Pali Lehohla

Addressing Sound Policy Making Deficits: Leveraging data and statistics in national and local development plans
SDGs
27-29 -03-2023

Outline

- Scenarios unintentional
- Summative view of South Africa@28
- Being Intentional
- Cultural Economic Geography
- Levers of Sound Policy Making
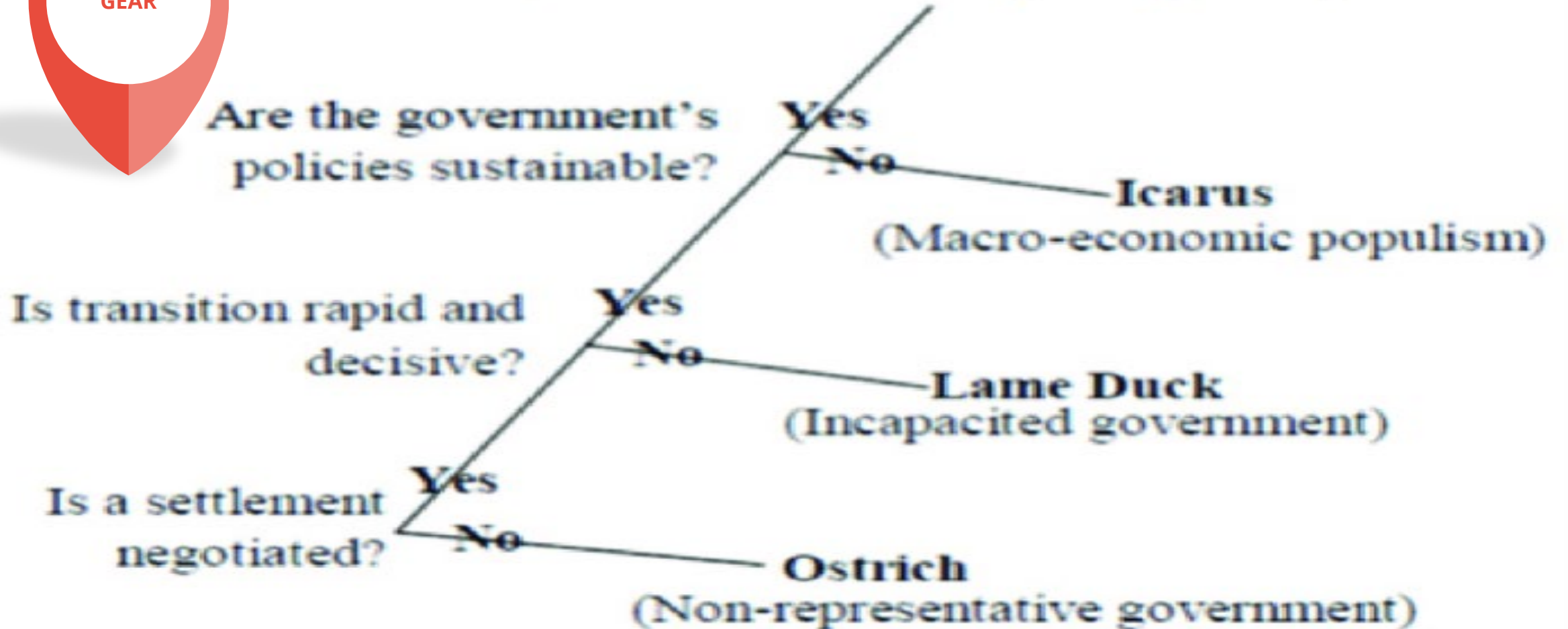- Pre-Conditions For Sound Policy Making

Summative view of South Africa@28

- Persistent South African economic challenges include: low economic growth, high unemployment rates, high poverty rates, and high income and wealth inequality.

- These overall challenges are strongly inter-related, with direct and indirect impacts on future growth of companies and industries.

- Yet, companies need to attract and nourish high caliber personnel who can make forward-looking assessments of the changing needs of the economy and the financial sector due to globalisation, economic restructuring, technological and organizational change, and changing demographics.

- Globally economic models are used as part of regular and systematic early warning systems to forecast, develop scenarios and other means to inform firm level policy design and implementation.

- South Africa has a shortage of high caliber personnel with these advanced analytical skills .

Scenarios unintentional

MONT FLEUR SCENARIO 1992 by SHELL had a set of policies but these were not quantified

GEAR
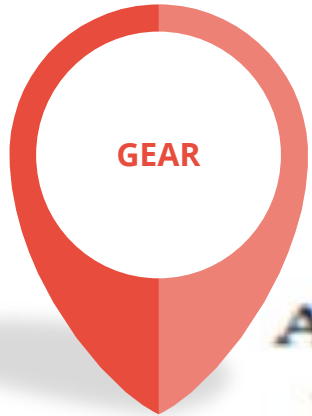
Fight of the Flamingoes
(Inclusive democracy and growth)

Are the government's policies sustainable?   Yes
                                              No
                                                  Icarus
                                                  (Macro-economic populism)

Is transition rapid and decisive?   Yes
                                     No
                                         Lame Duck
                                         (Incapacited government)

Is a settlement negotiated?   Yes
                               No
                                   Ostrich
                                   (Non-representative government)

Scenarios unintentional

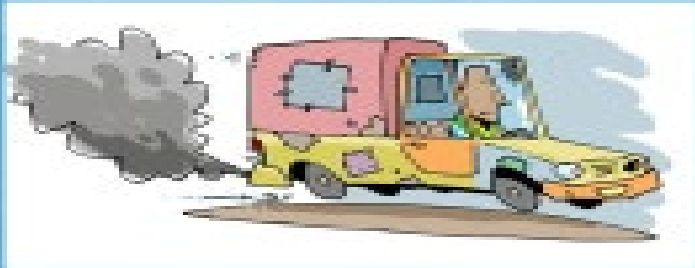**MEMORIES OF THE FUTURE by Government were a representation of storylines without policies but was a course Correction to the Mont Fleur Scenarios which deviated from the initial RDP but did not sustain**
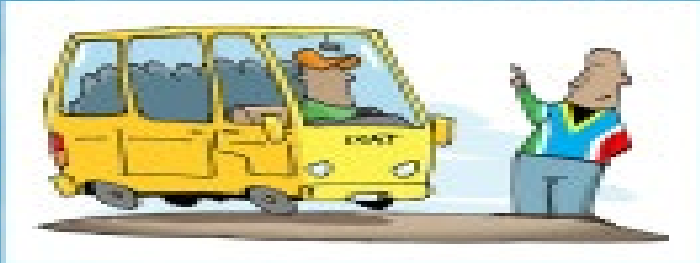
Scenarios unintentional

The Future We Chose Scenarios SA 2025 by government was an interpretation of post Polokwane and Was a representation of story lines without policies

NOT YET UHURU	NKALAKATHA	MUVHANGO
A Government strongly committed to accelerating economic growth struggles in the face of deteriorating global conditions and severe ecological challenges	Determined to play a more central role in the economy, Government prioritises poverty reduction and skills enhancement by articulating a national vision and fostering partnerships...	Despite an initial resurgence of the economy, and positive world conditions, the Government battles to govern well
• Me first, you later.	The Dreamers become the Do-ers	Bang Goes the Boom
• The Have-Lots vs the Have-Nothings.	One Nation, One Destiny	Politician vs Politician
• Black Power, White Money	The environment matters too	The Champ Slips Up
• The Earth Lies Screaming.	Time to Bite the Bullet	The Brink of a New Era

