

SONA – was this the state of the nation or our dream for the nation?

Shortly after the State President delivered his State of the Nation Address (SONA), Agbiz and other business organisations released press statements welcoming the pragmatic and business-friendly tone of the speech. Since that day I have picked up a general frustration pervasive in society that can be summarised as follows: These words are nice, but where's the implementation? This is a fair question, herewith my key takeaways from the State of the Nation address:

Government does not create jobs, businesses create jobs

When the President voiced these words, it drew audible cheers and jeers from the gallery. Unfortunately, the camera didn't show us who were cheering and who were jeering but it such an emphatic statement on ideology that it was always going to ruffle some feathers. Despite the existence of overarching policy documents such as the National Development Plan, there has always been policy makers who favour government playing a passive role in creating an enabling environment for business as well as those who see a more direct role for Government to control the economy as the developmental state. In many ways these ideologies are incompatible with each other and the South African statute book is littered with examples of both ideologies. It has often been said that the ruling party is a 'broad church' that caters for varying ideologies. That may be so, but as far as the official, government policy is concerned, the President's statement was a clear endorsement of the 'enabling-environment' ideology. Make no mistake, this was exactly the type of bold statement that many have been calling on the President to make and it should send a clear signal to potential investors that South Africa is open to business.

The speech was aimed as much at government as the public

References to policy alignment, improving the ease of doing business, partnerships and reducing red tape may be music to business' ears but it can also be seen as marching orders given to government itself. In a perfect world, there would be policy alignment between all government departments and different spheres of government but we do not live in a perfect world and I am not aware of any government that does not battle with this issue. We have heard similar calls from the President before but there is one critical difference.: Instead of nudging government colleagues to follow the blue print laid out in policy documents, the President announced the creation of a policy unit within the Presidency to eliminate unnecessary red tape. It seems as if the Presidency is ready to play a more active role vis-à-vis other government departments.

Not all policy is set at the top

The South African state is a complex animal and the Constitution reserves certain policy functions exclusively for provinces and municipalities. We may not have a true federal structure like the USA has, but many of the decisions that affect businesses on a day-to-day basis fall within the realm of municipalities and provinces. For the business environment to truly change, municipalities and provinces have to buy into the President's vision. Mere days after the SONA, I was shocked to see the SAPS harassing informal traders and confiscating

their stock next to road that leads to our offices from my home. These entrepreneurs are denied the right to make a living for themselves merely because they do not have a hawkers' licence from the municipality. Clearly the president's vision does not 'trickle-down' overnight.

Partnerships are forming, but patience is required

There is no doubt that partnerships are needed to assist some of the state-owned entities to deliver public services. Aspects such as the energy crisis and an ailing logistic infrastructure network is already straining our economy. The frustration is palpable and who can blame a producer for being sceptical when they struggle to get produce to international clients on time? The question we should be asking ourselves, is whether business and government have the same understanding of a public-private-partnership (PPP)? Does a PPP imply that the state is willing to privatise critical infrastructure or hand over operations? It is a question worth asking. Perhaps we can take a cue from the announcement that Transnet has established a special purpose vehicle for the ports of Durban and Ngqura to consolidate investment from private sector, international stakeholders and the workers who operate the ports. Is this what is meant by a PPP? Perhaps, perhaps not. But at least the conversations are now taking place. Afterall, partnerships are always negotiated.