

POLITICSWEB OPINION



How to fix the country

John Kane-Berman

02 August 2021

John Kane-Berman explains how to do it – in a list of 20 points

One of the most likely outcomes of last month's devastating violence is that Cyril Ramaphosa does very little to halt the country's downward slide. But what should be done?

Even before the violence, one of the newer political parties was putting up posters saying "Let's fix South Africa." Well, then, here's how to do it – a list of 20 points. Little of this is new. The Institute of Race Relations (IRR) has said most of it before. Others have said some of it. The violence has prompted renewed calls for "structural reform". But such calls are meaningless unless they are given more specific content, which seldom happens, leaving a gap which this list seeks to fill. Moreover, "fixing South Africa" means embracing the whole package.

First, obviously, don't allow commissions of enquiry to become substitutes for the zealous prosecution of corruption and other crimes without fear or favour.

Second, speed up the administration of criminal justice. Jacob Zuma is not the only one to employ "Stalingrad" tactics. Why do the courts allow people facing criminal charges to get away with this abuse?

Third, purge the police. The case for doing this – now more urgent than ever - has been clear since long before Mr Ramaphosa became president.

Four, liberalise the labour market. Scrap minimum wage laws. Remove the power of bargaining councils to extend their agreements to third parties. Make dismissals easier.

Five, get rid of all black economic empowerment (BEE) requirements, whether in mining or anywhere else. Allow all shareholders, including black ones, to sell their shares freely.

Six, scrap all racial requirements in procurement laws. They put up prices, which is especially mad when budget deficits are soaring. They also discriminate against minorities, which is both unjust and a likely cause of emigration, not least among entrepreneurs.

Seven, purge the Statute Book of all employment equity requirements. They undermine the vital principle of merit in appointments and promotion, breed complacency and a sense of entitlement, encourage the emigration of skilled people, and have helped to undermine hundreds of state institutions.

Eight, scrap the proposed amendments to the Promotion of Equality and Prevention of Unfair Discrimination Act, which are designed to promote an impossible equality of outcomes.

Nine, abandon the policy of cadre deployment. It has undermined the public sector. The private sector should also stop putting has-been ANC politicians, some of questionable integrity, on company boards. Like BEE, this is a form of crony capitalism.

Ten, professionalise the public sector at all levels and in all spheres: national, provincial, and local government, plus all state agencies. All senior appointments to be made regardless of race by a non-partisan professional body. Remove the power of ministers to hire and fire as they please.

Eleven, embark on a programme of comprehensive deregulation. For a start, no new regulations without the repeal of at least three existing ones. Liberalise access to broadband spectrum.

Twelve, privatise state-owned businesses, including airlines, railways, and harbours, along with Denel and others. Sell to foreigners as well as to local investors. Where privatisation is not feasible, let private contractors run operations. No BEE requirements.

Thirteen, open all municipal services to private entrepreneurs. Let them buy, or tender to operate, everything from bus services to sewerage works.

Fourteen, put all of Eskom's power stations up for auction. Let the new owners compete with one another to sell power to the national grid. Abandon growth-inhibiting climate-change ideology and allow investors to build new power sources of whatever kind they like, including coal, natural gas, and nuclear, and sell competitively into the grid. No subsidies and no dictation of prices by the state.

Fifteen, scrap plans for a state-owned and controlled national health insurance system. Allow medical aid schemes to offer low-cost options, with the aim of getting many more people on to private medical aids. Enable private hospital groups to run state-funded hospitals for those whom medical schemes cannot cover, notably the unemployed.

Sixteen, move schooling on to a voucher system. Also put government school buildings in townships up for auction. Buyers could include listed private schooling companies, township community groups, churches, local chambers of commerce, and other institutions in civil society.

Seventeen, decentralise government. Allow all well-run local authorities to take over policing. Devolve as many other state functions as possible to provincial and local government. Halve the number of local councillors.

Eighteen, jettison all plans to expropriate property without compensation.

Nineteen, liberalise international trade to promote competition, improve efficiency, and lower prices.

Twenty, restructure Parliament and shrink the Cabinet. Replace the Council of Provinces with a chamber elected on a constituency basis, this chamber to have the same powers as the National Assembly. The Cabinet (and deputy ministers) need an axe rather than a reshuffle.

It is tempting also to say that the ideology of the national democratic revolution should be abandoned. Formal repudiation will not be necessary, however, as implementation of the policies listed above will cause the national democratic revolution to fall by the wayside anyway.

For that reason, of course, the African National Congress (ANC) will oppose most of these ideas, which seek to replace a patronage state and a black nationalist ideology with a colour-blind state that fosters entrepreneurship. Many who do not oppose these ideas will dismiss them as “pie in the sky”, as they have dismissed them in the past.

Such sceptics ignore the point that this is a battle of ideas. At the moment, most of the commentariat, though increasingly critical of the ANC’s corruption and incompetence, still backs its racial policies and is hostile to liberal parties unless they are led by blacks. Countervailing forces are required. The battle of ideas cannot be won if only a handful of people fight it.

Organised business, having all along bought into the ideology of BEE and always prone to ingratiate itself with the ANC anyway, has largely withdrawn from any engagement with ideas, or with the actual content of what is entailed by the “structural reform” the country needs.

Merely calling for pro-growth policies does not go far enough. The content of policy is what counts. It is also pointless calling for a capable state unless one is willing publicly to confront the problem that such a state is incompatible not only with cadre deployment but also with the ANC’s racial obsessions.

Nor are moving to the Western Cape or emigrating realistic options for the vast majority of South Africans.

Even if the ANC were to be defeated at the polls – the best possible outcome – this package will have to be implemented by whatever party replaces it in power if South Africa is to reverse its downward slide. The package is of course unashamedly liberal, for the simple reason that economic freedom and higher living standards for everyone go hand in hand, as worldwide experience shows.

A smaller and more efficient state will also give taxpayers better returns on their money and enable taxes to be cut, so fostering investment and growth. A smaller state will of course provide fewer opportunities for bribery and corruption.

The real pie in the sky is not the list above, but believing that there is any other way to fix this country.

** John Kane-Berman is a policy fellow at the IRR, a think-tank that promotes political and economic freedom. Readers are invited to take a stand with the IRR by clicking [here](#) or sending an SMS with your name to 32823. Each SMS costs R1. Ts and Cs apply.*

https://www.politicsweb.co.za/opinion/how-to-fix-the-country?utm_source=Politicsweb+Daily+Headlines&utm_campaign=c501634d7c-EMAIL_CAMPAIGN_2021_08_02_08_49&utm_medium=email&utm_term=0_a86f25db99-c501634d7c-140206677