NDP

NATIONAL DEVELOPMENT PLAN | 2030

Our future - make it work

NDP

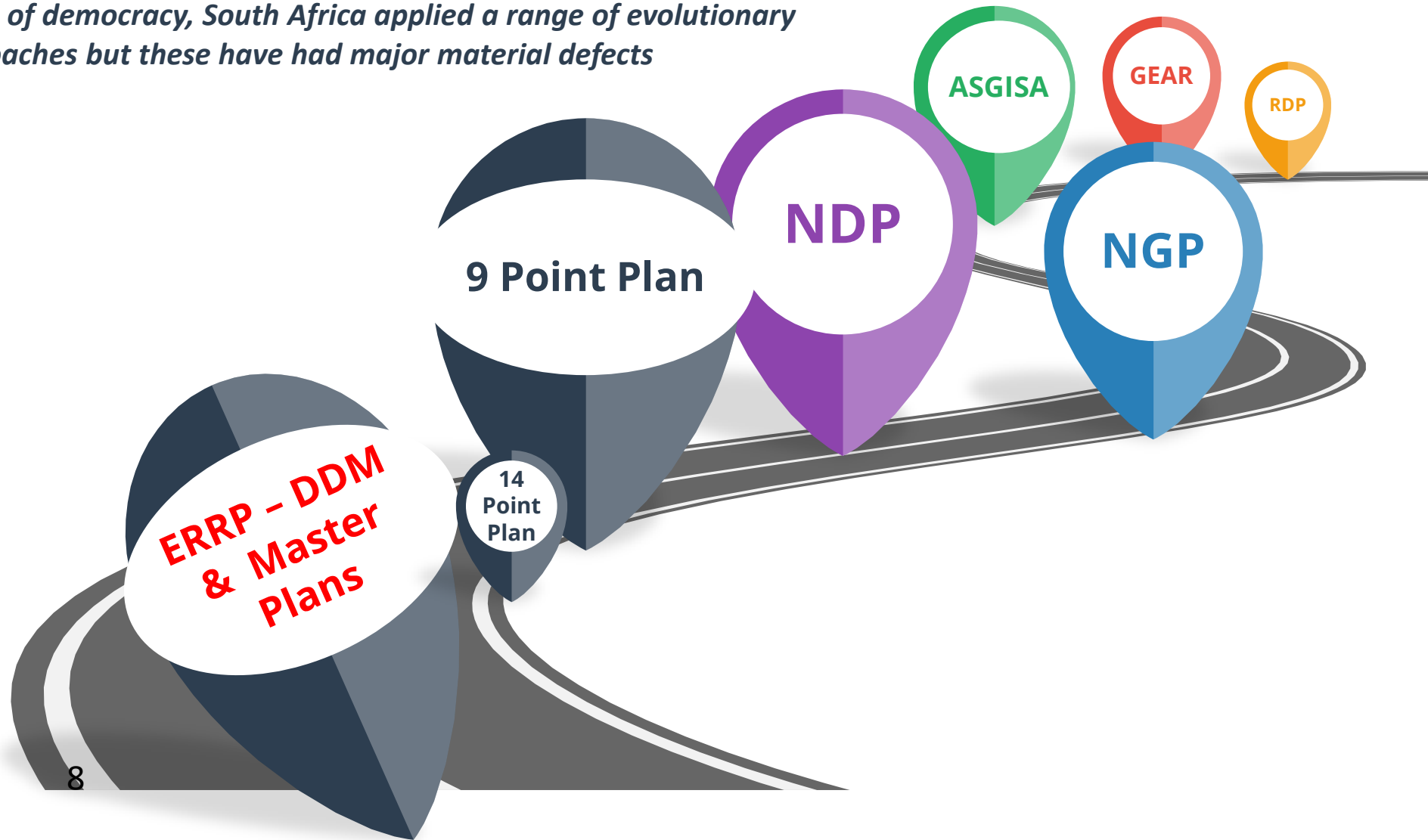Scenarios unintentional

- **Not a scenario**
- **Not design quantified**
- **Therefore not a plan**
- **A story line of one scenario**

A toy for the nation
Every two years

Since the dawn of democracy, South Africa applied a range of evolutionary planning approaches but these have had major material defects
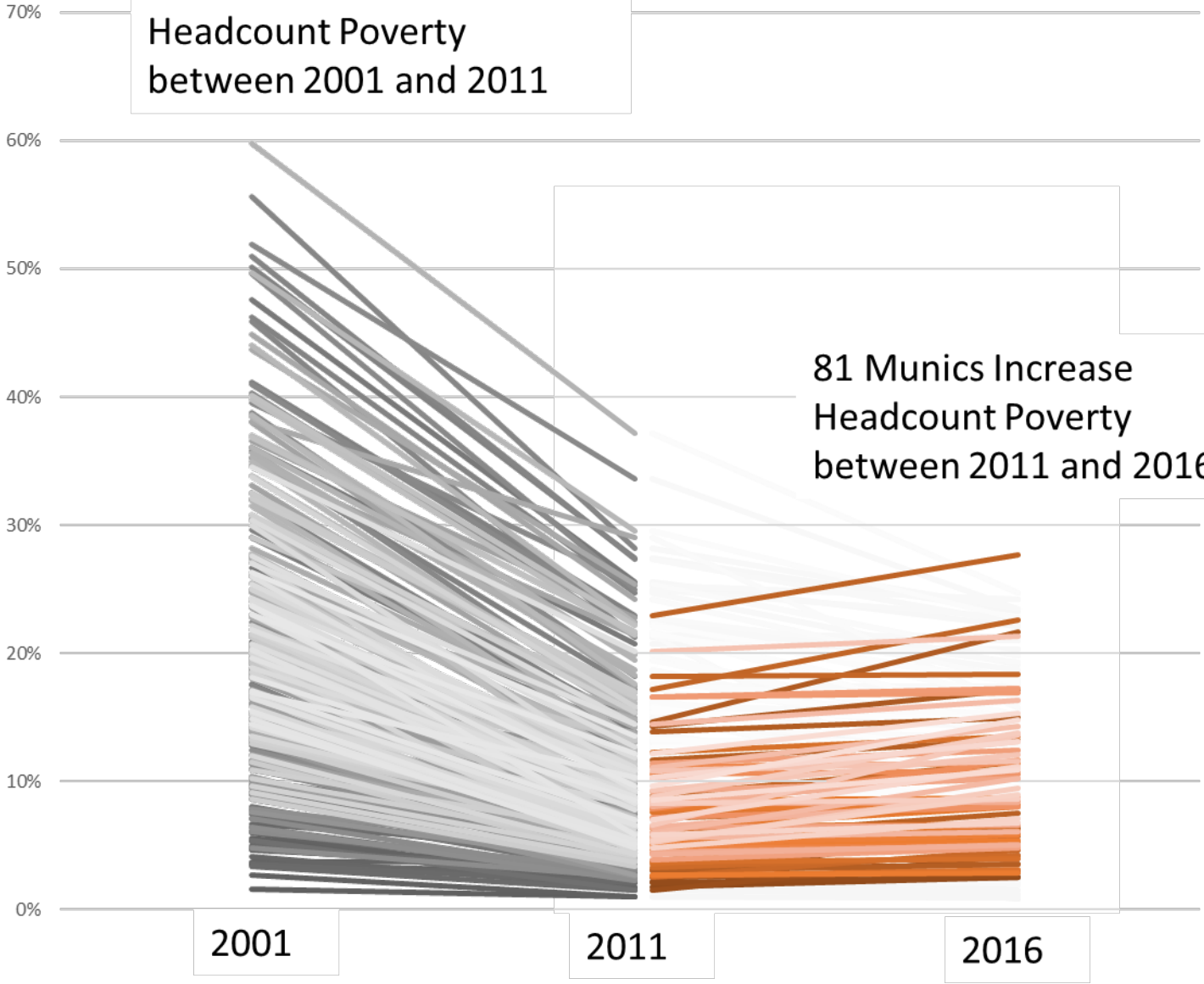
ASGISA

GEAR

RDP

NDP

9 Point Plan

NGP

ERRP – DDM & Master Plans

14 Point Plan

8

There are 81 municipalities that have regressed including a metro

Level of Satisfaction by service category for KZN Municipalities
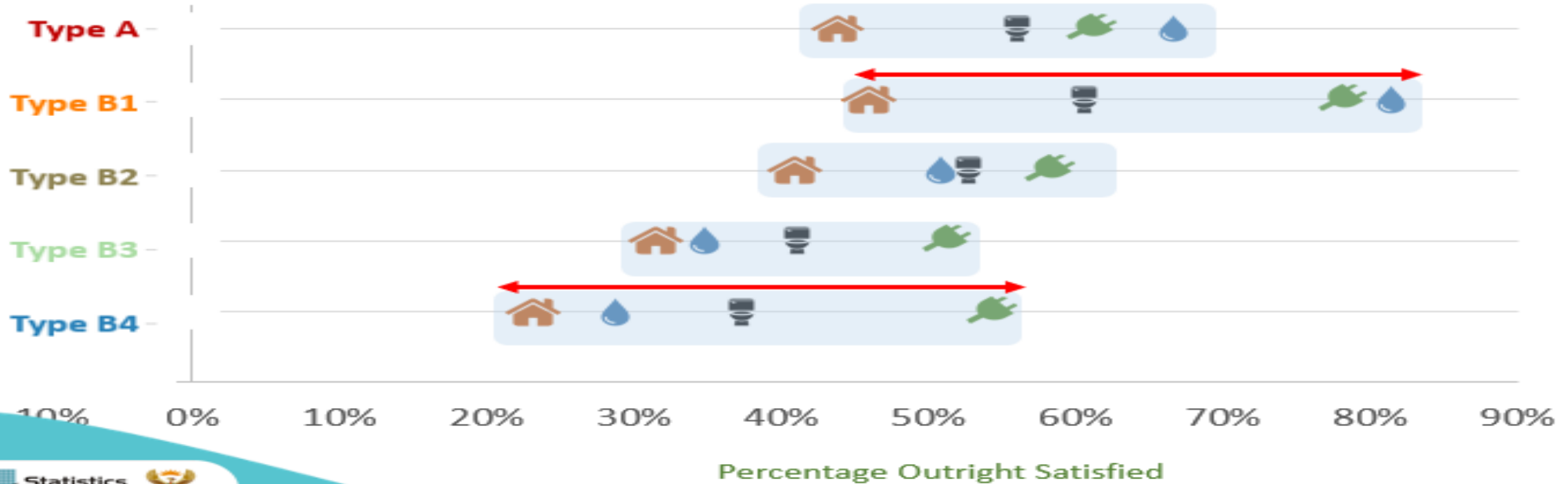
South African COVID-19 Vulnerability Index Dashboard

