balance of evidence will guide the decision for or against various economic policy measures. Such flexibility means assessing the balance of evidence in restructuring the public sector to carry out national goals. The democratic government must therefore consider:

"4.2.4.1 increasing the public sector in strategic areas through, for example, nationalisation, purchasing a shareholding in companies, establishing new public corporations or joint ventures with the private sector, and

"4.2.4.2 reducing the public sector in certain areas in ways that will enhance efficiency, advance affirmative action and empower the historically disadvantaged, while ensuring the protection of both consumers and the rights and employment of workers."

The critical phrase here is "the balance of evidence".

Does the RDP promise too much?

Early in the document, indeed on page 2, it is noted:

"It is no use merely making a long list of promises that pretend to answer every need expressed. Making promises is easy – especially during election campaigns – but carrying them out as a government is very much more difficult."

How well does the RDP heed this advice? The scorecard the document sets up for a future government is formidable:

2.4.1.4 ...The programme must aim to redistribute 30% of agricultural land within the first five years...

2.5.1 ...To this should be added an estimated

200 000 new households each year.

2.5.2 ...At minimum, one million low-cost houses should be constructed over five years.

2.5.7 As a minimum, all housing must provide protection from weather, a durable structure, and reasonable living space and privacy. A house must include sanitary facilities, storm water drainage, household energy supply (whether linked to grid electricity supply or derived from other forms of energy generation such as solar energy) and convenient access to clean water. Moreover, it must provide for secure tenure in a variety of forms.

Should one also provide for six hour's sunshine per day?

2.6.6 (The RDP's) target is to supply 20-30 litres per capita per day (LCD) of clean water (a protected water point within 200m which meets WHO standards), appropriate on-site sanitation and an organised communal refuse collection system. Odourless toilet systems should be provided to all homes within the next two years.

2.7.6 ...access to electricity for an additional 2,5 million households by the year 2000...

2.9.7 ...The transport authorities must be charged with the task of reducing (road) accidents by 10% by the year 2000 and must be given the funds to achieve that goal.

2.12.6.1 Health care for all children under six years of age must immediately be provided free at government clinics and health centres.

2.12.6.2 ...Targets must include 90% of pregnant women receiving antenatal care and 75% deliveries supervised and carried out under hygienic conditions within two years. 90% of deliveries should be supervised by 1999.

2.12.6.3 ...A more effective expanded programme of immunisation must achieve a coverage of 90% within three years. Polio and neonatal tetanus can be eradicated within two years.

- 2.12.10.2 ...The aim is to train 25% of District health personnel (in preventative health care) by the end of 1995, and 50% by the end of 1997.
- 2.12.11.2 Within a period of five years a whole range of services must be available free to the aged, the disabled, the unemployed and to students who cannot afford health care.
- 2.13.15 ...and within a five year period a minimum of another 3000 community development workers must be trained...
- 3.3.10.2 The democratic government must enable all children to go to school for at least ten years. ... We must ensure that no class exceeds 40 students by the end of the decade.
- 3.3.10.6 ...all schools and existing facilities are to be used to full capacity by the start of 1995 for both compulsory and non-compulsory learning.
- 4.4.2 An increase in public sector investment in health, education, housing, electricity, water, roads and transport can push the GDP growth rate to about 5% annually...(and can result)...in a possible increase of between 300 000 and 500 000 new non-agricultural sector jobs.
- 5.8.1 ...By 1999, the personnel composition of the public sector including parastatals must have changed to reflect the national distribution of race and gender.

Quite a list!

There can be no argument with the broad goals implicit in the above. It is necessary to set targets if real progress (or indeed the lack thereof) is to be mentioned. And, as Rick Turner reminded us in *The Eye of the Needle*, utopian thinking is needed to transcend the sort of history South Africa seeks to escape. Yet, unrealisable goals exact a price. They induce cynicism or worse. They can also distort real judgment.

In all the abovementioned areas of social endeavour I would argue the test for a new government is to make progress, and not of a trivial or insignificant kind. The critical issue is whether it is significantly better today than it was yesterday.



Taken for a ride: is it premature for the RDP to choo

Some of the targets set do not suggest that there has been a serious examination of the achievable. Can the promise be funded? Are there constraints beyond money? Does the target make sense? For example, precisely if growth occurs, as is elsewhere argued for, there should be many more vehicles on the road. Is a 10% reduction in road accidents realistic?

The road ahead: an agenda for constructive debate

Significant progress in the economy and in society will only occur if we as a nation design good policies, and implement these effectively. This will indeed require a partnership between government and civil society – precisely as the RDP seeks. This partnership will have to commence with policy design and extend to its effective implementation.



Public transport rather than private minibus transport?

Good policy well implemented requires a number of elements.

- ❑ Correct problem identification.
- ❑ A realistic assessment of alternative responses.
- ❑ A clear understanding of who needs to do what. In this regard, few major problems will be solved without government doing something. Equally few will be solved by government alone.
- ❑ Finally, effective implementation, monitoring and maintenance will be as important as good policy design.

Let's illustrate the above concepts more concretely in an attempt to begin to delineate the debate.

In transport, the goal must surely be cost effective services that supply the service the commuter needs, when the commuter needs it. It is surely premature and indeed pre-emptive to decide that this goal can only be met by a

public-owned passenger transport system. Surely the mini-bus taxi industry came into being, and has achieved something like a 70% market share, because it could do what heavily subsidised public transport could not.

In health care, it may be that enough money is already being spent, but is being spent wastefully. However, the disease in our health care services may lie deeper. Publicly managed health care systems such as in Sweden and Canada, privately managed systems such as the United States, and mixed systems such as exist in Britain and Germany, are all in crisis. The division of labour between doctors and nurses; the cost of new drugs, tests and medical procedures; and, perversely, the very success of modern medicine in extending life, as well as lifestyle-related illness may all play a role.

With regard to mineral policy, the RDP argues that a changed pattern of mineral rights ownership, and of mineral marketing, will enhance earnings and promote beneficiation. However, increased production could well depress prices and earnings – particularly where world markets are in a significant oversupply phase.

Minerals in the ground do not constitute wealth for anyone. They only become wealth when turned into products that can be sold for more than the real cost of production. This in turn requires the mobilisation of very substantial capital and the application of skilled extraction. Without capital and skill, nothing can be achieved. Crucial to the effective mobilisation of both is certainly both rights and risks.

Conclusion

The ANC has spoken a valuable first word in the RDP. The challenge is with other areas of civil society to complete the dialogue. We must not wait to do this. The sooner the dialogue produces a clear delineation of the problems, a realistic understanding of alternative solutions, and a collective will to act to resolve the issues, the sooner we will arm a democratic government to properly play its leadership role in creating not only a new South Africa, but also a better South Africa. ☆