

AFRICAN NATIONAL CONGRESS



National General Council Discussion Document

Transformation of State and Governance

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A. Introduction

1. The 52nd National Conference of the ANC, held in December 2007, provided an important platform for our movement to confirm a mandate for matters relating to transformation of the state in particular legislature and governance. The upcoming NGC will also provide a platform for evaluation of progress, consider and adopt key resolutions that will take forward our objectives of the NDR.
2. ANC is committed to consistently improve the role played by the legislative organs of the State as tribunes of the people and as platforms to monitor and advance the programmes of change. This paper attempts to contribute to the NGC debate on the Transformation of the State and Governance within the context of a developmental State.
3. The central task of the ANC is to build a developmental State with the strategic, political, economic, administrative and technical capacity in pursuit of the objectives of the National Democratic Revolution. It is this task that the NGC must assess and propose recommendations that will qualitatively improve the functioning of the ANC in Governing the State.
4. Critical functions that arise from this task derive from the theory of the National Democratic Revolution and its impact upon the transformation of the State and Governance and in particular the ongoing re-organisation of the powers and functions of the State.
5. For this to be successfully achieved on through ongoing assessment and evaluation of progress, clear responses aimed at strengthening all spheres of government and mass popular participation in the programmes of the ANC and government is essential.
6. Whilst the 52nd National Conference provided the political thrust, the tasks that emerged are to do with translating policy; legislation; the economy and social relations into key drivers for delivery and meeting the needs of both the people and the objectives of the NDR.
7. Our construction of a Developmental State must be informed by the Strategy and Tactics document of 2007, our 5 year policy priorities as outlined in Medium Term Policy Framework (2008) and equally what we have historically envisaged as our long term vision

of the nature; character and role of the State. This is what must guide the building of a National Democratic Society and what must influence tasks and functions we assign in the Transformation of State and Governance.

8. In carrying out these tasks the entrenchment of a culture of efficiency, honesty, transparency and humanism and of rooting out corruption must take place.
9. All of this will not be achieved unless the masses of our people are centrally involved in this transformation project and are the direct beneficiaries of this transformation.

B. Attributes of the developmental state arising from Polokwane 2007

10. In 2007, for the first time in its history the ANC (in S&T) defined and articulated its understanding and vision of the key attributes of the South African developmental state.

Four key attributes are defined:

- ***“The first attribute of a developmental state in our conditions should be its **strategic orientation**: an approach premised on people-centered and people-driven change, and sustained development based on high growth rates, restructuring of the economy and socio-economic inclusion.***
- ***The second attribute of a developmental state should be its **capacity to lead in the definition of a common national agenda** and in mobilising all of society to take part in its implementation. Therefore, such a state should have effective systems of interaction with all social partners, and exercise leadership informed by its popular mandate.***
- ***The third attribute should be the **state's organisational capacity**: ensuring that its structures and systems facilitate realisation of a set agenda. Thus, issues of macro-organisation of the state will continue to receive attention. These include permutations among policy and implementation organs within each sphere, allocation of responsibilities across the spheres, effective inter-governmental relations and stability of the management system.***
- ***The fourth attribute should be its **technical capacity**: the ability to translate broad objectives into programmes and projects and to ensure their implementation. This depends among others on the proper training, orientation and leadership of the public service, and on acquiring and retaining skilled personnel.”***

C. Transformation of the legislatures

Strategic Orientation.

11. The key question is what is the nature and character

of the legislative system that we require to realize a developmental state.

