

2018-2019

ANNUAL REPORT

www.cde.org.za



CENTRE FOR
DEVELOPMENT
AND ENTERPRISE

ABOUT CDE

The Centre for Development and Enterprise (CDE), an independent policy research and advocacy organisation, is South Africa's leading development think tank. Since its establishment in 1995, CDE has been gathering evidence, consulting widely and generating innovative policy recommendations on issues critical to economic growth and democratic consolidation. By examining South African and international experience, CDE formulates practical policy proposals outlining ways in which South Africa can tackle major social and economic challenges. CDE has a special focus on the role of business and markets in development.

CDE disseminates its research and proposals to a national audience of policy-makers, opinion formers and the wider public through printed and digital publications, which receive extensive media coverage. Our track record of successful engagement enables CDE to bring together experts and stakeholders to debate the policy implications of research findings.

CONTENTS

Message from the chairman	1
Report from the executive director	2
Jobs and inclusive economic growth	5
Land reform	12
Cities	16
Youth employment and skills	19
Education reform	21
Business and government	22
CDE's donors	25
CDE's board	26

MESSAGE FROM THE CHAIRMAN

Laurie Dippenaar

The past year started with a degree of optimism in South Africa following Cyril Ramaphosa's election as the country's president in February 2018. He is regarded by many as a reformer, so hopes were high that he would tackle the debilitating challenges which were evident on many fronts at the start of his term of office.

While there have been some positive signals and promising early developments, the path to change has proved tougher than anticipated. Little progress has been made on the many troubles facing the country, which include slow economic growth, high unemployment and entrenched poverty. Revelations of the extent of corruption and state capture have been astounding, with many key institutions and state owned enterprises taken to the brink of collapse. Divisions in the governing party over fundamental issues have meanwhile hampered the implementation of key reforms.

In these difficult circumstances, the "voice" of CDE, committed as it is to finding sustainable solutions to the country's challenges of employment and inclusion, is more important than ever.

With the support of the board, the executive director and her team have called consistently and clearly for government policies that would promote economic growth and higher levels of employment. Based on sound research and rigorous analysis, and a high degree of consultation and engagement, CDE has made recommendations over the past year on essential issues such as jobs, land and cities that have enriched public deliberation and injected innovative thinking into national debates.

I would like to congratulate the executive director on what has been achieved over the past year. I also thank my colleagues for their ongoing commitment to this organisation, whose value to South African society cannot be overestimated.



REPORT FROM THE EXECUTIVE DIRECTOR

Ann Bernstein

South Africa is a country at the crossroads. We desperately need effective reform – to rebuild a competent state that serves the national interest, and to get the economy growing again. Both are difficult challenges. The president wants to see reform in both areas, but he is beset by pressures from within his party and from inside the state.

The array of challenges calls for new approaches, new ideas, and policy learning from other countries. Reverting to ANC policies of the past is not going to succeed. If South Africa is to progress, the ANC will need to slaughter some ideological holy cows.

It is vital that the voices of the rational, market-oriented centre are as strong and clear as possible. We need to spell out new ways of thinking about South Africa and its challenges and to find new approaches to implementation when the state is broken. A reforming president needs to introduce market oriented policies if he is to deliver results.

In this context, CDE is finding much expanded interest in our work. We have built strong relationships with influential people and organisations in the new presidency, in government departments, in political parties, among business leaders, in metro governments and in the media. We have been able to attract all political parties to debates and briefings on jobs and growth priorities.

CDE continues to build on long experience of engagement to play an increasingly influential role as a unique national resource. It is increasingly evident that hard choices will have to be made if South Africa is to get growth going again and if we are to 'move the dial' on unemployment, especially of young people.

CDE has spent the past year working on how to move South Africa forward on many fronts. We have consistently called for structural reforms necessary to move us out of the current jobs crisis and adopt a more labour-intensive growth path. The potential for cities to drive economic growth remains relatively untapped and CDE has many recommendations on how to give effect to urban-led growth. We have pointed to the severity and implications of youth unemployment. We are looking at possibilities for young people, including those without matric, to enable them to access skills development opportunities. We have devoted considerable time and resources to the land issue, and we have revisited reform of the education system to identify the interventions that can drive systemic improvements.



More details on all of these areas can be found in the pages that follow. We have organised over 23 meetings and discussions on these topics as part of our research and engagement process. We released 13 publications, all of which are available on our website and distributed through our database, which has now increased in size to over 15 000 senior decision-makers in business, government and civil society. The material generated in these programmes was shared more effectively than ever on media and social media platforms. CDE's profile as a reliable, evidence-based source of knowledge and recommendations has been considerably raised as a result.

