



CENTRE FOR
DEVELOPMENT
AND ENTERPRISE

Informing South African Policy

ANNUAL REPORT

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Report from the Executive Director for the period March 2013 – February 2014

During the reporting period, CDE has maintained a high level of published output and of engagement with stakeholders. High-quality publications remain essential for broader public awareness of key policy issues and to give authority to CDE's voice. High level contact with government and business leaders, South African and international experts and advisers, as well as funders and foundations is increasingly the cutting edge of CDE's strategy.

Publications

Between March 2013 and February 2014 CDE distributed a combined total of 26 print and electronic publications. This strong momentum has been carried through uninterrupted since the close of the financial year and will be reflected in the next reporting period. Our publications, which are distributed to 12,000 stakeholders, have generated considerable media coverage and public interest. CDE featured in 162 news articles across 63 media outlets in 2013-4. Reflecting this high media interest, we have had a number of discussions with major-circulation outlets around the publication of future research. CDE's revamped website has had 35,000 unique visitors over the year.

Influence

In the past year we have received numerous testimonies from policy-makers as to our influence.

For instance:

Minister of Finance: *"We need CDE's help on growth and unemployment"*

Minister of Basic Education: *"I want to publicly commend CDE for their valuable interventions"*

Director General, Basic Education: *"Engagement with CDE is always very constructive. The last thing you want is to talk to people who tell you what you want to hear. It's important for us to talk to people who have a critical but constructive stance. . . CDE has really delivered."*

Chairman of Parliamentary Portfolio Committee Home Affairs: *"We want to engage more with CDE. We read your publications and value your input."*

International meetings and visiting experts

In the second half of 2013 I spent two periods as a Public Policy Scholar at the Woodrow Wilson International Centre for Scholars in Washington DC. I took this opportunity to work on the major report for our Democracy Works project, combined with considerable fundraising and finalisation of other CDE publications. In addition I organised special functions on CDE in New York and Washington which were successful in raising our profile and building relationships. Meeting potential donors in both cities, as well as making connections with large US foundations also contributed to building relationships. In addition we organised a meeting in Washington DC with CDE's partners from India and Brazil in the International Think Tank Network programme as well as some of the project's international advisers and growing network of friends in the DC policy making community.

CDE's growing ability to attract international experts of the highest calibre to South Africa and bring them together with highly-placed government and business leaders testifies to the key part played by high-level contact in our advocacy role.

Among the international experts hosted by CDE during the reporting period were three of the world's leading political economists, Professor Francis Fukuyama (Stanford University), Professor Arvind Panagariya (Columbia University), and Professor Paul Collier (Oxford University). These high-profile visitors made significant contributions to CDE's work on unemployment and the relationship between growth and poverty as well as our outreach initiatives to leading figures in the private sector, government and the media. Aside from formal events which included round tables, workshops and presentations to senior government officials and academics, CDE hosted informal social events, bringing South African CEOs and editors together with the distinguished guests.

Organisational development

During 2013-4, much energy has gone into developing a structure for a stronger CDE, raising the necessary additional funding and going to the market place to recruit senior people to carry forward this process of expansion and 'reinvention'. The task of recruitment, which began in earnest in August 2013, has been very demanding – at one point CDE was considering over 2000 CVs – but significant progress has been made with appointments since March 2014. This will be reflected in the next report and we are confident that further progress will also be reported.

Conclusion

CDE's activities in 2014/15 will continue to be grouped under three umbrella programmes: Jobs and Growth; Education; and the International Think Tank Network. Project work will proceed in tandem with the continuing drive for organisational strengthening and increased impact.

One opportunity in particular deserves separate mention. We will undertake a major project on South Africa's growth prospects, which will encompass all our work. The focus will be on the critical policy interventions needed to accelerate growth in South Africa and identify the 'tough choices' and priorities for action that will be necessary to achieve the growth we need. As 2014 began with ratings downgrades, lowered growth forecasts and a brief dip into negative growth, the urgency of this project could not be more clearly evident. It will involve not only research but considerable engagement and effective communication with very senior leaders in both public and private sectors. As such it will provide an opportunity for CDE to carry forward a number of the presentation, communication and outreach ideas we have been discussing as part of CDE's strengthening and reinvention.

