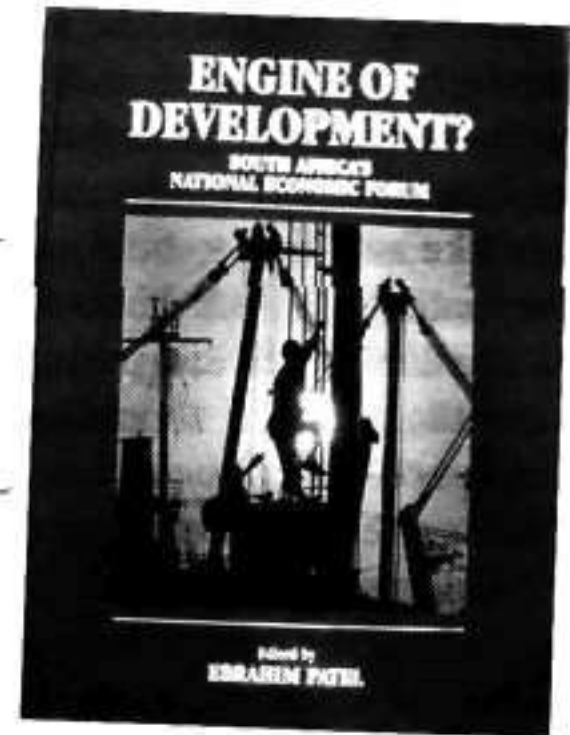


Engine of development:
South Africa's National Economic Forum
 Edited by Ebrahim Patel



Reviewed by
**GEOFF
 SCHREINER**

Ebrahim Patel's collection of speeches and documents around the National Economic Forum (NEF) is a welcome contribution to the emerging but still scanty literature on South Africa's myriad new policy forums.

Patel introduces his book as history on the hoof and an attempt to "record the progress of a young new institution". That there is a place for historical recounting of this kind, is beyond dispute. Patel succeeds in producing a very readable flight companion which will suit the busy "meetings on the hoof" reader. The annexures, which are a collection of, NEF founding documents and some of its initial agreements, make interesting reading, even if one is left with a feeling that they should have enjoyed wider circulation at a little less than the R39,79 demanded.

For those readers who have, like me, been wondering for years exactly what a social market economy is, Klaus Schwab – the president of the World Economic Forum – provides a very clear picture in the foreword. Historically, he says, the management of an enterprise was seen as

solely accountable to the shareholders of the company and the overriding objective was the maximisation of 'shareholders value'. Today, this has been replaced by the 'stakeholder theory', which involves not only the shareholders but also the clients and the suppliers. In a social market economy, two additional partners have to be added: the employees and the government on a national and local level. It is a broad commitment to this sort of outcome that, one suspects, binds together the contributors to the book in their various advocacies of the Forum.

Viewed as a whole, the different contributions raise some critical issues about how advisory forums and the NEF in particular ought to be structured, both now and in the future. All agree, though, as Godsell points out, not without some reservations on the part of the old state (Keys) and the new (Manuel), that the NEF should continue after the April elections. But there are some interesting differences between the various constituencies (state, labour and [big] business) about what form this engine of development should assume.

The first revolves around the decision-making capacity of the NEF. Both Patel and Jayendra Naidoo adopt the position that the NEF is "...not a body for the parties to exchange views – it is geared to reaching agreement, and it is not a body to advise government – it is intended that agreements be given practical effect". Keys, on the other

hand, expresses the view which resonates strongly with Manuel, that he (now?) acknowledges the “absolute supremacy of a truly representative elected body and would not like anything to be done which in any way interfered with (that) authority ...”. Godsell endorses this position, but with the rider that the NEF should have a lot more impact on government than many advisory bodies over the past 40 years.

One cannot help but feel that Godsell’s position is the correct one. The Patel/Naidoo view that the NEF or any other forum should have (policy) decision-making powers is surely wrong. Even in practice, the NEF does not work in this way, as the recent fuel crisis clearly demonstrated.

Decision-making should occur within the structures of government – how else can it be held responsible? The idea of hundreds of forums making policy decisions is inimical to good government.

But – and this is really the critical question - how do organisations within civil society ensure that the views they render through various advisory forums have maximum impact on the government of the day? Various means to raise the status and increase the impact of advisory forums have been mooted. These include reporting directly to parliament or to a standing committee, compulsory promulgation of advisory forum positions and constitutional or at least statutory enshrinement of forum powers.