Among innovations in how we communicate, we increasingly present information in the form of infographics, visually representing complex information on key issues such as labour intensive growth, unemployment and land. We have received much positive feedback on these infographics.

CDE's Global Advisory Council, comprising the CEOs and chairmen of leading South African companies and international friends and supporters, met for the fourth time in March 2018. Once again, this proved to be a valuable opportunity to engage on some of the pressing challenges facing the country. We continued to infuse discussions on topical issues for the country with international perspectives. Professors Robert Lawrence and Ed Glaeser were hosted by CDE in March and August respectively. In addition, I spent time engaging with international experts during a trip to the US in April 2018, including Paul Romer, Nobel Prize winner and former World Bank Chief Economist; and Ricardo Hausmann, director of Harvard University's Center for International Growth.

CDE's reputation is enhanced by our board, comprising leading business and civil society leaders who give generously of their time. I would like to thank the board, particularly the chairman and the finance committee, for the guidance and support they have provided to the organisation over the past year. In spite of a difficult economic environment, CDE has increased the number of donors who fund our core work. This group of corporate and individual supporters has enabled us to play an increasingly prominent role and we are truly grateful for their confidence in us.

Finally, CDE's staff members have worked hard and well as individuals and as a team to enable the organisation to deliver results to the high standards that our network of supporters has come to expect.

VIEWPOINTS

In June 2018, CDE introduced VIEWPOINTS, a series of reports on issues critical to South Africa's development. We have drawn on the expertise of South Africans in a range of organisations to encourage informed debate on these topics. Five VIEWPOINTS were published during this period.

- **The future prospects of South African Universities**, by Jonathan Jansen, Distinguished Professor of Education at University of Stellenbosch (June 2018)
- **Why land expropriation without compensation is a bad idea**, by Wandile Sihlobo, Head of Agribusiness Research at the Agricultural Business Chamber and Dr Tinashe Kapuya Agribusiness Trade Specialist (July 2018)
- **State, Market and Competition - Can Eskom be rescued?** By Lumkile Mondji, Senior Lecturer, School of Economics and Business Sciences at the University of the Witwatersrand (September 2018)
- **Labour market reform is needed for inclusive growth**, by Nicoli Nattrass, Professor of Economics at the University of Cape Town and Jeremy Seekings, Professor of Political Studies and Sociology at the University of Cape Town (October 2018)
- **Smallholders and land reform: A realistic perspective**, by William Beinart, Emeritus Professor at Oxford University and Peter Delius, Emeritus Professor, Department of History at the University of the Witwatersrand (October 2018)

CDE IN NUMBERS

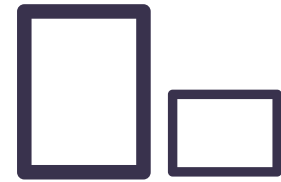


23 EVENTS

The number of people who attended our events

402

IN THE MEDIA



381 pieces of coverage

Broadcast

80

Print

113

online

188

PUBLICATIONS

13

OP-EDS

10



WEBSITE STATS

Sessions

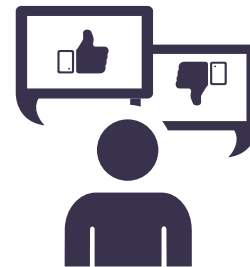
41 488

Page views

97 033

Users

30 568



SOCIAL MEDIA

3260

followers across
our social media
platforms

FEATURED NEWS OUTLETS

BusinessDay

City Press

DAILY MAVERICK

eNCA

news24

SABC NEWS

Sunday Times

JOBS AND INCLUSIVE ECONOMIC GROWTH



Inclusive growth and jobs forms the core focus of CDE's work. With annual economic growth for 2008 a dismal 0,8% and unemployment reaching 27,1% by the end of the year, the country's challenges are clear

“ My visits to SA at [CDE's] invitation, changed my views about development; they pushed to the forefront the urgency of jobs. They were the spur for the focus I brought to the [World Bank] on jobs as ways to acquire human capital

Paul Romer, Nobel Prize winner.