The South African COVID-19 Vulnerability Index (SA CVI) aims to statistically and spatially identify vulnerable populations that are more likely to be adversely affected should COVID-19 spread in the affected area.

The Index uses Census 2011 data and eight indicators related to labour force activity, access to media, household services, overcrowding, multi-generational status, age and chronic illness to output a composite indicator to reflect the vulnerability status of citizens to the COVID-19 virus and where these individuals are located.

The index uses a natural counting approach to determine the **headcount** of vulnerable individuals within a population as well as measure their level of simultaneous vulnerability determining **intensity**. The final index is ranked from 0-5 with 5 being the most vulnerable, 0 the least.

Employed with private vehicle | Access to media | Access to water | Access to sanitation | Over-crowding | Multi-generational households | Age (elderly 60+) | Chronic medication

Click on a province

Limpopo

North West | GP | Mpumalanga

KwaZulu-Natal

Free State

Northern Cape

Eastern Cape

Western Cape

How to use the dashboard

- Select a province using the map on the right, a dashboard for the index will open for that province in a new window.
- Use the drop down menu to **search**, **select / deselect** a district municipality, local municipality or a placename of interest.
- An EA map will be generated based on your selection along with the index information in a chart.
- **Remember to deselect all options when choosing different municipality or placename.**
- Using your mouse, you can hover over the map and chart for further information related to the index measures for that area.

Note: for some areas such as Metro's the map will not render due to the number of polygons, ensure you choose a specific placename in these instances.

For more information on how the index was constructed and how to use the dashboard, please refer to the technical report and FAQs on www.statssa.gov.za

stats sa
Department:
Statistics South Africa
REPUBLIC OF SOUTH AFRICA

South African COVID Vulnerability Index (SA CVI)

Limpopo Province

Select Municipality and placename

Sekhukhune

🔍 tubatse

- ☑ Sekhukhune
  - ☑ Greater Tubatse/Fetakgomo
    - ☑ Alverton
    - ☑ Apiesdoring
    - ☑ Banareng
    - ☑ Bogalatladi
    - ☑ Boshoek
    - ☑ Bothashoek
    - ☑ Bottom Village

Pie chart values: 4.1, 6.2, 6.8, 19.3, 19.6, 39.5, 2.2, 2.2

Legend (pie chart):
- 🟠 Employed + no private vehicle
- 🟡 Access to media
- 🔵 Access to water
- 🔵 Access to sanitation
- 🔴 Overcrowding
- ⚫ Multigenerational households
- ⚪ Age (elderly 60+)
- 🟣 Chronic medication

Legend

○ 0 lowest   ● 1   ● 2   ● 3   ● 4   ● 5 highest

stats sa
Department:
Statistics South Africa
REPUBLIC OF SOUTH AFRICA

Summative Evaluation
AN ASSESSMENT MATRIX OF THE SYSTEM

Sound

Action is to Prioritise Capacity for Bureaucracy

Action is to Maintain

Plan Design

Action is to Drop the Programme and Build Planning Tools and Capacitate Bureaucrats

Action is to Innovate Design through design thinking And System Design

Poor

Poor

Plan Execution

Sound

Summative Evaluation

AN ASSESSMENT MATRIX OF THE SYSTEM
How has the Gvnt performed on the Socio-Economic Transformation Agenda (Learning and Growth)

Summative Evaluation

AN ASSESSMENT MATRIX OF THE SYSTEM
How has the Gvnt performed on the Socio-Economic Transformation Agenda