In all three areas of our work we will build on the achievements of the past year, to which we now turn.

PROGRAMME UPDATE

Jobs and Growth

This flagship programme maintained a high output of publications and events (workshops and round tables) and was productive in both advocacy and outreach. In May (2013) CDE, represented by Antony Altbeker, presented findings from our June 2012 report on Special Economic Zones (SEZ) to the parliamentary portfolio committee which was debating the provisions of a draft SEZ bill. Both the reception by the committee and subsequent engagement with officials of the Department of Trade and Industry (DTI) suggested that CDE's plans to re-emphasise and strengthen our advocacy work could pay dividends.

A significant feature of our recent work on jobs and growth has been the range and quality of international and comparative perspectives on South Africa's growth issues. An outward orientation of this sort has always been essential to CDE's concerns and values. However our expanding network of contacts, through the International Think Tank Network in emerging markets has greatly complemented our traditional links with the developed world and contributed fresh ideas on growth in South Africa. Recent round table topics under the Jobs and Growth programme have included labour market

reform (2012), South Africa's economic choices (6 June 2013) and the role of urbanisation in fostering economic growth (27 June 2013). All of them showcased commissioned research on and from South Africa's peer group of developing countries, as well as presentations from international experts from both the developed and developing worlds. The round tables proved a fertile source for the publications listed below. Another, *Cities of Hope* (March 2014), from the urbanisation round table, fell just outside this reporting period and will be described in the next report.

Another key publication was that on graduate unemployment (April 2013). Coverage of this publication was not only extensive but significant in two other ways: it confirmed an encouraging trend, that coverage of our documents increasingly continues well after publication date and it was well received by the ANC which released a statement welcoming it. The study's finding dispelled the widespread misconception that degreed graduates face a crisis of unemployment. In doing so it demonstrated the urgency of another of CDE's key concerns, the need for a considerably relaxed skilled immigration regime.

Jobs and Growth Publications March 2013-February 2014

- GROWTH IN A TIME OF UNCERTAINTY: Does South Africa have a growth plan? (December 2013)
- POLICY GRIDLOCK: Comparing the proposals made in three economic policy documents: by Professor David Kaplan (UCT) (October 2013)
- WHY AFRICA NEEDS ITS PRIVATE SECTOR: An address by Professor Paul Collier (Oxford University) (September 2013)
- WHY GROWTH MATTERS: How economic growth reduced poverty in India (September 2013)
- THE ROLE OF POLITICS IN DEVELOPMENT: An address by Francis Fukuyama (August 2013)
- RETHINKING SOUTH AFRICA'S LABOUR MARKET: Lessons from Brazil, India and Malaysia (June 2013)
- LEARNING TO LISTEN: Communicating the value of urbanization and informal settlement upgrade (May 2013)
- GRADUATE UNEMPLOYMENT IN SOUTH AFRICA: A much exaggerated problem (April 2013)
- MARIKANA AND THE FUTURE OF SOUTH AFRICA'S LABOUR MARKET (March 2013)

Education

The main focus for this programme in 2013-4 was on two key projects: low-fee private schools and contract schools. The latter type of school, sometimes known as 'charter schools', is the product of a contract under which public schools are managed by private organisations on behalf of government. Our report on contract schools (*The Missing Sector: Contract Schools: International experience and South African prospects*) was launched in August 2013. Three international experts with hands-on experience of contract schools participated. They were:

- Dr Allah Bakhsh Malik, former Managing Director and CEO of the Punjab Education Foundation;
- Lucy Heller, Chief Executive Officer of ARK, a leading academy school network in the UK; and
- Dr Yusuf K. Nsubuga, Director of Basic & Secondary Education, Uganda Ministry of Education & Sports.

A team from CDE, accompanied by the international visitors, tested the document's conclusions at the department of the Presidency responsible for the National Development Plan (NDP) and the Department of Basic Education shortly after the launch and in each case the responses were the basis for cautious optimism.

Since its publication, *The Missing Sector* has been the most-viewed publication on CDE's website.

