AN OUTLINE AND BRIEF ANALYSIS OF ASGISA

1. Introduction

Government continues to be faced with a number of social policy challenges. These include adequate service delivery, poverty eradication, reducing inequality, job creation and the need, in general, to improve the quality of life. The two leading development strategy statements since 1994 that were meant to deal with the above challenges were the Reconstruction and Development Programme (RDP) of 1994 and the Growth, Employment and Redistribution (GEAR) programme that was released in June 1996. The challenges that the above two policy documents meant to achieve are still haunting the nation. It was perhaps inevitable that another strategy would have to be developed if the ANC slogan, ‘a better life for all’ is to be realised.

President Thabo Mbeki, in his State of the Nation Address on 3 February 2006, spoke about the Accelerated and Shared Growth Initiative of South Africa (ASGISA), which consists of a limited set of interventions intended to serve as catalysts to accelerated and shared growth and development. This briefing paper will outline and analyse ASGISA.

2. Reconstruction and Development Programme (RDP) -1994

In 1994, the ANC-led government assured the nation that democracy was not just about the franchise but also about an improved quality of life for ordinary people, especially the majority who had suffered materially under apartheid. Since then the government has formulated and adopted many pieces of legislation and policy to improve people’s quality of life and promote economic and social transformation. The first policy document was the RDP, which emphasised a commitment to grassroots, bottom-up development, owned and driven by communities and representative organisations. The RDP allowed beneficiary communities to be involved at all levels of decision-making and in project-implementation. The government proposed to use the budget and the other state resources to deliver social services to the poor. The RDP contained a vision of an engaged citizenry working together with a government committed to human development, to ending the social exclusion associated with the apartheid period, and to building a better life through employment, health, housing and all that goes to ensure a brighter future. In the short to medium term, the government budgeted for social grants and spent heavily on public programmes. In the long term, it expected that the objectives of redistribution and poverty eradication would be achieved by prudent fiscal policy and a reduction in the debt accumulated pre-1994. Research¹ has shown that the RDP’s failure to

¹“Beating the backlog: meeting targets and providing free basic services” by Hemson, 2004 and “Closing the gap between policy and implementation in South Africa” by Khosa, 2003.
achieve its objectives fully had various causes, such as: funding problems, the lack of people-driven development on the ground, insufficient staffing and poor co-ordination between institutions. This briefing paper does not intend to debate the success or failure of RDP but simply to show the critical challenges that still haunt us.

3. Growth, Employment and Redistribution (GEAR) -1996

The Macro-economic Policy Framework known as GEAR, released in June 1996, was somewhat more firmly rooted in a neo-liberal economic paradigm. The objectives of GEAR were to provide basic services to the poor, to alleviate poverty, achieve economic growth, reduce national debt, stabilise inflation and give effect to the socio-economic rights in the Constitution. GEAR wanted to achieve its objectives through economic growth that would be led by private sector investment that would, in turn, create employment. This macro-economic policy framework emphasised the need to build the state’s capacity to deliver through spending on social programmes such as social assistance, health, public works, and other services to the poor. Within the GEAR strategy, one sees the link between poverty eradication and neo-liberal economic policy in the form of budget deficit reduction and cautious monetary policy. It can be argued that GEAR has contributed greatly to economic growth that has gone from about 3% in 2003, to 4% in 2004 and 5% in 2005. GEAR has reduced high levels of government debt to very low levels and has stabilised inflation. However, while the economy has experienced growth, it has been ‘jobless growth’ and has thus failed to meet the needs of the poor and unemployed; a ‘better life for all’ is still a dream for many poor people. Once again this briefing paper is not debating the success or failure of GEAR; we simply point out that the challenges of poverty and unemployment remain deeply rooted and largely unresolved in South Africa. The question is, can a ‘better life for all’ be achieved through ASGISA?

4. ASGISA-2006

ASGISA was approved by cabinet in July 2005 and unveiled by the Deputy-President, Phumzile Mlambo-Ngcuka, on 6 February 2006. In the 2006 budget speech the Minister of Finance announced an allocation of funds to ASGISA programmes. President Mbeki, at the end of the cabinet Lekgotla in July 2002, argued that the challenge facing government was not to change government policies but to ensure that they were implemented. By policy implementation we mean the accomplishment of policy objectives through the planning and programming of operations and projects so that agreed upon outcomes and desired impacts are achieved. This is what ASGISA aims at, improving policy implementation and economic growth by dealing with the following challenges:

- lack of skilled and committed staff in the public service
- lack of human resource to implement policies
- inadequate financial resources
- corruption and mismanagement of funds
- lack of people-driven development
- lack of proper co-ordination between institutions
- barriers to entry, limits to competition and limited new investment opportunities.

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2 In some areas they did not have funding for initial establishment of the projects, in others they did not have funds for operations and maintenance, still in others, officials failed to manage increased funding.
4.1 Consultation with Stakeholders
According to Phumzile Mlambo-Ngcuka, the government consulted with a range of stakeholders. Firstly there is the Deputy-President’s task force that includes the Ministers of Finance, Trade and Industry and Public Enterprises; the Premiers of Gauteng and the Eastern Cape; and the Mayor of Johannesburg, representing the South African Local Government Association (SALGA). She also reports that many other ministers and their departments were included in the discussions, as well as organised business, labour, religious leaders, youth and women in various groupings and forums. Domestic and international experts were consulted. These consultations and discussions are scheduled to continue during the course of the implementation of ASGISA. However, based on the initial consultations, government believes that South Africa is ready for ASGISA.

