



Tito Mboweni

even if it is in the “outer years” of the medium term (or to put it another way, in 2024). But the state accounts are not where the grunt work of recovery happens. The grunt work happens on shop floors and through infrastructure development, and here the president is well behind in his own plans.

Partly, this is down to pure chaos. A good example is the extension of the N2 toll road on the Wild Coast. One of the bridges required crosses the Mtentu River between Port St Johns and Port Edward; the Austrian contractors Strabag walked off the job because of harassment by brigand builders looking to muscle in on the work. When meetings were called, the gangs arrived with AK-47s slung over their shoulders and pangas in their belts.

These gangs have since been accommodated but there is now litigation and no contractor wants to risk getting involved. The nearly 250m-high footings of the bridge require concrete to be poured nonstop for weeks at a time and any disruption would require work to begin again.

There is simply no appetite for this nonsense.

The government does not have the money to fund its R700bn infrastructure programme and needs private sector “partnerships”. The finance sector, naturally, is keen. But take-up on the many projects in the programme is spotty at best and there have been few official public announcements. Actually, there have been pre-

cisely none.

Ramaphosa risks an epitaph reading: “He had the opportunity but he never found the time.” Mboweni and the president have started something called Operation Vulindlela (Operation Open Up) to try to convert promises into action. The sale or auction of digital spectrum promised by the end of next month and promised again by Ramaphosa in his state of the nation speech just 10 days ago, has now been pushed out until the very last day of March. And this is with a communications minister the president can bully.

Of other recent promises to open new renewable energy bidding windows early in the year, and to procure emergency power for the grid from the private sector, one hears little. Certainly not from Mboweni in his budget speech. That’s because the minister of mineral resources & energy, Gwede Mantashe, does things at his own pace, thank you very much.

And he’s not so crazy about all this renewable stuff.

Given the opportunity during the Covid crisis to craft a new and dynamic economy capable of growth, Ramaphosa has largely blown it, leaving it to a tough unionist, trade & industry minister Ebrahim Patel, to breathe life into the country.

But Patel is the wrong guy dealing with the wrong proposition – economic growth. His ideal, shared by Ramaphosa, is to use the pandemic as an opportunity to change the colour of the economy and grow it at the same time. It won’t

happen that way, not unless they get really lucky and, as has happened in the past, strong growth in the global economy drags us along with it.

Both Patel and Ramaphosa should read the paper produced late last year by Michael Sachs, the Left-leaning Wits University academic and former director of the budget office in the National Treasury.

“Government believes growth can be revived through a renewed commitment to public infrastructure investment,” he wrote. “Without action to restore the regulatory, policy and institutional weaknesses that have debilitated the public sector, this approach is unlikely to succeed.” (See my N2 example earlier. Where were the police?)

“Achieving these reforms on the other hand will take time and political effort,” Sachs said. “In the short term then, the inertia blocking a resumption of growth can only be overcome with private investment in the lead.

“This will require policy commitments that back a stream of profit that is large, credible and long-lived enough to justify the upfront commitment of significant private resources. Such a move is unlikely to be popular, but the alternative is to allocate an even larger volume of public resources as guaranteed income to private capital in the form of debt service costs, in exchange for a pipeline of state-mediated mega-projects.”

And that’s the petard upon which Ramaphosa has hoist himself. He wants growth that will create jobs but he cannot have a conversation with the ANC about first creating employers. He cannot introduce the immigration policies that would allow a million immigrants to live here productively and create five jobs each. He cannot allow business to be seen to be leading, or the market to be right. Whatever he does has to be state-led, in some cases right down to controlling the prices of goods that result from his policies.

It is going to be a poor economic record but Ramaphosa will survive it. No-one in the ANC is criticising him from the centre or centre right. And the Left is all over the place, both inside and outside the ANC. The president is a much luckier man than some of our public thinkers would like you to believe. Don’t be afraid.

In the end though, even with a second term, he may have to be content with breaking the once uninterrupted flow of corruption inside the state *by* the state. Even that is a job yet to be properly done. He may have to walk away from meaningful, energising reforms. He simply doesn’t have the ministers in his corner to do it.

He wants to go down as a reformer but he may have come to the job a little too early. ✕