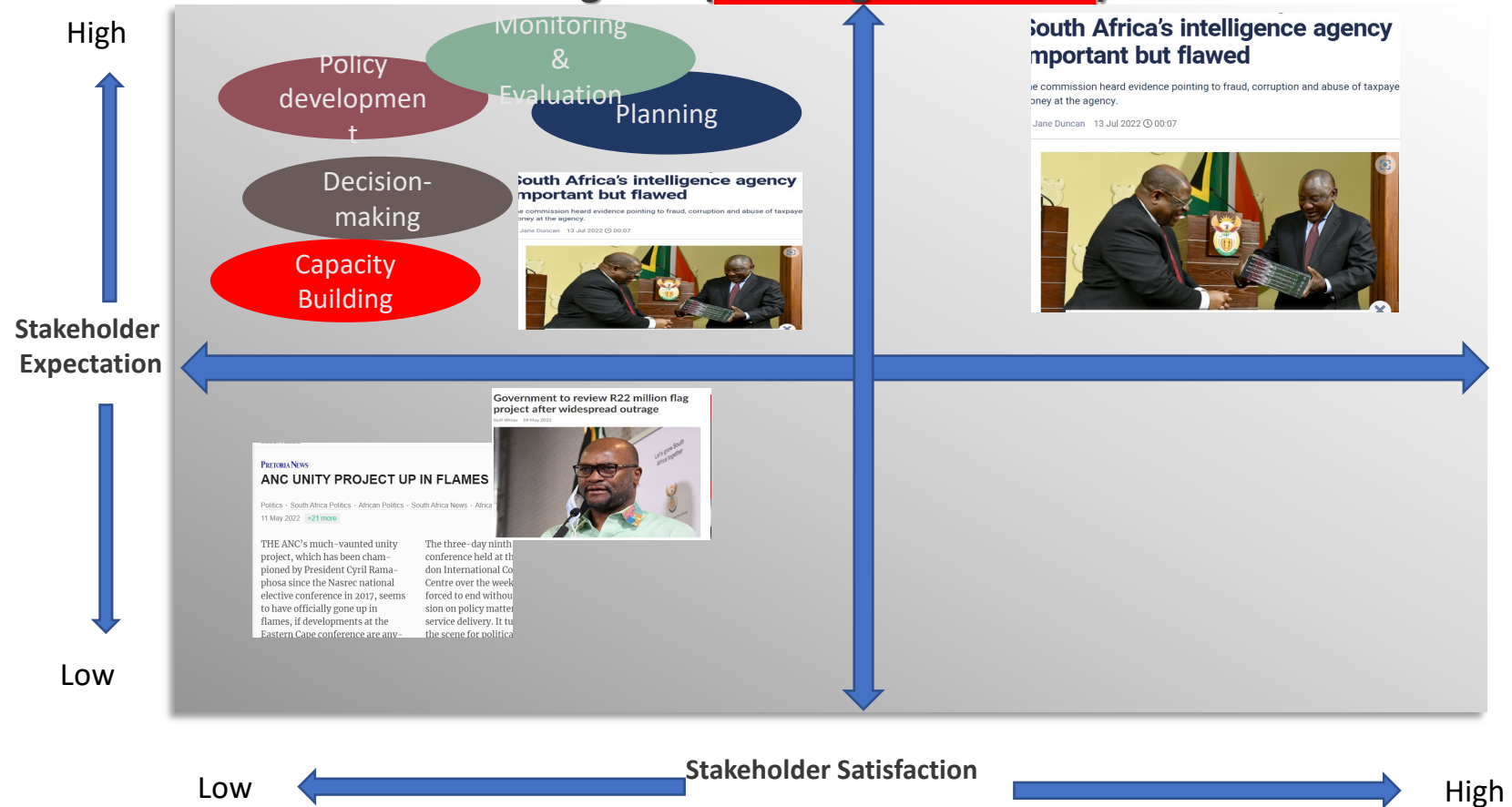# The End State is nigh and it is ugly

In only three years, South Africa has gone from

46% to 59%

in Gwara Gwara Scenario.
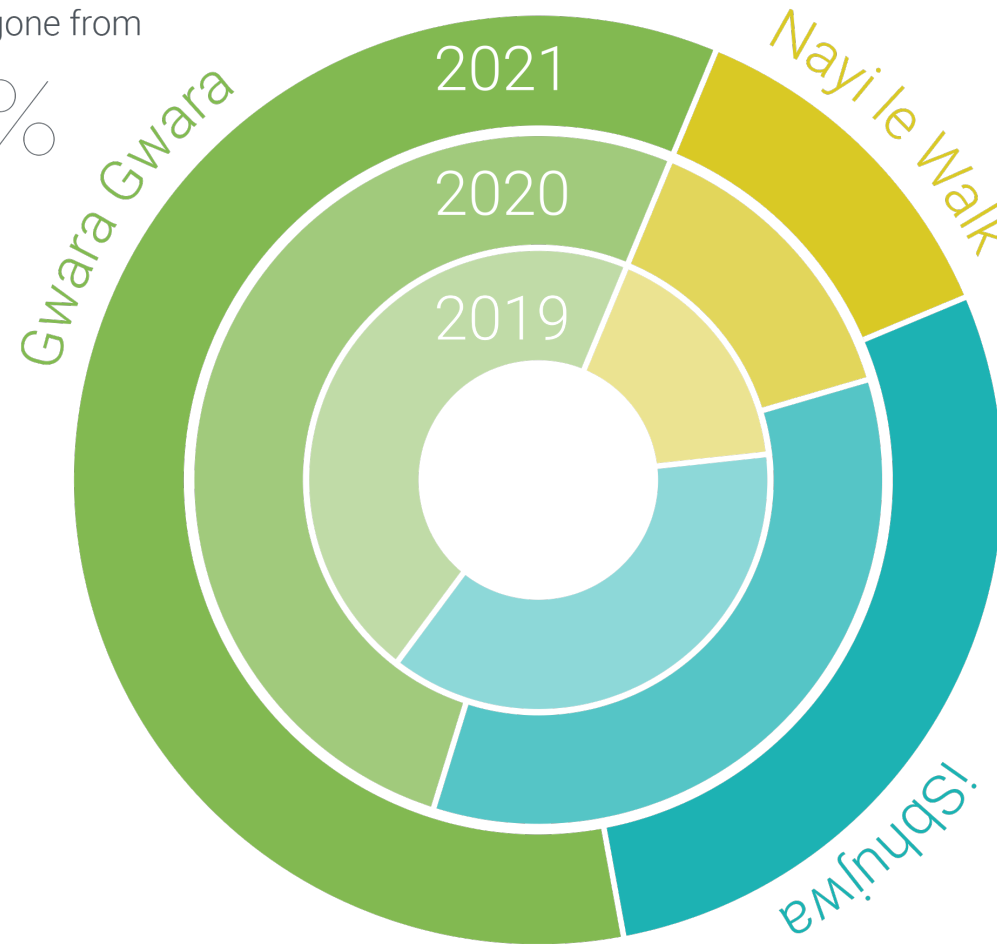
Summative Evaluation
ASSESSMENT MATRIX OF Plan Design and Plan Pxecution
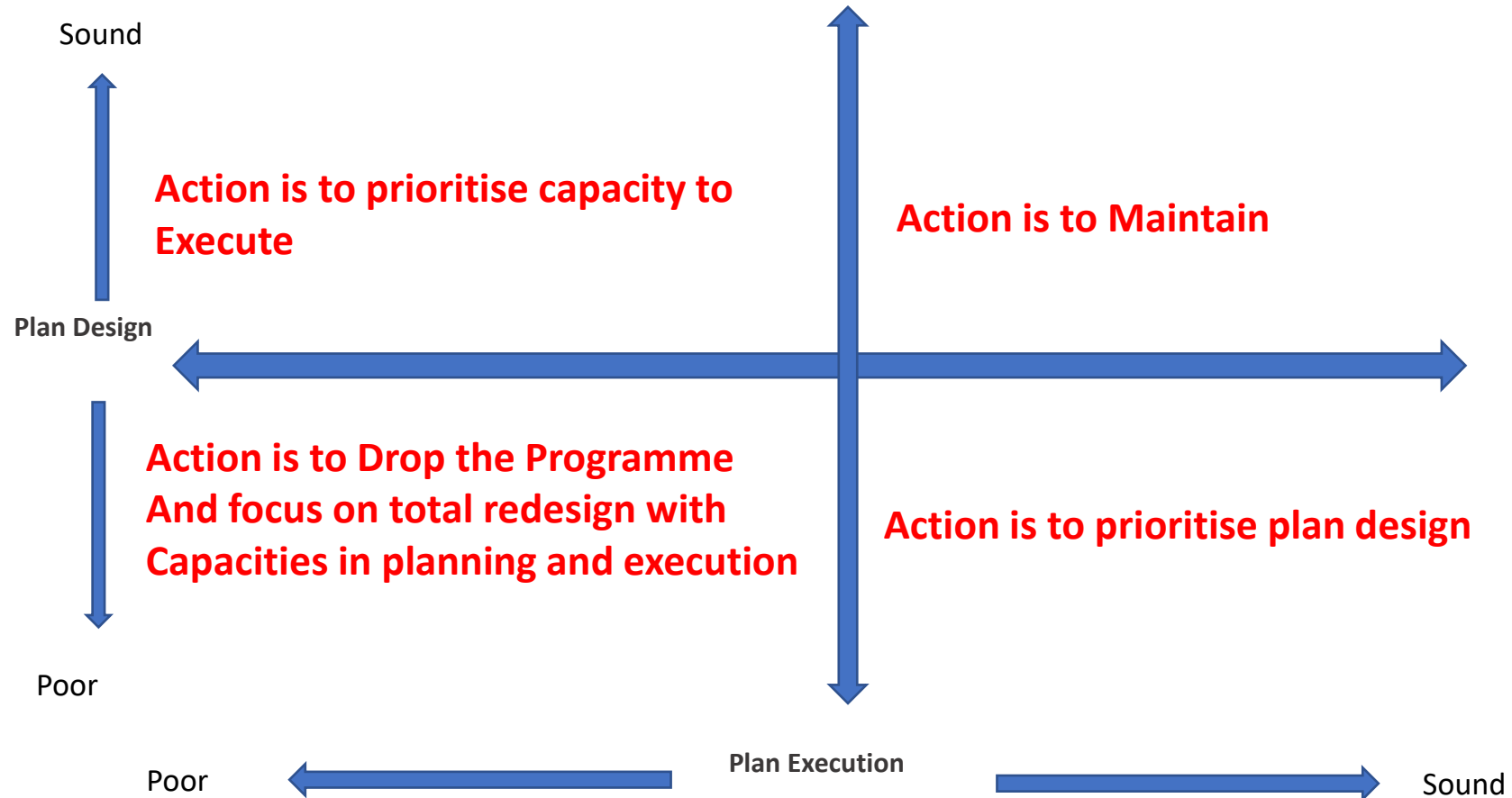
Sound

Plan Design

Action is to prioritise capacity to Execute

Action is to Maintain

Action is to Drop the Programme And focus on total redesign with Capacities in planning and execution

Action is to prioritise plan design

Poor

Poor   Plan Execution   Sound

Summative Evaluation
ASSESSMENT MATRIX OF Plan Design and Plan Pxecution

Sound

Action is to prioritise capacity to Execute

Action is to Maintain

Plan Design

Action is to Drop the Programme And focus on total redesign with Capacities in planning and execution