The second issue of divergence is around the question of representivity within the NEF. Interestingly, all contributors with the exception of Manuel accept the legitimacy and appropriateness of a three-party NEF (business, labour and the state.) Business and labour are at pains to spell out how representative they are. Keys goes as far as to say that those who argue that consumer organisations and environmental groups, for example, should be part of the NEF, actually

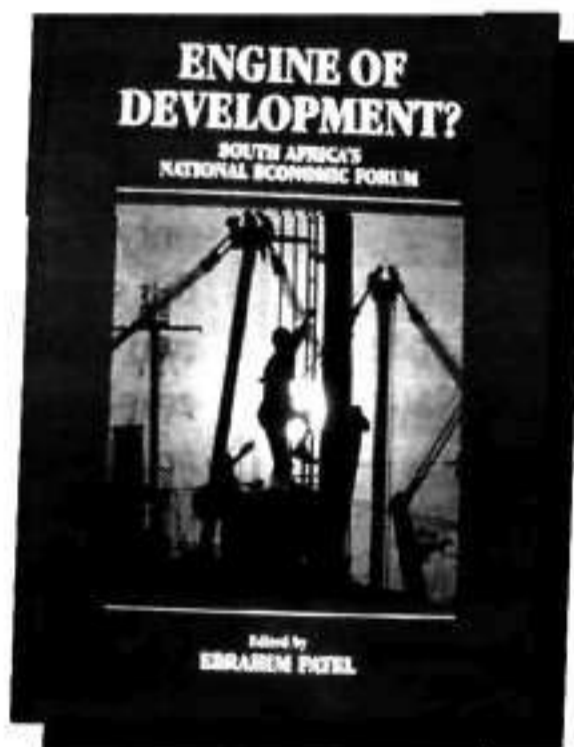
misunderstand what the NEF is. The bottom line, he tells us, is that “We do not want people there who are not going to make deals”.

Here Keys’ thinking seems to be at its fuzziest. If, contrary to labour’s view, the NEF’s principal task is to advise government on policy, why should other important interest groups be excluded? How are the interests of the majority of the population - who are not in business nor organised into unions - to be taken into account? Are we being encouraged to trust that the state will do the thinking for them? Surely those days are over. If there are parties within the NEF who have the ability to contract, well and

good, this is their prerogative. But surely this should not be allowed to prevent every forum seeking the widest possible consensus on its recommendations to government.

The third issue of importance to the future of the forums is the question of their constitutional and/or statutory enshrinement. Manuel’s defence against entrenchment “...we

should not entrench the existence of the NEF in the constitution because we may have to make concessions which are in conflict with the overall democratisation of the economy ...” is extremely hard to swallow. Keys’ position remains ambiguous, as does Godsell’s, which states that whether or not entrenchment is desirable depends on the “...degree of detail of constitutional entrenchment...”. Jayendra Naidoo goes further, perhaps, by reformulating the problematic and claiming that there should be compulsion on the government “to engage civil society in the process of decision-making” whether by way of “constitutional entrenchment, legislative provision, legal precedence or by political powers”.



It is perhaps not surprising that Manuel (and Keys) rally against constitutional entrenchment. Few governments voluntarily limit their own powers and place authority in hands outside the state. Business and labour's reticence on this issue is, however, far more difficult to understand.

Constitutional entrenchment backed up by statutory provision would secure for them a clearly recognised right to be involved in the process of public policy formulation. This would be very difficult to reverse in the future.

The fourth issue of interest is that of the capacity of organisations to engage with the NEF. It is a matter only raised by the unionists but applies as much to business, the state and other

constituencies as well. Patel and Jayendra Naidoo bemoan the proliferation of forums. On the one hand, they call for a rationalisation of forums, including the NEF and National Manpower Commission (NMC) being merged into a single social and economic forum, and, on the other, advocate that the unions build and increase their personnel and resource capacity.

Whether "rationalisation" is desirable must be debated. What does a "proliferation of forums" mean? If it is accepted that forums ought to be advisory, then it makes sense that there should be an advisory body for all important government departments at different levels – national, regional and local. It is thus government functions which should define the existence of any particular forum. This approach also resolves the so often stated problem of how do we (read civil society) co-ordinate the activities of all these forums. This is not a forum problem as is suggested by Keys, it is a government problem. Government has to create the capacity to reconcile the recommendations from the various forums whether through the Cabinet, or a supra-

Reconstruction and Development (or other appropriate) co-ordinating body.

Reconciling forums with government functions – everything from defence through to the economy – will not, however, substantially reduce the number of forums in existence. It may increase them. Rather, however, than looking at restricting the development of forums, it may be far wiser to accept that organisations will confine their participation to those which are their particular priority, or appoint advisors to represent them in these important areas. It seems better to have advisors and experts from civil society than no forum at all. But, most of all, organisations like the trade unions surely have to stop repeating that there's a

need to develop capacity and do something about it - so too with business.

Patel's book does have some weaknesses. The history of the NEF seems unnecessarily truncated and really fails to link the emergence of this particular forum with the Laboria Minute and surrounding political developments. There's an air of chauvinism which surrounds many of the contributions, but, most of all, the book lacks a chapter or

conclusion/introduction which draws together the various contributions and highlights some of the key issues which emerge. In the same vein, some commentary on, or analysis of, the agreements reached in the NEF would be very interesting - so too with Key's chapter on 'Economic challenges facing the new South Africa', which emphasises productivity and wage restraint and yet remains unanswered by any of the other parties (surely consensus does not extend this far!).

In the final analysis, however, for those concerned with issues of transition and processes of "shucking our old carapace" to borrow Keys' expression, this book deserves a read. ☆