12. ANC policy derived from an analysis of the objective socio-economic conditions that confront our people on a day to day basis, have to be translated into Legislation in order for there to be meaningful change in the lives of our people. This therefore locates Parliament, the Provincial Legislatures and Councils in strategic positions to ensure that policy takes root and does contribute to the changing of people's lives. Strategic positioning however must be translated into strategic orientation, a deeper concept, and that can only be done by the ANC. Therefore the Legislatures and the entire legislative arm of the state are to be treated as an activist's forum. The ANC has committed itself to an activist Parliament and Legislatures that puts the interests of all South Africans first, especially the poor, as it performs its constitutional responsibilities as a National Liberation Movement and governing party.
13. The Legislatures must be felt by the people. It must be visible through its representatives and have a meaningful impact upon the lives of the people so that they can practically feel and see in practice the concept of "the People shall Govern" that the Freedom Charter spoke of in 1955. To achieve this we must have a "Peoples Parliament" and Parliamentary Constituency Offices that are used as springboards for community outreach work. These offices must be the hubs for advice, the engine rooms for discussion and centres where communities can receive literature and information become informed and politicised and be prepared to go back into the community to serve the people qualitatively better prepared.
14. The Legislative arm of the State must ensure through its oversight and legislative role, that there is a speedy roll out of basic services to the people by passing appropriate legislation that speaks directly to the needs of the people and will directly benefit them. It further ensures this through its oversight work, working with the Executive and ensuring that the Executive execute both the Constitutional mandate and Political mandate they have, to better the lives of our people.
15. A conscious Legislature is one which understands that oversight is a continuous act in which there is a reinforcing working relationship between the Legislature and the Executive, ensuring that ANC government policies and programmes are implemented effectively and efficiently, that decisions that are taken and legislation that is passed must result in the better life for all.
16. Legislatures are the arena in which the battle of ideas must take place between the political parties. Legislatures by definition are a forum of debate and of engagement. The battle of ideas and the contestation of ideas is a reflection of a deeper struggle for the correct ideological and theoretical direction that the State must be driven, to realize the expressed interests of the people especially the poor. This means that an activist Legislature driven by the ANC must prepare for the battle of ideas and be adequately equipped to do so by the ANC.

Capacity to lead in the definition of a common national agenda

17. Legislatures by their very nature are nation building institutions. They capture the diverse cultures, religions and political persuasions, and the differences in social and economic conditions of the people. They stand amongst various

political forces that are in contestation for space to politically exist and to control the national resources. Legislatures must provide a meaningful platform for the representation of this diversity.

18. Ensuring popular participation in the processes of change, strengthening institutions and practices of popular participation, and encouraging efforts to build and enduring people's contract based on the ANC 2009 Elections Manifesto are central over the next five years
19. The democratisation component of the NDR specifically speaks to the super structure of the State. It speaks to how the superstructure needs to be radically transformed to reflect the interest of the masses of people who are poor and unemployed.
20. Legislatures must act as the voice of the people. It is a central institution in the advancement of both representative and participatory democracy. Accordingly, it serves as an important platform for monitoring and advancing the policy programme of the ANC. ANC has the responsibility to improve the role played by this important organ of the state towards building a national developmental state based on the principles of the Freedom Charter and that are enshrined in our Constitution.
21. This involves creating a mechanism to shift the thinking from the narrow extrapolations of the provisions of Chapter 4 of the Constitution to a broader appreciation of the critical role of the Legislatures in the fundamental objectives of nation-building, participatory democracy and the promotion and protection of a liberation movement culture, and how this contributes to the social and economic, Judicial and Governance transformation project of the ANC.

Organisational capacity, ensuring structures and systems realise a set agenda

22. NGC offers through the mid-term review report the opportunity to evaluate the need for a strategic shift in thinking and approach regarding the position, roles and functions of the Legislative Arm of the State in our constitutional democracy. It includes reviewing the nature and role of key political structures/offices; examining the capacity, roles and functions of Members of Parliament; the members of the Provincial Legislatures and councilors so as to reflect the values, interests and objectives of the ANC. This means ensuring that the power relations of the ruling party is felt and respected by parties and officials.
23. This includes re-examining the nature and role of political structures within Parliament to ensure that the policies, values and objectives of the ANC are the point of departure and reference in all parliamentary processes including law-making, oversight and public involvement.
24. Building a strong Parliament and Legislatures will depend on the ANC as the governing party taking a long term

view on the decision making structures and management systems that are appropriate for a "People's Parliament". Reactions to immediate political pressures and considerations of short term political advantage should not be at the expense of long term goals.

