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COLLABORATION

# A capable state: from fragility to opportunity

Business ready to invest but government must commit to reform and delivery

By BUSI MAVUSO

A capable state is foundational for economic growth and the realisation of the constitutional promise that underpins our democracy. For business it is the difference between an environment of opportunity and one of perpetual risk.

Is the concept of a capable state still only a future ideal in SA? Or are we making real progress towards meaningful improvements in state delivery? As we mark the passing of the first anniversary of our government of national unity (GNU) it is worth reflecting on the distance still to travel towards building a truly capable state.

A capable state delivers efficiently and transparently on its mandate. It provides effective public services, fosters economic growth and upholds the rule of law. Its institutions are robust, its policies are clear and its public servants are accountable.

It is common cause that SA has struggled with state capacity for too long. This has manifested in slow and substandard service delivery as well as policy uncertainty, which together have eroded public trust. The GNU was always going to test whether our political system could rise to the challenge of renewal.

Looking back over the past 12 months, the GNU has delivered some early wins that are worth celebrating, with several ministries shifting the dial on progress. For instance, home affairs minister Leon Schreiber has cleared the visa backlog, which cost the country dearly in lost tourism and skills. Months-long visa processing times have shrunk to weeks, which has opened the door for much-needed talent and investment. At Transnet, private sector partnerships are finally emerging in port and rail concessions.

## Making headway

Meanwhile, trade, industry & competition minister Parks Tau has sparked the necessary debate about the Competition Commission's role in enabling foreign direct investment (FDI) in SA, highlighting the need to find a balance between attracting FDI and ensuring it benefits the country. In another boost to potential FDI flows, public works & infrastructure minister Dean Macpherson held a successful symposium in May where he highlighted seven bankable projects.

While he still has a mountain to climb, electricity & energy minister Kgosisi Ramokgopa is making headway on addressing municipalities' debt to Eskom – Johannesburg has committed R3.2bn to Eskom over the next four years. Basic education minister Shiwu Gwarube is making strides in early childhood development, which is crucial for SA's future, affecting individual wellbeing as well as societal and economic prosperity.

These successes represent a step change in how the government operates and how it partners with business. The quarterly business-presidential meetings now demonstrate genuine collaboration, with tangible outcomes that matter for the economy. The GNU has played a crucial role in holding the government accountable for building state capacity and through business-government collaboration we have seen the green shoots of reform in key areas. The government's willingness to contract world-class IT suppliers is a sign it is starting to prioritise efficiency over patronage.

However, the GNU's founding objectives of



Illustration: KAREN MOOLMAN

job creation, economic growth and sustainable development remain aspirational amid a landscape of modest progress. Collaborative frameworks show promise, but execution gaps and coalition instability threaten outcomes.

For SA's economy to achieve the 3% growth the government seeks it is essential we fix the basics to create a more conducive investment environment over time. The high unemployment ratio, particularly among the youth, remains a crisis.

## A capable state delivers efficiently and transparently on its mandate

SA saw job losses in early 2025, despite the second phase of the government-business partnership targeting 470,000 new jobs through energy, logistics and anti-crime reforms. Persistent service delivery failures and corruption erode trust in the GNU's ability to deliver its objectives.

Business is supporting the government in certain areas to assist in addressing unfulfilled deliverables.

Sprint targets have been introduced, focused on implementing solutions for economic growth and reform within three months, particularly in the context of the GNU and Operation Vulindlela. Phase two of the Vulindlela initiative, focused on local government reform, is a priority, and Business Leadership SA is involved in supporting several of its workstreams.

Complicating the outlook is the stability of the GNU. It has navigated deep differences on everything from fiscal policy to industrial strategy. But while there is broad alignment on the need for structural reform, particularly in network industries and Vulindlela, the lack of robust protocols for managing disagreement has created uncertainty. Indeed, recent tensions have undermined investor confidence.

If we are to build a truly capable state, the GNU must accelerate progress in:

- Policy coherence and stability. Investors and citizens need confidence that policies will be transparent and consistent. The latest iteration of the Mineral Resources Development Bill is a case in point: it compounds regulatory uncertainty rather than providing the clarity needed to attract investment, among other legitimate critiques.
- Execution at all levels. While national

reforms are important, the real test of state capacity is the average citizen's lived reality at municipalities, schools, clinics and police stations. To turn around failing municipalities and deliver basic services will require a relentless focus and partnership with business.

- Skills development and public sector reform. SA's skills pipeline remains a bottleneck. Sector education & training authority reforms

and the push for merit-based appointments in the public service must be accelerated. Our public sector must become capable of attracting and retaining talent and holding underperformance to account.

Despite the successes outlined, there are also grounds for utter dismay. I refer to the recent assassination of Ekurhuleni corporate & forensic audits head Mpho Mafole, who had been appointed to lead the city's anti-corruption efforts just three months before his death. He was tasked with investigating financial misconduct within the metro, including a major electricity billing scandal that reportedly cost the city more than R2bn.

As part of his work Mafole had recently submitted a charge sheet implicating several metro employees, some of whom were already suspended for their alleged involvement in the scandal. How successful are we really going to be in attaining a capable state if those who try to do the right thing continue to be under siege?

## Equally committed

Business is clear: we want to partner with the government to build a capable state. However, this requires more than sentiment. It needs a predictable policy environment, reduced red tape and a firm stance against corruption. Business is ready to invest in infrastructure and skills, but we need a government equally committed to reform and delivery. I remain optimistic, provided our political leaders choose collaboration and political maturity over conflict, and only if we build on the partnerships established between business and the government and commit to unwavering execution.

When President Cyril Ramaphosa announced the GNU on June 24 last year he addressed the nation with a strong commitment to unity and service, emphasising the importance of putting the country first, rising above political differences and honouring the trust of South Africans, saying: "We dare not squander this moment. We dare not squander the goodwill of the SA people. We dare not allow petty squabbles to get in the way of the urgent task of building a better SA for all. We must put the country first and we must work together for the good of all our people."

This captured the spirit of the GNU and set the tone for collaborative governance, prioritising national interest over party politics. Without this, job creation and growth will remain elusive and SA's capable state ambitions will falter.

—Mavuso is CEO of Business Leadership SA.