Mathematics Outcomes in South African Schools advances CDE's long-standing concern with maths education in South African schools. It is the product of two pieces of commissioned research for CDE, one by Professor Charles Simkins and another by Nicholas Spaul. Each analysed data relating to the performance of South Africa's schooling system. The research shows clearly that, however one chooses to measure learner performance and at whichever grade one chooses to test, the vast majority of South African students perform poorly, and most have not reached standard numeracy and literacy milestones.

The report received extensive media coverage.

We have considerably enhanced capacity in the education programme through the expertise of Dr. Jane Hofmeyr who joined us as a part time senior consultant from January 2014.

Forthcoming publications under the Education Programme include:

- *Initial Teacher Education: Challenges and Prospects*
- *An Analysis of the Financial Viability of Low-Fee Independent Schools in South Africa*
- *What Research tells us about Teachers: Teaching and Learner Performance in Mathematics*

Education Publications March 2013 – February 2014

- MATHEMATICS OUTCOMES IN SOUTH AFRICAN SCHOOLS: What are the facts? What should be done? (October 2013)
- AFFORDABLE PRIVATE SCHOOLS IN SOUTH AFRICA (August 2013)
- THE MISSING SECTOR: Contract schools - international experience and South African prospects (August 2013)
- EXTRA MATHS TUITION IN SOUTH AFRICA: A short summary of an exploratory investigation (June 2013)

International Think Tank Network

For the past two years CDE has been working on an international project with our think tanks partners in India and Brazil. Initially named, the *Democracy Consensus*, it is now called, *Democracy Works!* The project makes the case for the compatibility of democracy – understood in terms of extensive and broad-based rights and freedoms – with high levels of growth in the global South. In this sense it promotes a ‘democratic alternative’ to the much-talked about and often admired authoritarian basis for Chinese growth.

In the course of the past year, CDE has commissioned 12 research papers looking in detail at achievements and challenges in India, Brazil and South Africa. In each country experts were asked to examine the relationship between democracy and economic growth, democracy and poverty, democracy and innovation, democracy and corruption. These papers are all now available on the CDE website. In addition we tested these papers at workshops in Delhi, Rio de Janeiro and Johannesburg. This has resulted in three country reports pulling together all we have learned about India, Brazil and SA.

South Africa and the Pursuit of Inclusive Growth (February 2014) is the first of the three country reports on the relationship between democracy and growth. Through an exploration of the country’s recent history, economics and politics, it concludes that South Africa has laid foundations of stability and new economic opportunity, but if it is to become a truly inclusive society it needs to generate higher growth as well as deepen and strengthen its form of representative democracy. With the right reforms, some luck and the emergence of a more accountable government, South Africa has every chance of serving as a beacon for democracy and what we might call ‘the democracy consensus’ in Africa.

The project continues into the next financial year and there will be a large SA launch of this work as well as the main public document written by Ann Bernstein, CDE’s executive director in August 2014.

International Think Tank Network Publications March 2013-February 2014

- The Democratic Alternative from the South: India, Brazil and South Africa
- COUNTRY REPORTS
 - South Africa and Inclusive Growth (February 2014)
 - India And Inclusive Growth (February 2014)
 - Brazil and Inclusive Growth (February 2014)
- BACKGROUND REPORTS INDIA (January 2014):
 - Democracy and Economic Growth
 - Democracy, Growth and Development 1951-2012
 - Democracy and Corruption
 - Uneven Innovation Amid a Noisy Democracy
- BACKGROUND REPORTS BRAZIL (November 2013):
 - Democracy and Growth
 - Democracy and Inclusive Growth
 - Democracy and Corruption
 - Democracy and the Innovation Dividend
- BACKGROUND REPORTS SOUTH AFRICA (October 2013):
 - Post-Apartheid Democracy and Growth
 - Democracy, Corruption and Conflict Management
 - Democracy, Poverty and Inclusive Growth Since 1994
 - Innovation and Democracy



Looking Ahead

In 2014-15, CDE will continue on its growth path aimed at doubling capacity over the next three years, enabling it to deepen its intellectual capacity and to enhance its communication and advocacy capabilities. This will enable us to take better advantage of opportunities to engage with government

processes, through contact with senior officials, parliamentary portfolio committees and provincial governments on vital issues for the country. In doing so we will consolidate the claim we have proudly made for nearly 20 years, that CDE is 'a unique national resource'.