25. The point of departure is that good governance, and the realisation of the ANC's political project depends on the development of a "strong" Parliament and Legislatures. This is so because Parliament and the Legislatures play a crucial role in identifying the needs of the people, articulating their experiences and views and thus in determining the national political agenda. As "oversight bodies", they help identify problems of policy failure that require attention and help in overcoming bureaucratic inertia.
26. The long term objectives of the NDR must inform the approach to the key programmes that the ANC must put in place in the legislative arm of the State. One of the key programmes is the transformation of the Legislative arm of the State.
27. Central to this is collective leadership, which means that there must be continuous and ongoing consultations on matters affecting the ANC. It means that the employees of the ANC in the Legislative arm of the State take the responsibility to politically explain and ensure implementation of decisions taken both by the collective, but also Executive and Constitutional decisions. Collective leadership means that leadership skills, experience and knowledge must be shared.
28. A key part of political management is that of managing the inter-relationship between the Legislative arm and the State, the Executive and its Provincial Counterparts as well as corresponding provincial Executive Councils.
29. This calls for the renewal of the political management of the Legislative arm of the State, the governance of its institutions, how it conducts and runs the affairs. This requires that there be regular evaluation and assessment of rules and policies that govern the institutions.
30. This extends to the nature of the discipline that is required in the Legislative Arm of the State. Whippery needs to ensure political and organizational discipline of members, ethical conduct and the reflection of sound qualities that the nation would expect from leadership.
31. With regards to working with broader civil society, Legislatures must have the ability to sustain this work and reach out to sectors which will result in these sectors enhancing the democracy underpinning decisions of that Legislature.
32. The study groups are the think tanks, the strategy and tactic forums for members. Study groups strategize and develop a common approach to a particular issue. It is therefore a continuous process of political education for the Whip in the Study Groups to ensure ANC members analyse, crystallize and develop a common approach and ensure a coherent political approach to a variety of policy issues in study groups, Committees, Plenary's and in their oversight functions.

33. The core function of the Study Group is to do political work on the legislative programme before the Committee, political oversight in respect to matters coming before it, and formulate ANC for the relevant focus area.

Technical capacity; the ability to translate broad objectives into programmes and ensure implementation

34. The political and operational heart of Legislative engagement is through political parties and it is these parties that must be adequately resourced to meet the challenge of rising on a continuous basis the quality and integrity of debate. It is these very debates in Legislative arm of the State which provide for the seeds of policy development and review .
35. Resources should necessarily be resolved through ensuring that we treat the Legislative Arm of the State like the Judiciary and Executive when coming to the allocation of financial resources prior to the drafting of the budget. Parliament cannot be treated as a budget vote like a department.

Questions on the Legislatures

- Is the current legislative system correctly positioned to deliver the interests of the developmental State? If yes what experiences can we learn from this? If not what needs to be changed?
- ANC has called for an activist Parliament and Legislatures. What needs to be done to achieve this?
- ANC Caucus's are central to delivering on ANC policy. What improvements can be made to ensure more effective and efficient Caucus's?
- What type of Cadre do we need in the Legislative Arm of the State; the level of skills; the depth of experience; and the quality of grounding in the organization
- What constitutes good political management and political governance in the Legislatures?
- To what extent are the two Houses of Parliament structured in a manner that it will give effect to the attributes of a developmental state?

D. Provincial Government Review

36. The four attributes of the developmental state must inform the character, nature and systems of Provincial government. Our experience as the ANC over the past sixteen years leaves us to ask the question, have Provinces improved the lives of our people in each Province qualitatively and have they addressed the key socio-economic challenges facing communities in each Province?
37. The Unitary State remains ANC's philosophical orientation and point of departure. Therefore any consideration with regards to the Provinces must be guided by this.
38. The creation of Provinces contributed to a smooth political transition. However, their role remains uncertain.

Specific findings on Provincial Government

39. The Government has undertaken a research on the provincial governments. The research among others highlighted the following;
40. Provinces receive a major share of the division of revenue (43%), with 90% + revenue derived from transfers resulting in weak accountability. Provinces (43, 3%) receive a much larger share of the division of revenue than local government (7, 7%) and just less than National government (48, 9%) in 2009/10.
41. The role of Provinces is uncertain with respect to:
 - Concurrency: Provincial Budgets distort national functions
 - Regional Development – social vs. economic development
 - Contestation over housing, transport, roads and other functions with municipalities.
 - Supervisory role by Provinces over municipalities is under-resourced.
42. Legislative output is limited.
43. Provincial expenditure has achieved redistribution but outcomes, performance and capacity are uneven across Provinces.
44. Provinces that inherited former homelands generally have weakest capacity, lowest per capita expenditure and poorest service delivery records and highest backlogs.
45. Critical is the need for the introduction of a National Legislative Framework for Provincial Government, within the context of a Unitary State, which clarifies and defines its role and function.