”

and opinion makers. In a two-week period before, during and after the Jobs Summit CDE's executive director was interviewed numerous times on TV and radio, becoming firmly established as a 'go-to' person for authoritative comment and analysis on this issue. CDE also received substantial coverage in other media and considerable exposure on Twitter. Our key analytical phrases and authoritative numbers were part of the national conversation and shaped more informed debate on the outcomes of the Summit. As part of this ongoing public intervention, CDE's years of accumulated research and policy analysis in this field allowed us to articulate persuasively the sense of deepening crisis felt by so many stakeholders. CDE is

The Presidential Jobs Summit

In his February 2018 State of the Nation Address President Ramaphosa announced his intention to host a Jobs Summit. In response, CDE prepared a substantive policy reform agenda.

When the Summit took place on 4 and 5 October 2018, CDE helped focus public attention on the scale of the unemployment crisis and the need for policy reform to address it.

Our strategy was to capture media and policy makers' attention through a campaign, which included a media release, a media briefing, an op-ed in the Sunday Times, an infographic (reprinted in the Sunday Times and City Press) and a short note distributed to the entire CDE database of decision

currently finalising a publication **The Jobs Crisis: What can South Africa do about it?** Publicly available by October 2019, this document will set out the urgent policy decisions required to turn this situation around.

Labour intensive growth

The country's leading economic experts in the public, private and academic sectors participated in CDE's Roundtable, **Increasing the Labour Intensity of South Africa's Economy** on 13 June 2018. The excellent presentations and rich discussion informed CDE's approach to achieving more labour intensive growth in South Africa. This formed the basis of a report, **Making South Africa more Labour Intensive**, which was released in January 2019.

Fiscal crisis

In early 2018, CDE was funded by Business Leadership South Africa to develop a national emergency recovery plan for South Africa. Its purpose was to serve as a resource for business leaders in their engagement with government during a complex period of presidential transition. Many of the proposals and ideas we shared made their way into the President's public pronouncements. The importance of CDE's work in developing this report was publicly acknowledged by business leaders, including Jabu Mabuza, Bonang Mohale, Nicky Newton King, Adi Enthoven and Jacko Maree.

CDE is currently working on a new report on South Africa's fiscal policy challenges and what needs to be done in the short, medium and long term if we are to avert a crisis. We plan to take the report to business organisations for debate on South Africa's policy options and priority interventions in August 2019.

Manufacturing and employment

In February and March 2018, Harvard University's Professor Robert Lawrence presented his views on the future of manufacturing. His particular focus was the potential of the sector to generate employment. He spoke at a CDE event hosted in partnership with the Western Cape economic development agency, Wesgro; at CDE's Global Advisory Council dinner; and at a public event at CDE entitled **Will the Robots Take our Jobs?** attended by over 100 people. Professor Lawrence also gave a presentation to the National Treasury, which was hosted by Deputy Director General Ismael Momoniat. The report of Professor Robert Lawrence's presentations and discussions was distributed in August 2018. **The Future of Manufacturing Employment** explores the evolution of manufacturing in a world of digitisation and robots, and sets out what these developments might mean for South Africa's prospects of manufacture-driven employment growth.

Parliament's High Level Panel Report

At the end of 2016, CDE was appointed to write one of the background papers for the High Level Panel, set up by Parliament to investigate the impact of legislation passed in the democratic era. Our brief was to focus on what the HLP labelled the triple challenge: Poverty, Unemployment and Inequality. The CDE report surveyed the most important recent work on these three issues in South Africa, and outlined the different perspectives that constitute debates on how to analyse and address the triple challenge. CDE drew on our extensive work in the three areas of poverty, unemployment, and inequality in order to outline the reforms required to tackle them more effectively. In a relatively short space of time, we drew up a comprehensive report and presented our recommendations to the HLP. Trudi Makhaya now economic advisor to the President was one of the authors of the final HLP report and was strongly influenced by the CDE document. The result was that many of CDE's arguments and recommendations ended up in the final HLP report, which was released by the leader of the panel, former president Kgalema Motlanthe in November 2017.

At the beginning of 2018, CDE noted that the report had received little public engagement, apart from isolated responses to very specific proposals. At the same time, President Cyril Ramaphosa had called for a “new deal through which we can build an economy that benefits all.” Since key elements of such a deal were available in the recommendations put forward by Parliament’s High Level Panel, CDE released a report in May 2018 entitled **Forging a “New Deal” for South Africa? The contribution of Parliament’s High Level Panel Report**. This short document highlights some of the key recommendations of the HLP in areas of CDE expertise. It elicited radio and TV interest very quickly.

