

Government and private sector after 20 years of democracy

 By [Brett Bowes](#)

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We are enjoying 20 years of democracy so it is a good time to take an objective look at transformation as a partnership between government and the private sector.

In the year that South Africa celebrates 20 years of democracy we have an opportunity to objectively assess our progress as a nation in terms of transformation.

Since 1994 we have made great strides forward. There has been an increase in service delivery that is seen in the statistics: 93% of households have clean drinking water as opposed to 62% in 1994, and 84% of households have electricity as opposed to 36% in 1994. BEE codes and industry charters have made a significant difference in the distribution of wealth in the country which can be seen in the growth of South Africa's black middle class. According to the report, *4 Million and Rising*, published by the UCT Unilever Institute of Strategic Marketing, South Africa's black middle class has more than doubled over the last eight years, growing from 1.7-million South Africans in 2004 to an estimated 4.2-million in 2012.

Protests peak

However, at the same time as we have more black than white middle-class people emerging, we also have a peak in service delivery protests with large portions of the population demonstrating their displeasure with the progress of transformation - statistically, the majority of black and coloured communities still have yet to fully feel the social and economic benefits of transformation. This has a lot to do with the legacy of "Bantu Education" left by apartheid, but we have to face the facts that our progress since then has been less than spectacular. We have achieved "access for all" objectives, but have failed the quality test as a nation. Only when we have an educated and confident working population will we experience the growth in the economy required to achieve the objectives of the National Development Plan (NDP).

Government has much work to do.

However, as responsible participants in our own future, the private sector would be remiss not to bring its considerable power to bear on the educational solution. Sitting back and waiting for government to fix the situation, or pointing fingers is simply counter-productive - we simply don't have the time. The private sector has a crucial role to play in transforming South Africa.

There is much written about the lack of faith and trust between the private and public sectors - there is also talk of the lack

of meaningful leadership in both sectors. And therein lies the real challenge. South Africans have achieved some remarkable achievements. Where are the responsible leaders who will stand up and be counted to solve this problem?

Where are the leaders?

"The NDP talks about active citizenship, which is the need for society to get involved in uplifting the country and what individuals, corporations and the private sector as a whole can do to work alongside government. And government has recognised that it cannot do everything on its own; that it requires partnerships with people and institutions who want to get involved in improving our society.

"National priorities like education will need the whole nation to come together to find the best solutions," says Sizwe Nxasana, CEO of FirstRand Bank and Chairman of the National Education Collaboration Trust (NECT) and co-incidentally the Chairman of the Thuthuka bursary fund (TBF).

This active citizenry can be seen in the education transformation pyramid. At the bottom of the pyramid we have basic education being transformed with the help of NECT, a collaboration between government, labour and the private sector. According to Nxasana, "The aim of NECT is to improve education, from Grade R to Grade 12, over the next ten years, so that in ten years' time at least 90% of our schools are performing, not a third as it is now. We aim to have 450,000 Matrics passing core mathematics and science with the grades to get them into university every year, instead of the 120,000 we have at the moment."

Creating tomorrow's leaders: SAICA's role

The second tier of the pyramid has to do with the transformation of tertiary education driven through initiatives such as the Thuthuka Bursary Fund (TBF) within the chartered accountancy sector, an initiative by the South African Institute of Chartered Accountants (SAICA), in partnership with government and private sector donors, that identifies African and Coloured learners with an aptitude for mathematics, then funds and mentors them through university and on to qualification as chartered accountants. In this tier we also have significant cooperation between SAICA and FET colleges where the greatest growth in tertiary education will happen. Also at this level, an additional SAICA controlled project, AAT(SA) aim to create functional accounting skills for both the public and the private sector in significant numbers. SAICA are busy working with the department to ensure high level accounting and governance happens in all FETs

The Auditor General Thembekile Kimi Makwetu agrees, "Transformation can no longer be debated, but it's important to curb the trade-off between transformation and capability. We believe that by enhancing oversight and governance in the public sector our office can significantly contribute to the process." He continues, "The AGSA workforce is becoming younger as we accelerate our trainee auditor's programme. We are actively working with SAICA's Thuthuka Bursary Fund to ensure an adequate flow of black trainees into our organisation. These youngsters will move into public and private sector and will contribute significantly to the economic growth of the country. Professional bodies have an enormous role to play in the development of skills for our country within our particular areas of expertise. When you create professionals you create a very strong middle class which enables the growth of the economy and the country."

The harsh reality

The harsh reality is that big business has not yet fully understood their role in transforming this country. "I generalise here, but many just want to write a cheque and hope the problem goes away. In actual fact, long-term sustainability lies in proper partnerships between government and the private sector in order to develop priority professionals," says Chantyl Mulder, Senior Executive: Professional Development, Transformation and Growth, SAICA.

There are other phenomenal examples of companies and some public sector organisations meeting the transformation and skills challenges head on and making them work. The motor industry in South Africa is achieving quality awards on global basis with methodologies that are more labour intensive than anywhere in the world. They achieve this by taking educated people and then giving them intense on-the-job training to bring them to the necessary level that they need to be functioning

at.

The chapter 9 Auditor General's office is another. It has a fierce reputation for ensuring that municipal, provincial and central government departments are held to the highest standards in terms of Governance and Accounting and reporting standards - and they do this with strict adherence to transformational targets. Compromise is simply not an issue. In fact the Auditor General's office was a co-founder of SAICA's Thuthuka programme, thus enabling its own sustainability in a high level collaboration with the private sector.

An excellent case study

KPMG, led by Moses Kgosana - the first African CEO at any of the Big Four firms, is an excellent case study in showing that there needn't be a trade-off between transformation and capability. "Whenever quotas are introduced - even in sport - there's always an assumption that this means a compromise on competence. Why can't we have both? We need to address the skills shortage, so that 'transformation' doesn't automatically mean 'trade-off on capability'. We can't ignore history; apartheid education has left us with major skills shortages, particularly amongst the African population. You need to recognise the imbalances, and include developmental intervention in everyone's career plan. We need organisations like KPMG to have a clear requirement of skill sets in succession planning and career planning," says Kgosana.

The smart companies out there are not short of skills - they are developing their own skills and in addition are creating and supporting programmes like NECT and TBF. These companies understand the future value of transformation in building a strong future for South Africa and are going beyond the ticking of boxes to make a real impact. Herein lies the potential for the private sector to contribute to the transformation of the country as a whole so that when we celebrate 40 years of democracy we do so as a strong, skilled and educated nation with a vibrant economy.

ABOUT BRETT BOWES

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