46. Findings do not point to a strong case to abolish Provincial Government. Costs of Legislatures are negligible compared to the Provincial expenditure. There is a stronger case to retain, but reduce the number of Provinces. Any changes will require a Constitutional change.

Recommendations

47. Despite the above work done, it is clear and evident that there is a need for an in-depth discussion within the ANC structures on the issue of provinces. The internal debates must define the role and function of a “developmental provincial government”, and define concurrency in the context of national priorities, provincial service delivery, planning and development.
48. The ANC internal discussion must provide a policy framework and a set of criteria for the possible new configuration of Provinces, be it the reduction in the number of Provinces or their being phased out.
49. The review summit on provincial government has been prioritized, the outcomes of summit will be an ANC guide towards a consultative conference.

E. Local government review

50. Local Government has contributed to the achievement of a number of significant social and economic advances, since the ushering in of the new democratic municipal dispensation in December 2000. The majority of our people have increased access to a wide range of basic services and more opportunities have been created for their participation in the economy.
51. Notwithstanding the valuable role that municipalities have played in our new democracy, key elements of the local government system are showing signs of distress.
52. Single tier systems of local government, which will do away with district municipalities, remove the PR system in local government and make all councilors full time;
53. Urgency, prioritization, speed and timing will be important in addressing the critical issues facing local government.
54. There must be focus on the Millennium Development Goals and universal household access to basic services by 2014.
55. The ANC's Manifesto programme for the next five years commits government to build a developmental state; improve public services and strengthen democratic institutions. This is the point of departure for intervening, stabilizing and supporting local government in order for it to fulfill its core mandate.

Challenges

56. The effective functioning of a municipality begins with its political leadership. The overarching question during the assessment process centered on the effectiveness, capability and integrity of the local council political leadership.
57. Key questions looked at the nature and extent of maladministration and corruption and how deep these have been as contributory factors in the negative performance of administrations and councils.
58. To what extent have National Government's universal expectations on local government as reflected in the proliferation of new and under-resourced mandates and functions, contributed to local government failure?
59. Provincial assessments exposed the causal reasons for distress in municipal governance. These were:
 - Tensions between the political and administrative interface.
 - Poor ability of many councilors to deal with the demands of local government.
 - Insufficient separation of powers between political parties and municipal councils.
 - Lack of clear separation between legislative and executive.
 - Inadequate accountability measures and support systems and resources for local democracy.
 - Poor compliance with the legislative and regulatory frameworks for municipalities.
 - Poor communication with communities

 - Role confusion between Mayors; Speakers; Chief Whips; PR vs. ward councilors.

 - Instability of municipal administrations

 - Poor financial accountability
60. Current assessments reveal that party political factionalism and polarization of interests over the last few years and the subsequent creation of new political alliances and elites have indeed contributed to the progressive deterioration of municipal functionality. Evidence has been collected to dramatically illustrate how the political/administrative interface has resulted in factionalism on a scale that, in some areas, it is akin to a battle over access to state resources rather than any ideological or policy differences. The lack of values, principles or ethics in these cases indicates that there are officials and public representatives for whom public service is of no concern.
61. Other social institutions including the media and civil society have also been ineffective in increasing municipal accountability and oversight. There is now a lack of trust in the system by the people. This has been publicly evidenced in the spats of community protests which can be analysed are a reflection of the alienation of the

people from local government.

Questions on Local Government

- What is the state of local government in 2010 and what must be done to restore the confidence of our people in this sphere of government by 2011 and beyond?”
- Are the current initiatives sufficient to deepen the participation of our people in the current phase of the NDR in line with the vision of the “People Shall Govern”?
- We need to revise the electoral process on the nomination of Ward Councilors, which would involve the community in the selection and electing process. What criteria should underpin this exercise?
- What must be changed within the current model of public participation at a local level, i.e. through the present system of ward committees?
- Which policy and structural reforms of local government must be prioritized by the ANC government before the 2011 local government elections and the 2014 national and provincial elections?
- What policy and legislative reforms are required to ensure the recruitment and retention of scarce public sector technical skills across all levels and sectors of government?