Publications

Jobs and inclusive economic growth



THE GROWTH AGENDA
Making South Africa more Labour Intensive
 January 2019



VIEWPOINTS
Labour market reform is needed for inclusive growth
 By Nicoli Nattrass and Jeremy Seekings
 October 2018



JOBS SUMMIT
A short note on the jobs summit and the challenge of mass unemployment
 October 2018

VIEWPOINTS
No 3, September 2018

State, Market and Competition – Can Eskom be rescued?

By Lumkile Mondli



Introduction
Eskom is a vertically integrated monopoly, wholly owned by the state, supplying about 90 per cent of the electricity consumed in South Africa. Measured by generating capacity, it is the eleventh largest power utility in the world. It is the sixth largest company in Africa across all economic sectors. And, until recently, it was globally recognised for the quality of its management in 2001 it was rated the Global Power Company of the Year. Little wonder then, that it is for many the entity that sits closest to the heart of South Africa's version of state capitalism.

Eskom's business model is rooted in its history as a cogwheel of industrialisation. Its primary purpose was to generate low-cost electricity using South Africa's abundant coal reserves, providing cheap power to the country's mines and heavy industries. Because the supply of electricity increased significantly with each new power station that came on line, Eskom's business model was premised on cyclical periods of oversupply necessitating sub-economic pricing, the protection of its monopolistic position, and state support. Thus in oversupply phases, Eskom would encourage the construction of new energy-intensive projects often refineries and smelters, by committing to supply cheap electricity for the long-term. Historically, these agreements have had profound implications for Eskom's commercial viability.

Eskom is the largest state owned company (SOC) within the Department of Public Enterprises (DPE) portfolio, with revenues of R273 billion and an asset base of R770 billion as at the end of March 2017. Government has significant exposure to Eskom, and had issued debt guarantees of R200 billion to it by 2016 (out of a total of R410 billion in guarantees issued over the last 15 years). These are critical for Eskom and in their absence, the organisation would have considerably more difficulty accessing capital markets. Indeed, government guarantees climbed from zero in 2008/9 to over R200 billion in 2017/8, equal to 10 per cent of the total government debt, and to 90 per cent of all guarantees extended to SOCs, a

VIEWPOINTS is a series of reports on issues critical to South Africa's development. CDE has drawn on the expertise of South Africans in a range of organisations to encourage informed debate on these topics.

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VIEWPOINTS
State market and competition- Can Eskom be rescued?
By Lumkile Mondli
September 2018

CDE INSIGHT

The future of manufacturing employment

Professor Robert Lawrence | Harvard University



Introduction
In March 2018, CDE invited Robert Lawrence to speak to a number of audiences of policy-makers and business leaders about the evolution of manufacturing activities globally, the extent to which digitisation and robotisation are undermining the prospects of employment growth in this sector, and what South Africa could and should do to expand manufacturing employment. Professor Lawrence, a former South African, is the Albert L. Williams Professor of International Trade and Investment at John F. Kennedy School of Government at Harvard University. He is also a senior fellow at the Peterson Institute for International Economics, a Research Associate at the National Bureau of Economic Research, and was a member of Bill Clinton's Council of Economic Advisors.

This report summarises the presentations he made at the various events CDE organised. It is not a verbatim transcript of any one of the talks, but seeks to weave together his presentations, and the answers he provided to questions posed by participants in the lectures and discussions.

August 2018

INSIGHT
The future of manufacturing employment
August 2018

Unemployment facts & figures

Total SA population **57,7m**

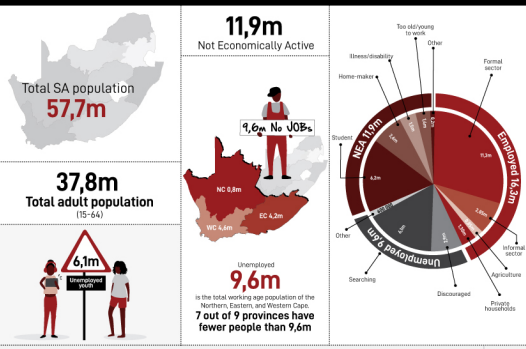
Total adult population (15-64) **37,8m**

Unemployed **6,1m**

11,9m Not Economically Active

9,6m No JOBS

Unemployed **9,6m** is the total working age population of the Northern Cape, and Western Cape. 7 out of 9 provinces have fewer people than 9,6m



Every day 860 people have joined unemployment queues
Since 2008
There are 3.2m more unemployed people. The number of young people in jobs has fallen by 400,000

Breaking the cycle

Challenges

- Failure of high skill high wage strategy
- Corruption
- Bad policies that harm labour-intensive activities
- Transformation for a small elite not millions