Action is to prioritise plan design

Poor

Poor
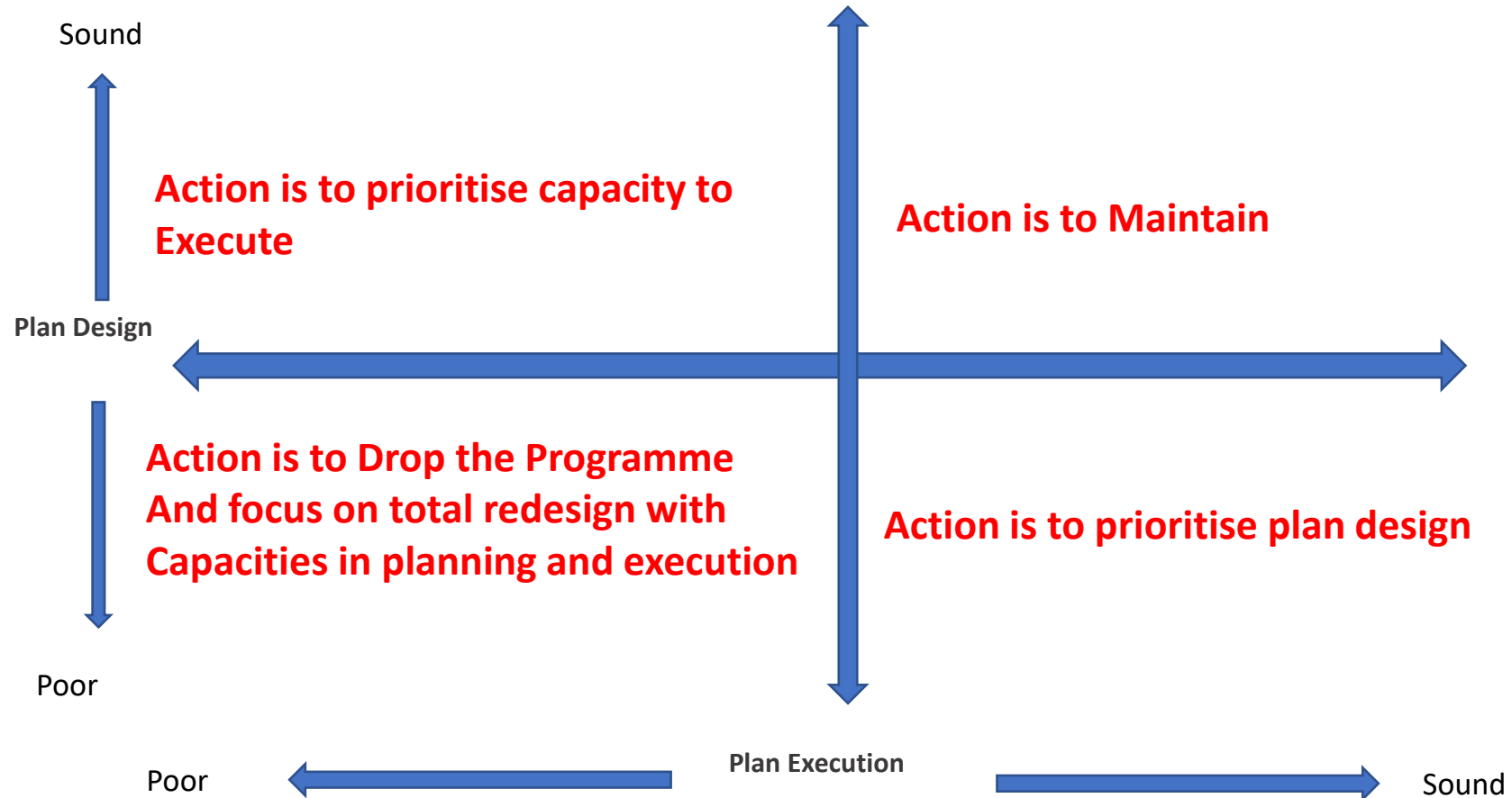
Plan Execution

Sound

: **BEING INTENTIONAL**

ROLE OF THE EXECUTIVE AND WHAT THEY SHOULD DELIVER

They are Constitutionally Enjoined with the Legislature, Citizens and Corporates to Translate Socially Desirable Goals by Deploying a Politically Compelling and Economicallly Feasible Agenda Legally and, Managing Consequences by Holding the Executive to Account
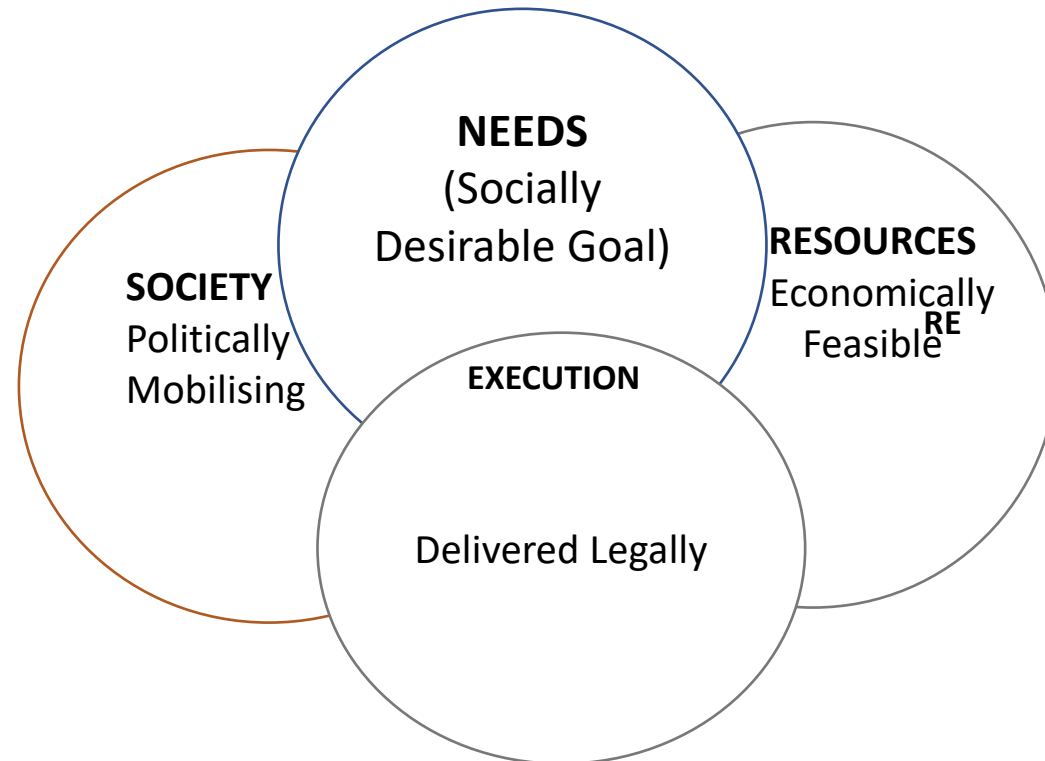
In Short - Leading and Managing A Very Complex System

LEVERS OF SOUND POLICY MAKING :BEING INTENTIONAL POLICY MANAGEMENT AND LEADERSHIP FRAMEWORK
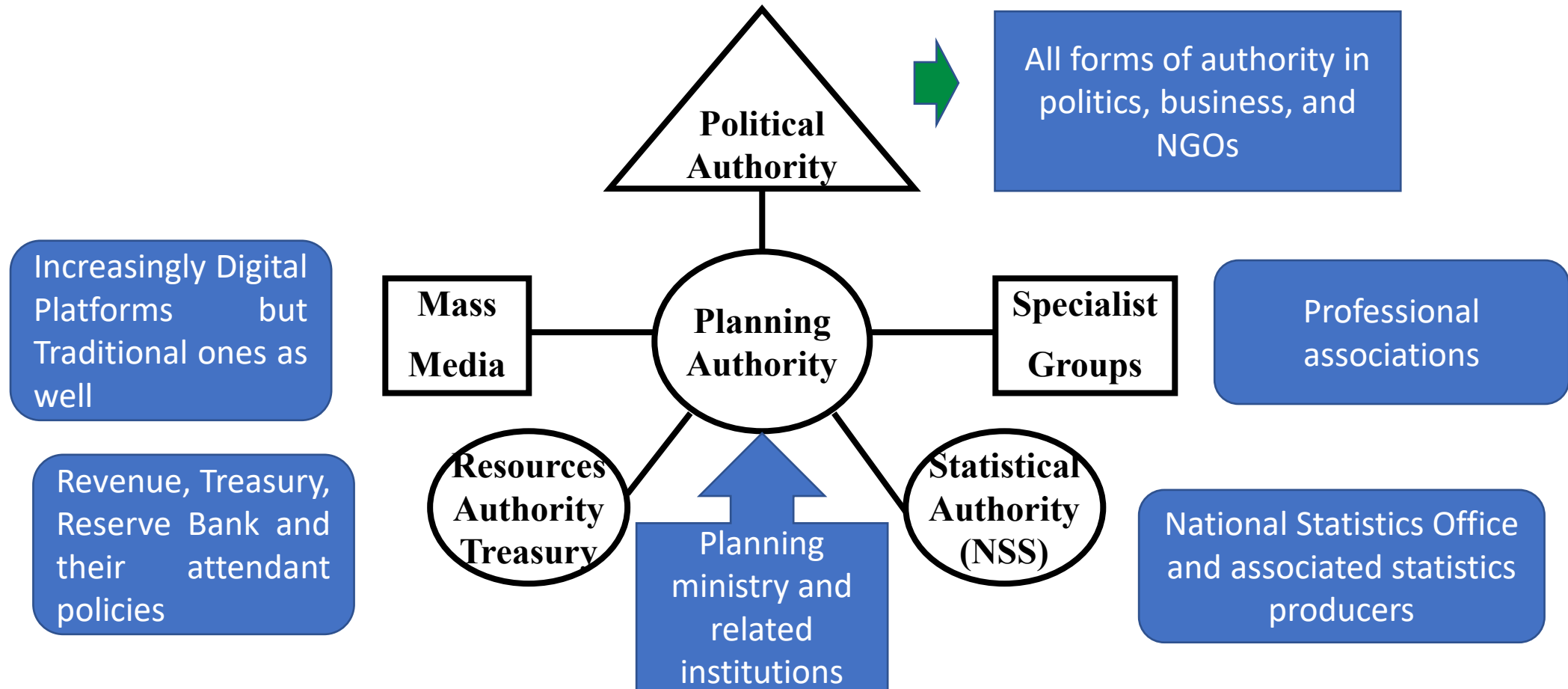
Effectiveness