F. Intergovernmental Fiscal Relations Framework

62. The challenges of demarcation between Provinces have led to communities demanding to be placed in a Province considered to have greater financial capacity to meet service delivery demands.
63. With any shift of communities across a Provincial boundary will have a significant impact on the allocations of funds in terms of the equitable share formula. The NEC in September 2008 resolved to incorporate Merafong from North West to Gauteng. In anticipation it further called for the NEC sub comm. to review the equitable share formula and propose a new funding model.
64. The model should address the systemic inefficiencies experienced in the past 15 years since the dawn of the new era. These challenges are serious and any interventions aimed at addressing them need to be underpinned by solid and rigorous research on the state of service delivery and functioning of government.

Key recommendations towards a new funding model.

To address the developmental agenda of the government, the following are critical:

- (i) The equitable share formula should be reviewed so that the developmental needs of the people are addressed and respond to institutional dynamics, especially at local government level.
- (ii) The current system of grants should be reviewed and a proper grants-management system should be developed. This proposed governance framework for grants must address effective monitoring, reporting, accountability, impact (outcome-based). There must be a relationship between expenditure incurred and impact on the lives of people. Therefore a framework must be developed so that expenditures are assessed and any allocation of a grant is reviewed annually. Importantly, each grant must have a business plan prepared for it detailing the outcomes to be achieved from spending grant funding.
- (iii) Capacity assessment of both provincial and municipalities should be done in order to ascertain if they are able to deliver according to their mandates, within the context of a developmental state. This assessment could assist in ensuring that there is a clear relationship between a mandate given to a province or municipality and funds allocated. In essence, expenditures must relate to an achievement a policy outcome. Therefore, policy outcomes must inform budget allocations. Where a municipality is unable to deliver based on the constitutional mandate due to lack of capacity and there is no policy change, existence of such municipality must be reviewed. Often local municipalities are too small to be sustainable and therefore demarcation of municipal boundaries must take into account economic factors related to sustainability.
- (iv) An alternative budgeting or a new funding model must be developed that responds to developmental challenges based on clear cost indicators and targets, especially with regard to grants-allocation.
- (v) There must be a process and procedure in a form of a 'guiding framework' regarding cross-boundary municipalities and their institutional dynamics. Such a framework must attend to institutional support given to a receiving province, budgeting processes and expenditure management.
- (vi) Reviewing intergovernmental fiscal relations and the current funding or budgeting within the context of a single public service will have an impact on the current system. Therefore, it is recommended that to have effective budgeting and service delivery plans, there must be one financial year for all three spheres of government.
- (vii) The Intergovernmental Relations Framework Act, 2005 must be enforced to improve coordination between organs of state. Such coordination must aim at improving service delivery through proper planning and budgeting. What is very critical in all spheres of government is the alignment of planning and budgeting processes and human resources within and across the three spheres of government. To improve alignment of planning and budgeting, costing of activities must be a priority all spheres of government.

- (viii) The skills development strategy needs to be revised to allow for adequate funding of capacity building initiatives.

G. Cadreship for a Developmental State

Introduction

65. At a senior level within the public sector, induction and training must be synchronised with the attributes of the developmental state. All training must inculcate the attributes, values and service culture that support the implementation of the ANC's developmental agenda.
66. Such induction and training must be able to produce a policy grounded, analytical and critically thinking cadre whose features include a dynamic ability to carry out the tasks of transforming the public sector and building a developmental state.
67. As part of this process of induction and training is the immediate objective of the development and enhancing of the intellectual capacity of the state;
68. This must include the philosophical and political content of government's developmental agenda in its curriculum;
69. A structured strategic relationship with specific higher education institutions must be developed and where this is already the case, the relationship should be assessment to evaluate whether it is having the desired outcomes as envisaged in this document.

Challenges in Public Service Cadre Development

70. The ongoing transformation of the State brings with it increased demands for improved delivery. The proposals on change in the public sector require new thinking about cadre development. Developing cadres to implement the developmental agenda of the state requires an integrated institutional focus if it is to be effective. The impact of training is limited if it focuses solely on the development of individual competencies. This is due to incongruence between the learning and workplace conditions, as well as an inability, or unwillingness, to practice new skills.