Contrary to the Deputy-President’s claim that labour and civil society organisations were consulted, COSATU and SANGOCO say that there was insufficient consultation with civil society organisations. According to Zwelinzima Vavi, COSATU’s General Secretary, ASGISA needs to be fundamentally redesigned in order to ensure that the common commitment to shared, rather than inequitable, growth runs through all ASGISA’s programmes. COSATU believes that ASGISA is reducing workers’ rights in small business. Hassen Lorgat, media manager at SANGOCO, said that civil society was never involved in ASGISA. Jeremy Cronin, deputy-secretary-general of the SACP and an ANC MP, has cautioned government to work equally with all interest groups, not only business. ASGISA documents point out that partnership and consultation with labour, business and civil society including other members of society will be on-going, so as to build on the emerging consensus on what should be done to improve the quality of people’s lives. It is to be hoped that these on-going discussions will more fully involve civil society.

4.2 ASGISA to reduce poverty by 2010 and halve unemployment by 2014
The government, labour, business and civil society agree that poverty and unemployment are the greatest challenges facing the country. However, the solutions to these problems differ according to each sector. All the sectors would agree that there is a need to achieve the economic growth of 6% that ASGISA mentions. Other sectors, using the language of GEAR, believe that economic growth will enable the country’s wealth to trickle down to the poor. Others will hope that economic growth will lead to labour-intensive jobs so that many unskilled people can be absorbed into the labour market. South Africa still has more unskilled labour than skilled personnel. Still others sectors, mainly civil society, hope that economic growth will enable the government to extend social assistance in the form of basic grants to enable all those who cannot live a basic dignified life to do so. ASGISA aims at promoting small business and encouraging investments. This too will contribute to economic growth but, further, will create opportunities for jobs and thus reduce poverty. This commitment should be supported by an adequate allocation of funds towards small businesses such as village co-operatives. According to the Deputy-President, many jobs are expected to be sustainable and even attract new job opportunities through the government’s expenditure for infrastructure which totals to R370 billion over the current Medium Term Expenditure Framework (MTEF). However, all this will depend on the availability of skilled people to plan, organise, spend, monitor and evaluate such infrastructure projects.

4.2.1 JIPSA and Scarce Skills
It is encouraging to note that the ASGISA task team has noted that, in order for ASGISA to achieve its targets, it must prioritize skills problems. The Joint Initiative on Priority Skills Acquisition (JIPSA) was launched on 27 March 2006. JIPSA is a three year programme aiming at addressing the scarce skills challenge and enhancing policy implementation, and is
championed by the Deputy-President. It has to be noted that ASGISA is a **government programme** while JIPSA is a **national agenda**; as such, the latter has greater involvement by the private sector, the academic community and others. However, the immediate focus of JIPSA will be on the skills identified by ASGISA. JIPSA comprises a Joint Task Team of 26 members from government, business, academia, labour and civil society, and a Technical Working Group that is made up of specialists and experts in areas ranging from research, all levels of education, labour, business and government. Speaking at the launch of JIPSA, the Deputy-President said that JIPSA is only one of the interventions which seek to address the skills challenges. Other interventions come from the departments of Education, Labour, Science and Technology, Public Service and Administration and others, as well as Sector Education and Training Authorities (SETAs), the private sector and organs of civil society. JIPSA is intended to be a support measure for people locked in the ‘second economy’ and aims to promote their participation in the ‘first economy’. At a practical level, it envisages making use of volunteers, retirees and South Africans who are working outside the country, as well as drawing in new immigrants with necessary skills.

5. **Catholic Social Teaching**

The Catholic Church respects State authority, as long as it is lawful and pursues the common good, as Saint Paul tells us: “There is no authority except from God” (Romans 13:1). Pope John XXIII stated that since the civil authority is entirely ordained to the common good of all, its holders, while pursuing the common good, must respect its true nature; they must also adapt the exercise of their authority to the present challenges. It belongs to civil authority to tackle and solve problems posed by the common good in the economic, social political and cultural fields. The Church is fully aware that citizens have to play a part in securing their own well-being. “Citizens have the right, by virtue of their dignity as persons, to take an active part in government, although the manner in which they share in it will depend on the level of development of the political community”.

6. **Summary**

We commend the government for the effort it is making to bring a ‘**better life for all**’ to reality. It is important that ASGISA’s objectives are monitored and its targets reached so that it does not profit only the minority of the country while leaving the majority in deep poverty, as has been witnessed with Broad Based Black Economic Empowerment. We hope that the Department of Education will take a central role in terms of training programmes for much-needed skills for the sake of long term solutions. The Department of Education has a challenge to assist Higher Education and Further Education and Training institutions to contextualize their mission and objectives in order to serve the country better. The government will have to allocate more funding towards these institutions if they are to produce the skills needed to accelerate economic growth. Many South Africans working outside the country are earning well; it follows that to attract them back to the country, competitive packages will have to be offered.

The RDP and GEAR promised to reduce poverty and create employment, but these challenges are still deepening. ASGISA has taken over the mandate to reduce poverty by 2010 and halve

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6 Address delivered by the Deputy President, Phumzile Mlambo-Ngcuka, at the launch of JPSA.
7 The Social Doctrine of the Church, 1995 page 845 #2125
8 The Social Doctrine of the Church, 1995 page 849 #2138
9 The Social Doctrine of the Church, 1995 page 847 #2131
unemployment by 2014. For the good of the vulnerable and poor communities, ASGISA should not fulfill the saying that goes, “the more things change, the more they stay the same”.

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