- Competence
- **Sound policy making**
- Collaboration

Accountability

- Integrity
- Transparency
- Independent oversight

Inclusinvess,

- Leaving no one behind
- Non-discrimination
- Participation
- Subsidiarity
- Integrational equity

Sound Policy making addresses

- strategic planning
- risk management,
- policy coherence,
- data sharing and national statistics,
- regulatory impact analysis and
- the role of science policy.

The study findings make a key point that:

"There is a clear lack of awareness and knowledge of the principles in many African countries. Ensuring the full success of the principles and strategies to ensure effective governance for sustainable development remains a challenge in many countries. Thus, developing more targeted reviews to identify gaps and examine the challenges faced in the implementation of the principles at national level well as the development of

good practices for peer learning are needed.

Levers of Sound Policy Making
Being Intentional
By Designing Policies and Quantifying Impacts

iSbhujwa Trickle-down Outlook

iSibhujwa is a South Africa torn by deepening social divides, daily protests and cynical self-interest.

If the recovery policy framework continues with the post-1996 policy status quo, i.e., the BAU scenario, the past trickle-down path will resume after the pandemic with the economy stuck in low growth and high rates of unemployment, poverty and inequality during the next decade.

Gwara Gwara Immiserizing Outlook

Is a nation torn between immobility and restless energy, Gwara Gwara embodies a demoralized land or disorder and decay.

If the recovery policy framework augments the post-1996 policy status quo with contractionary measures, such as a more austere fiscal policy, the future outlook will trend more towards an immiserizing growth path of Gwara Gwara Scenario.

Nayi-le-Walk Pro-Poor Outlook

South Africa where growing social cohesion, economic expansion and a renewed sense of constitutionalism get South Africa going.

If the recovery policy framework reflects a shift from the post-1996 policy status quo and embraces a policy framework similar to the Six-Pillar scenario, the future outlook will trend more towards an inclusive pro-poor path of Nayi le Walk scenario, enabling South Africa to recover from its chronic economic crisis.

Gwara Gwara: Immiserising growth
Policy drivers

- After the 2019 election, the new government's main focus was on **uprooting "state capture"** as a way to reignite the economy.
  - Even less income and wealth trickle down to the masses as the austerity-focused approach imposed **annual cuts in real spending on social services** and government transfers.
  - After the 2024 election, **under a coalition government**, there were **increasing talks of "shock therapy"** from some key cabinet members.
  - Consequently, measures were adopted to **withdraw state subsidies, cut public works programmes, reduce the real value of social grants, privatise more of the SOEs**, abandon Buy South Africa and localisation policies, cut taxes and adopt a more restrictive inflation targeting approach.
  - As an outcomes of these measures, the country moved to an **immiserising growth path**, with the rich getting richer and the poor getting poorer.

Nayi le Walk:Pro-growth Pro-poor path Policy Drivers

- Austerity gives way to a **growth orientated approach** that includes:

- Pro-growth macroeconomic policy that provides **a life raft** for the country, with fiscal policy providing **higher funding for economic and social infrastructure investment and service delivery**.

- Monetary policy supports economic growth and eases **access to credit** by the private sector (business and households)

- Social policy is directed toward creating **part-time jobs for the unskilled-unemployed** and lowering poverty

- **Trade and industry policy is centered on a social contract** where corporations get extra support in return for creating good paying jobs in the country

- **PIC significantly invest in the economy**, especially the manufacturing sector

Isibhujwa: Trickle down path
Policy Drivers

- In this scenario, the **policy status quo is retained** after the 2019 election.

- Microeconomic supply side measures are used to propel the economy onto a **higher growth and employment path ...**

- while the **macroeconomic austerity approach** is directed to reduce the debt through expenditure cuts.

- Consequently, future performance of the **economy continues to resemble the past.**

- The economy stuck in a low growth path and **benefiting the rich more** than the poor.

- Continue on the **austerity pathway**...

Economic Geography

The SA urban rank-size – 1996, 2003

UFI and CPI positions of the 50 largest centres
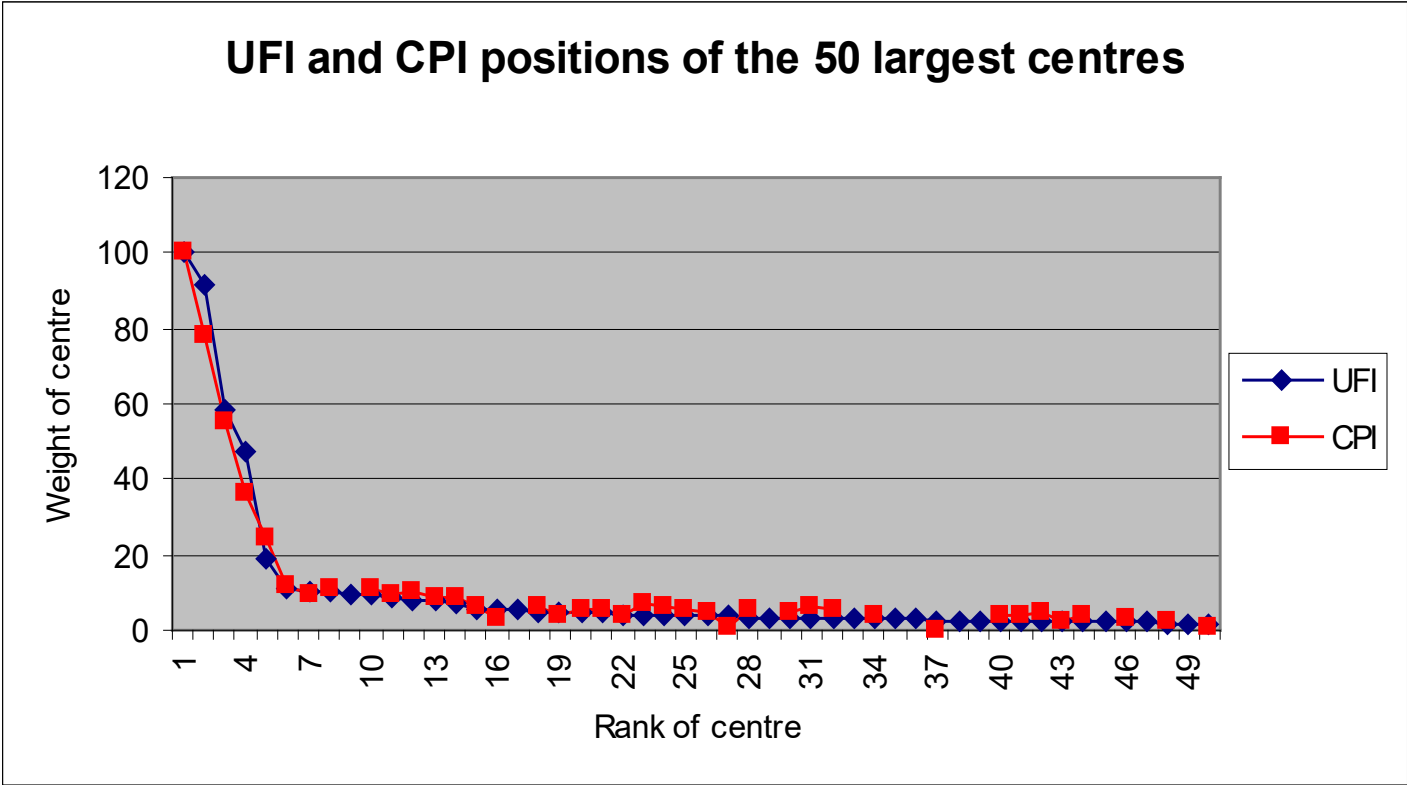
Economic Geography

