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CABINET RESHUFFLE

Reorganising state departments a laborious and expensive exercise

International experience advises caution and there needs to be a business case and cost-benefit analysis

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In announcing his cabinet in May, President Cyril Ramaphosa spoke of efficiency, greater coherence and better co-ordination as the motivations for reorganising government. On the surface these are all good objectives, especially for a country in desperate need of policy coherence, faster economic growth and greater social development. However, caution is called for because international experience with reorganising governments isn't great, and neither is SA's own.

Ramaphosa's announcement and approach to the reorganisation of the government already contains the very pitfalls international experience cautions about. The biggest is a lack of a clearly articulated rationale and business case for reorganising government.

The president has combined 14 ministries into seven. He has also added new responsibilities to two other ministries — infrastructure to public works and employment to labour. The net effect is that the number of honourables is cut down from 36 to 28. This happened in addition to 2018's combination of the ministry of communications with telecommunications & postal services. There is no clarity yet as to whether these combinations will cascade down to departments. The announcement referred to ministerial portfolios, meaning the seven departments have only lost their political heads but retain their directors-general.

The easiest part in reconfiguring government is announcing it and issuing a proclamation giving legal effect to the changes. Before you can say "Gedleyihlekisa Zuma is my daddy", a ministry's portfolio has been cut or expanded, or a new ministry created or shut down. The more difficult part is delivering on the objectives, which for Ramaphosa are creating greater coherence, better co-ordination and improved efficiency.

Zuma's reconfiguration of government in 2014 promised the same, "to create a capable state that will implement the National Development Plan, respond to the current challenges and speed up service delivery to improve the lives of all people who live in SA". Of course, this was a cruel joke, as we now know.

The 2014 reconfiguration brought us the department of small business development and its political head. Five years after its birth it had not yet learnt to walk properly. Nor could it utter a coherent sentence beyond a child-like gurgle.

Graphic: DOROTHY KGOSI Pictures: THE TIMES/ANTON SCHOLTZ, 123RF/WAEL ALFUZAI and LE MOAL OLIVIER

It was only on April 5 2017, three years after the department's creation had been announced, that officials of the departments of public service & administration, small business development and monitoring & evaluation met to discuss the new department's service delivery model and proposed organisational structure.

A year later, public service & administration officials told parliament the service delivery model had been finalised.

According to a Parliamentary Monitoring Group report, an official told parliament in April 2018 that it took a minimum of three to five years to get a new government department up and running. To get a business case approved for the new department took 12-18 months.

Zuma's other creation, the department of economic development, has also been shut down, 10 years after its birth. Led by a very energetic Ebrahim Patel, its gravestone will have little to say, except perhaps its date of birth and death. As its unofficial acronym (DED) suggested, it was a case of a mortality foretold.

SA's experiences with reorganising government are not that dissimilar to those of other countries. Take the UK, partly because it has over the past 38 years been rather active in reorganising its government. Also, these reorganisations, their successes and failures, are well documented.

A 2010 report by the national audit office (NAO), the UK's auditor-general, concluded that central government bodies were weak at identifying and then delivering on the benefits they hoped to gain from reorganisation. They talked of the benefits in broad terms without a clear explanation of the expected benefits. This made it difficult to evaluate the costs of the reorganisation against the benefits, or to show that the benefits of the reorganisation were achieved at all.

The NAO also concluded that the value-for-money proposition, which is often put forward as one of the reasons for the reorganisation, could not be demonstrated. The costs, however, were "far from negligible".

Between May 2005 and June 2009 the UK did 90 reorganisations of central government departments and their arm's length bodies — those that deliver public services but don't fall under a ministerial government department. The NAO estimated the gross cost of the 51 reorganisations it studied at £780m (more than R14bn at current exchange rates), about £15m per reorganisation.

The NAO added that big reorganisations took two or more years to complete and for their benefits to be seen.

Another study, by the UK think-tank Institute for Government, also published in 2010, found that the most effective changes to the machinery of government in the previous 30 years had been those motivated by the need to adapt government departments "to meet long-term policy and administrative goals".

However, long-term governance arrangements were seldom the primary motivation. Rather, changes to the machinery of government provided the head of government with an opportunity to make changes to the cabinet, reward political allies and signal new priorities to voters. Ramaphosa's announcement appears to toe the same line. Changes to the machinery of government were often announced at short notice, usually poorly managed and, as the NAO attested, always costly.

The institute recommended a number of changes. These modifications include a requirement that a detailed cost-benefit analysis of the proposed changes be done and a business case developed for consideration by the relevant parliamentary committee. Thereafter, parliament could vote on the proposed changes before they come into effect. The institute pointed out that these adjustments wouldn't prevent the prime minister from making well-prepared and properly considered changes. They would, instead, improve the executive's accountability to parliament and the public.

SA's experiences under Zuma clearly point to a need for a business case and a cost-benefit analysis of any proposed change to the machinery of government. Such analysis would, for example, have shown the costs and benefits of creating a new department of small business development versus focusing greater energy on improving the performance of the department of trade & industry's small business unit.

The best gift Ramaphosa could give SA now is to change the process for reorganising government by, among other things, creating greater transparency and enabling more scrutiny of the rationale and a business case for changes to the machinery of government.

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