CDE proposals

- Enterprise led growth
- Make it easier to employ people
- Think differently about jobs
- Encourage labour intensive industries
- Improve skills

10 year trend

Year	Population growth	Employment
2008	17,044	17,465
2018	14,428	16,288

Growth in population: 99.9%
Employment growth: 12.8%

11 times as many jobs as there are in the mining sector

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Source: Quarterly Labour Force Survey - QLFS Q2 2018 <http://www.statssa.gov.za/?p=11341>

CDE
Forging a "New Deal" for South Africa? The contribution of Parliament's high level panel report
May 2018

UNEMPLOYMENT FACTS AND FIGURES
October 2018

Events

Jobs and inclusive economic growth

CDE'S GLOBAL ADVISORY COUNCIL DINNER

Johannesburg

8 March 2018



WILL THE ROBOTS TAKE OUR JOBS?

Johannesburg

12 March 2018

ROBERT LAWRENCE DISCUSSION WITH TREASURY

Tshwane

12 March 2018



A PRESIDENTIAL JOBS SUMMIT: WHAT SHOULD BUSINESS CONTRIBUTE?

Johannesburg

27 March 2018

A PRESIDENTIAL JOBS SUMMIT: WHAT SHOULD BUSINESS CONTRIBUTE?

Johannesburg

23 May 2018



A PRESIDENTIAL JOBS SUMMIT: WHAT WOULD URBAN EXPERTS LIKE TO SEE COME OUT OF THIS?

Johannesburg / Cape Town

23 May 2018 / 12 July 2018

ROUNDTABLE: LABOUR INTENSIVE GROWTH

Johannesburg

13 June 2018



SOUTH AFRICA'S FISCAL CRISIS

Johannesburg

1 November 2018

Op-Eds

Jobs and inclusive economic growth

BusinessDay

Thursday, 14 February 2019

Cutting state expenditure will go a long way to defuse SA's debt bomb By Ann Bernstein

BusinessDay

Thursday, 18 October 2018

The jobs summit was helpful, but simply fine-tuning what we already do won't work By Ann Bernstein

Sunday Times

Wednesday, 1 October 2018

Jobs crisis needs new approach By Ann Bernstein

BusinessDay

Thursday, 10 May 2018

World Bank warns SA is in a cycle that breeds poverty and inequality By Ann Bernstein

BusinessDay

Wednesday, 17 October 2018

Expanding scope of low-wage jobs does not mean a race to the bottom By Nicoli Nattrass and Jeremy Seekings

Sunday Times

Wednesday, 17 October 2018

Case for higher minimum pay is dangerous By Nicoli Nattrass and Jeremy Seekings

Media Coverage | Television

Jobs and inclusive economic growth



10 February 2019

CDE reacts to SONA 2019 on eNCA's The Fix



07 February 2019

SONA 2019: Getting the economy working again



27 June 2018

The State of the Nation: CDE's Ann Bernstein and Lumkile Mondi on eNCA's The Modise Network



13 June 2018

The constitution mandates government to service delivery

Media Coverage | Radio

Jobs and inclusive economic growth



7 November 2018

How to end youth unemployment



31 October 2018

Who's to blame for SA's rising unemployment



13 June 2018

High level panel findings

LAND REFORM



In February 2018 Parliament instructed a Constitutional Review Committee to review Section 25 of the Constitution (and other clauses where necessary) and report back to the National Assembly. On 15 November 2018 the Committee adopted a report in favour of an amendment to Section 25 to make it possible for the state to expropriate land without compensation in the public interest.

“ Thank you... I have forwarded [the report] to the members of the Panel on Land Reform.

Nick Serfontein, Advisory Panel on Land Reform and Agriculture

”

It has been fully ten years since CDE last focused on land reform. The Constitutional Review process prompted CDE to revisit the proposals made in our 2008 report which found favour deep into government and beyond. In this report, CDE, supported by Business Leadership South Africa argued that South Africa needed a bold new approach to land issues and rural development. We highlighted the importance of land reform, which affects the very foundation of our 1994 constitutional compromise on property rights.

Ten years ago, it was evident that policy was not working in favour of its intended beneficiaries, and this remains the case today. In May 2018, CDE released two short reports summarising its past analysis and recommendations, pointing to their continuing relevance in the present: **CDE, Business and Land Reform**, and **The Looming Land Restitution Crisis**.