Tools as a Driving Force

Understanding the Space Economy Matters especially in theContext of COVID19

Economic Geography

STRUCTURE

DYNAMICS Of Locat

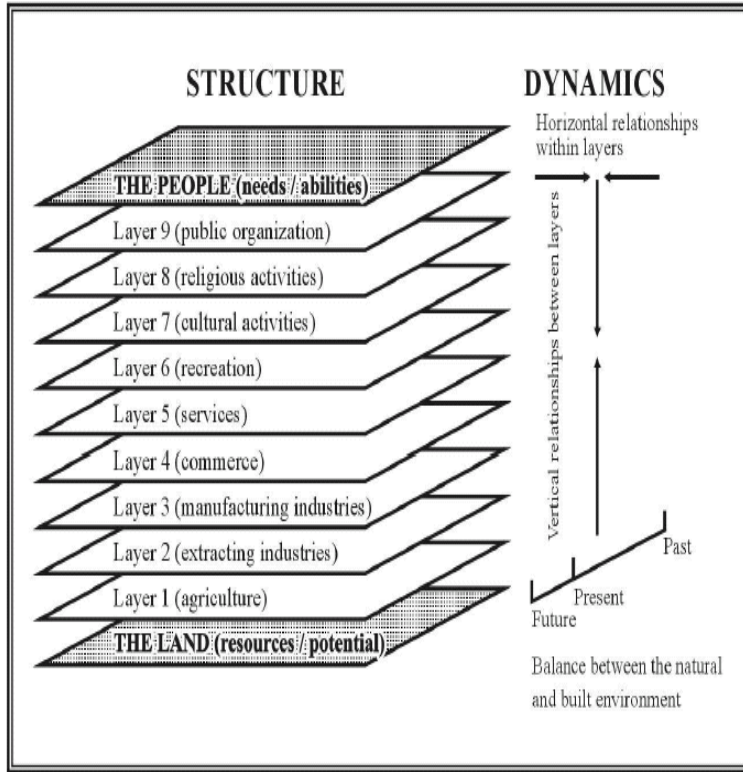Horizontal relationships within layers

THE PEOPLE (needs / abilities)

Tertiary

Secondary

Primary Sector

Layer 1 (agriculture)

THE LAND (resources / potential)

Present
Future

Balance between the natural and built environment
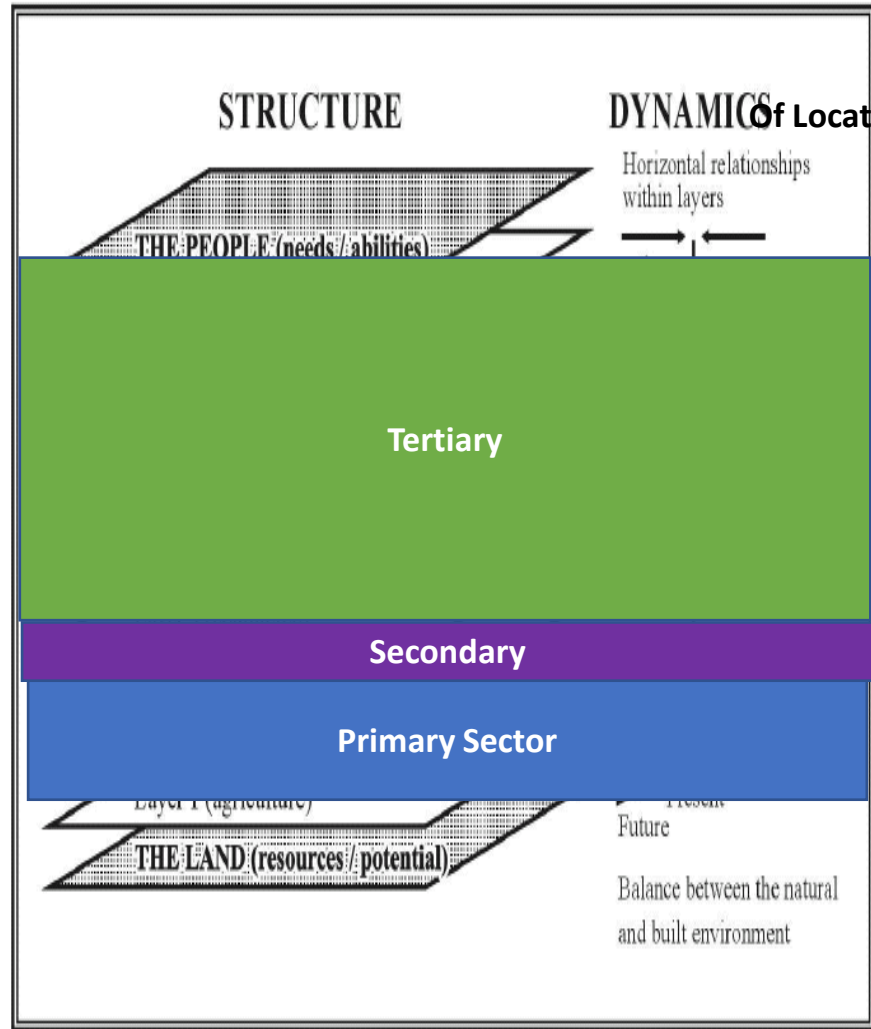
Professionals and Managers were more likely than all other occupations to be working from home.

Place of work for persons who did any work by occupation, Q2: 2020

Worked from home | Worked at place of work

Occupation	Worked from home	Worked at place of work
Professional	44,7%	
Manager	40,6%	
Skilled agriculture	32,2%	
Technician	26,5%	
Other	23,3%	
Clerk	21,7%	
Total	17,0%	83,0%
Craft and related trade	12,6%	87,4%
Elementary	9,5%	90,5%
Sales and services	7,0%	93,0%
Plant and machine operator	1,5%	98,5%
Domestic worker	0,6%	99,4%

1
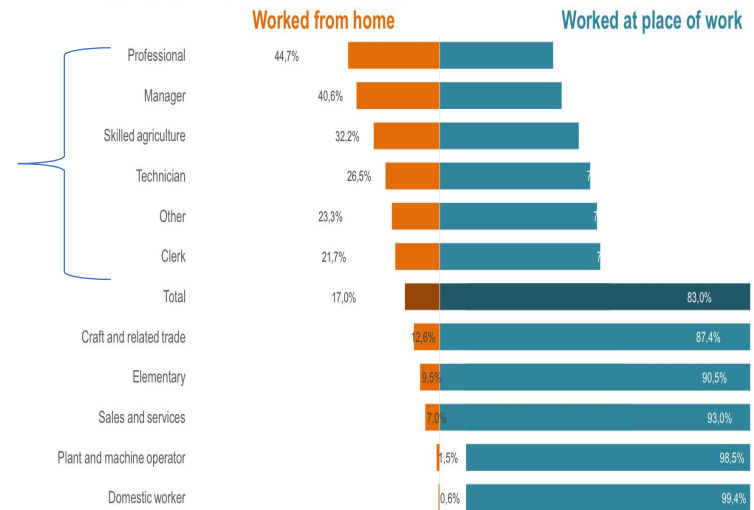
Pre-Conditions For A Capacitated State

- **Scenarios matter because they Define a National Agenda that addresses a Socially Desirable Goal**

- **Translating Scenarios into policies matters because they generate a Compelling and uniting Political Mobilisation towards achieving a Socially Desirable Goal**

- **Quantifying scenarios matters because the Path Towards Impact is Knowable and Discoverable ahead of implementation thus it can be elaborated upon and thus**

  - **Sound choices can be made**
  - **Accountability can be exacted**

- **Embedding scenarios as a necessary condition for public policy matters for consistency of foresight**

- **Capacitating the state functionaries** **in government, private sector, civil society and general public with**

  - **Scenario design**
  - **Econometric quantification through tools of foresight and**
  - **Choice design**

  Should improve the quality of policy choices and create a unified assurance supervisory system

Pre-Conditions: Provision of Raw Data Intelligence (Level 1)

- Post 1994, Stats SA developed the internal capacity to provide raw data intelligence to government and the public. Today, Stats SA collects and makes available extensive economic and demographic data.