Recommendations

71. Cadre development requires the institutionalisation of appropriate working practices and norms of behaviour. There is a need then to define the training programmes, as well as the institutional structures, systems and processes which provide support. The objective is that developed cadres will help shape and transform the institution of the state.
72. Cadre development that is performance oriented should

include a focus on ethos and practise, institutional development and people development. For individuals, this means developing skills will and space. For organisations, it implies building an appropriate institutional environment, a strong service ethos and the ability to implement.

73. Training must be supported by appropriate recruitment, career-pathing, remuneration, performance management, human resource and organisational strategy. Recruitment should reflect experience, skills, groundedness in the organisation and recruitment from the internship programmes of those who have displayed the necessary willingness and skills. In this regard, recruitment should pay attention to the type of public sector cadre we require, their potential and competency in relation to the vacancy, and their history as employees, etc.
74. For those who are external to the membership of the ANC, special and due consideration must be given. A minimum curriculum must be covered with them which would include the values of the ANC and the theory of the developmental state.
75. A school of governance needs to be established in the country dealing with two main streams, one being the policies of the governing party and the theory and practice of a developmental state; the other stream being managerial and technical.
76. The remuneration system should be configured to reward performance across all levels. All public sector workers should be recognised for good service. Cadres need to be allowed to serve where they most effective for the appropriate remuneration.
77. Cadre development should include all public officials, at all levels of government, including all sectors and agencies, which work at the frontline of service delivery, or as leaders and managers. Whist leadership at the apex of the organisation sets the agenda for change, it is implemented by those at other levels. Cadre development for a transformed public sector cuts across all levels.
78. The state must take direct responsibility for the development of public sector cadres and this will require appropriate resourcing by government and the establishment of an appropriate campus for this purpose.
79. International experience must be studied in particular those countries who developmental agenda is similar to ours.

H. Single Electoral System

Constitutional Context

80. The Constitution, 1996 of the Republic limits the term of office for governments and councils across the spheres to not more than five years. Constitutional acts or primary legislation are enacted by Parliament to confirm five years as the legitimate term of office for political public office bearers. Before 1994, all elections in South Africa, at all spheres

of government, were conducted in terms of wards or constituencies. Schedule 2 of the 1993 interim Constitution made provision for proportional representation for the national and provincial legislatures for the transitional period. Special arrangements were made for local government covering both proportional and ward representation.

81. The 1996 Constitution provided for the 1999 national and provincial elections and the Municipal Structures Act, 1998 (MSA) laid down a permanent electoral system at local government sphere, which was first applied in 2000 and is still being applied. The local government sphere system has Proportional Representation (PR) system, and Ward system. Therefore in a system that includes a ward system representation, an independent authority must delimit the wards as a constitutional requirement. The Municipal Demarcation Act (MDA) was passed to establish the Municipal Demarcation Board (MDB) was established for this purpose.

Government Elections

82. The past 16 years suggests that all the four national and provincial elections held in 1994, 1999, 2004 and 2009 as well as the local government elections held in 1995, 2000 and 2006, do indeed have a profound impact on both the functioning of the ANC as well as the delivery programmes of the state.
83. The staggering of the government elections has proven to be very costly exercise for the ANC. It is estimated that no less than R3.7 billion is used for the running of the government elections. This implies an additional R3.7 billion because elections are held twice in a period of five years. Research show that if one election for national, provincial and local could be held, major costs savings could be made.

Case for Single Election

84. The single election can be defined as the hosting of national, provincial and local government spheres elections concurrently. In practical terms it means the alignment of the Municipal Councils' term of office with the term of office for National and Provincial Governments spheres.
85. The alignment of the commencement and end of term of office for National Provincial and Local Governments spheres will benefit the ANC and government in various ways. The identified benefits in terms of the Local Government Turn-Around Strategy (LGTAS) are that-
 - it would lead to better planning and effective execution of mandates due to common five years Medium Term planning in government;
 - there will be only one Manifesto for each of the political parties across the three spheres for implementation concurrently across the spheres;
 - one financial year for improved budgeting across the spheres; and