- Government and the public have utilised Stats SA data for research, policy analysis, and policy development.

Financial statistics	Labour force quarterly survey	Employment and Earnings	Census	Industry and trade statistics	Price data	Service delivery and poverty	Population profile	Community Survey

PreConditions Provision of Basic Analytical Intelligence (Level 2)

- Beyond data collection, Stats SA has used its statistical database to built a number of basic economic policy tools.

- These tools reflect accounting relationships that underlie the economy's current structure with significant detail based on its collected economic and demographic data.

- However, accounting frameworks are unable to forecast economic performance because they are static and do not include dynamic properties of the economy.

| Input-Output Table	Supply & Use Table	Social Accounting Matrix (SAM)	Growth Accounting Framework (GAF)

Deploying Econometric Tools of Foresight Built on Stats SA data

EMA is founded on more than 30 years of experience building economic models for 65 countries and delivering training workshops throughout the world.

This includes a suite of South African models that:

- Built using a wide range of Stats SA time series and household survey data.

- Directly linked to government departments

- Designed to quantify, in a consistent manner, the economic and social impact of diverse national and provincial government plans and policies

- Cloud based system with a user-friendly web-platform.

EMA courses provide learners access to these models and direct hands-on experience.
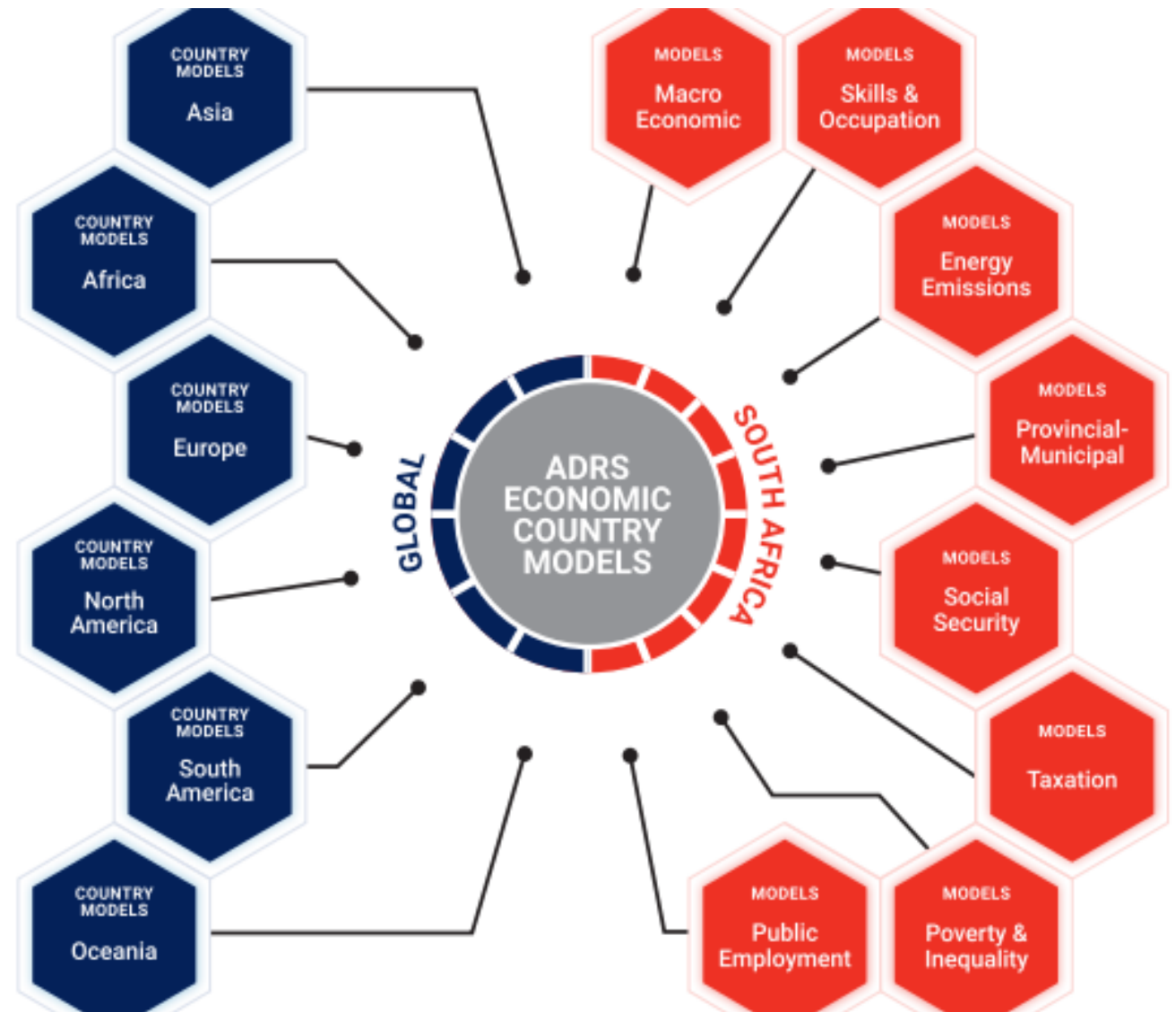
Pre-Conditions Being Intentional in understanding the role of Parliament?

The main functions of the SA Parliament are:

- To check and challenge the work of the government (scrutiny)

- To make and change laws (legislation)

- To debate the important issues of the day (debating)

- To check and approve government spending (budget/taxes)

Precondition – Being intentional in understanding what local authorities need the most?

To effectively and progressively deliver better services over space but to do so they need **knowledge of various social and economic topics**, such as:

- Macroeconomics and budget related issues and policies
- Labour market, skills demand and supply and the 4IR
- Poverty and inequality and role of social protection policies
- Global warming and green economy options and implications

Being Intentional
Translate Socially Desirable Goals through a Politically Compelling and Economicallly Feasible Agenda Legally and, Managing Consequences by Holding the Executive to Account

- A capable state with high caliber public sector personnel is needed to make regular forward-looking assessments for effectiveness of plans and policies to address the challenges and to anticipate the changing needs of the economy due to globalisation, economic restructuring, technological and organizational change, and demographic developments.

- Utilising economic models as part and parcel of regular and systematic early warning systems that employ forecasting, scenario development and other approaches is essential for informed policy design and implementation. However, this presupposes high caliber public sector personnel.

TRANSLATE SOCIALLY DESIRABLE GOALS THROUGH A POLITICALLY COMPELLING AND ECONOMICALLY FEASIBLE AGENDA LEGALLY AND, MANAGING CONSEQUENCES BY HOLDING THE EXECUTIVE TO ACCOUNT

- To support the development of a more capable public sector with innovative tools in their hands, **Economic Modelling Academy (EMA)** provides capacity building in economic analysis and modelling for current and future government officials, leaders and practitioners in South Africa and beyond.

- EMA's goal is to develop high caliber public sector personnel with the capacity to effectively plan, monitor and evaluate diverse national and sub-national policies using accessible economic models.

EMA's initial six certificate programmes

1. Certificate in Multi-Sector Macroeconomic Modelling
2. Certificate in Modelling Provincial-District-Municipal Economies
3. Certificate in Poverty-Inequality Modelling
4. Certificate in Modelling Social Protection
5. Certificate in Skills Demand and Supply Modelling
6. Certificate in Green Economy Modelling

In 1920 Lenin to the Russians could be saying this about us

The first is communist conceit; the second—illiteracy, and the third—bribery.

The First Enemy—Communist Conceit

A member of the Communist Party, who has not yet been combed out, and who imagines he can solve all his problems by issuing communist decrees, is guilty of communist conceit. Because he is still a member of the ruling party and is employed in some government office, he imagines this entitles him to talk about the results of political education.

The Second Enemy—Illiteracy

So long as there is such a thing as illiteracy in our country it is too much to talk about political education. This is not a political problem; it is a condition without which it is useless talking about politics. An illiterate person stands outside politics, he must first learn his ABC. Without that there can be no politics; without that there are rumours, gossip, fairy-tales and prejudices, but not politics.

The Third Enemy—Bribery

Here we have not even an approach to politics; here it is impossible to pursue politics, because all measures are left hanging in the air and produce absolutely no results. A law applied in conditions which permit of widespread bribery can only make things worse. Under such conditions no politics whatever can be pursued; the fundamental condition for engaging in politics is lacking. To be able to outline our political tasks to the people, to be able to say to the masses what things we must strive for (and this is what we should be doing!), we must understand that a higher cultural level of the masses is what is required.