- single public service culture may easily be inculcated with a common goal across the spheres which will further lead to more aligned human resources and budgeting frameworks.
86. The low voter turnout challenge which has been observed in local government elections will be addressed when turnout increase due to registered high turnout for previous and recent national and provincial elections and voter confusion and fatigue that may lead to low participation will be minimized. Essentially a streamlined single election system would bring the requisite organizational, institutional and financial efficiencies and benefits required for both the strengthening of the ANC as well as focused attention to matters of service delivery by the state. These include:
- Cutting the logistical and financial costs related to managing two-phased- elections. Single budget cycle across all the spheres of government leading to savings to taxpayers by reducing election administrative costs;
 - Redirect the resources saved towards improvement of service delivery;
 - Streamline management of list, lobbying and election campaign processes;
 - Ensure focus on organisational renewal programmes including recruitment, political education, maintenance of discipline values and culture of the ANC;
 - Potential for conducive stable government and governance which lead to more stable decision making framework which will provide greater opportunity for long-term planning and maximization of alignment of decision-making of the government across the spheres politically, administratively and otherwise;
87. Holding a single election will allow ANC to spread its best cadres in all spheres at once and thus improve its capacity to deliver services through the three spheres of government.
88. It needs to be emphasized that bringing to an end separate local government in no way weakens contact with the masses if our constitutional structures are rooted in communities and carrying forward our programmes. Organs of “people’s power” were never a substitute for electoral processes. Rather we must ensure that we deepen these organs of people’s power and participation in governance and those matters that directly affect their lives.

Recommendation

- The matter requires further discussion and broader consultation with other ANC structures such as the elections teams and a development of detailed recommendation.

I. Governance and the Role of Parastatals

89. The government parastatals should be anchored around the key attributes of the developmental state. The strategic orientation and technical capacity are the most crucial. The governance and management of this parastatals must be grounded and firmly reflect the agenda of the developmental state.
90. The ANC must play a central role in framing the new mandate, governance and management of the key state parastatals. The task to define parastatals strategic mandate in a comprehensive manner is imperative, and definitely required. However it must reflect the attributes of the developmental state and the ANC must lead and guide this task.
91. The Parastatals has undergone changes in the context of policy and legislation and that has led to transformation at both a structural and functional level. This has been characterized by restructuring events at the level of the departments that play an executive authority role and the board of the entities. Among others the restructuring has also triggered privatization and selling of some on the state assets.

Strategic orientation through the Generic Mandates

92. The generic mandates represent the broad definition of the ultimate objectives of parastatals, their roles and responsibilities. The strategic nature of the parastatals and their relation to the developmental state must be articulated in the mandates. The generic strategic objectives of the entities are:
 - a. **Economic Growth:** Growing the economy by investing in specific sector infrastructure, supporting local industries, and provision of world class infrastructure and technologies.
 - b. **Infrastructure development:** The entities are critical for the expansion of the economic infrastructure. The large scale infrastructure investment.
 - c. **Job creation and Skills development:** The parastatals are crucial in creating direct and indirect sustainable jobs in their specific sectors.
 - d. **Industrialisation:** The massive capital expansion programme in the key sectors such as electricity and transport launches a new era of industrialisation.

- e. **Sector transformation:** The economic empowerment and supporting local industries in key for the sector transformation.

Governance of parastatals

- 93. Government must ensure that Parastatals respond in a swift and decisive manner to the service delivery needs of our people. Therefore the governance model of the parastatals must be informed by the following key principles;

Public Entity: The broader state and social transformation objectives requires that parastatals remain a strategic public entities with a strategy and planning framework that is both flexible and realistic and seeks to optimally utilize the capacity and resources to remain the core government owned and controlled entities.

Leadership and governance: While confirming the strategic importance of Parastatals, the leadership deployment and governance especially at the level of board of directors and chairpersonship must reflect such. The deployment must be informed in the main by the need to execute the progressive agenda. This covers issues of strategic oversight by the movement, the relationship between movement and the boards.

Political support: The dynamic relations between parastatals and the ANC political sphere will require vision and leadership, as well as considerable commitment to the delivery.

Recommendation

- 94. The need to review legislation that governs the parastatals is crucial to ensure that their role in macro-economic transformation is enhanced. Also the legislation must enhance the governance and management of the entities to align them with the pillars of the developmental state attributes.
- 95. The ANC must strengthen its ability to oversee the work of the SOE, and ensure a coordinated approach by the governance, economic and research structures of the ANC.