The land issue continues to affect the country's ability to reach its economic growth targets, produce its own food and compete in global markets. The challenge is however, far more complex than the debate about Section 25. To this end, on 20 June 2018, CDE hosted a Roundtable discussion on the agricultural sector's ability to generate growth and jobs within the current political and economic context. Participants

focused on the effects of the current land reform debate on critical investment and job-generating initiatives. They also explored the likely impact of uncertainty on the future prospects of the sector. We attracted high quality participants from organised agriculture, representing both large and small farmers, agri-businesses, agricultural economists, the Land Bank and other interested stakeholders. A report capturing key themes from the Roundtable, **Agriculture, Land Reform and Jobs: Can South Africa make this work?** was released in November 2018. We also released an infographic highlighting key data.

Following a written submission, CDE's executive director was invited to give oral evidence to the Constitutional Review Committee on Section 25 at the end of October. The submission was well received by senior members of the ANC and some of the opposition parties.

The challenge remains for South Africa to develop a fair and speedy approach to deal with the realities of land reform. The state cannot achieve this alone and needs a determined partnership with private and civil society actors

Publications

Land reform



THE GROWTH AGENDA
Agriculture, land reform and jobs
 January 2019



VIEWPOINTS
Smallholders and land reform, A realistic perspective
 By William Beinart and Peter Delius
 October 2018

VIEWPOINTS
No 2, July 2018

Why land 'expropriation without compensation' is a bad idea

By Wandile Shilobo and Dr Tinashe Kapuya



Wandile Shilobo is head of agribusiness research at the Agricultural Business Chamber (Agbiz).
Dr Tinashe Kapuya is an agribusiness trade specialist.

Background
On 27 February 2018, the National Assembly made a landmark decision to review Section 25 of the Constitution of the Republic of South Africa in order to cater for the principle of land expropriation without compensation (Parliament of the Republic of South Africa, 2018).

This follows the decision by the African National Congress (ANC) at its December 2017 conference, where it indicated that it would start the process towards a constitutional amendment of Section 25 to make possible land redistribution without compensation, provided that it is sustainable and does not harm the agricultural sector or the economy.

Furthermore, the ANC argued that the proposed approach to land reform would be guided by sound legal and economic principles, and would contribute to the country's overall job creation and investment objectives.

The proposal of land redistribution without compensation somewhat marks a shift in policy and comes at a time when land reform (through both the State and market) has made more progress than experts and policymakers care to admit.

What does the data say?
If we collect the official numbers of land restitution and land redistribution programmes presented by Minister Nkomo in Parliament in 2017, the following becomes evident:

- Total area redistributed: 4 850 100 ha
- Total area restored via restitution claims: 3 389 727 ha
- The equivalent area for which financial compensation was chosen: 2 772 457 ha

Thus, a total of 11 million hectares (he) have been redistributed through government programmes. In addition, the State has also been buying farms and, according to recent statistics, it owns more than 4 000 farms, which presumably make up

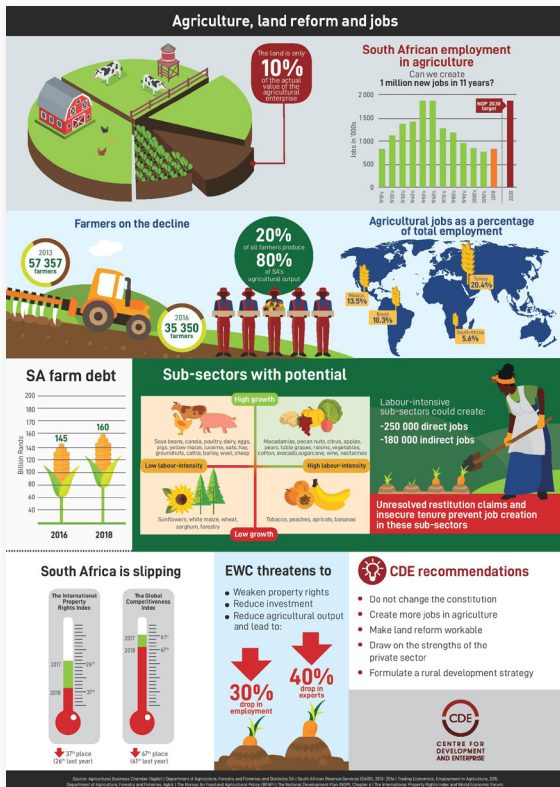
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VIEWPOINTS is a series of reports on issues critical to South Africa's development. CDE has drawn on the expertise of South Africans in a range of organisations to encourage informed debate on these topics.

CDE
The looming land restitution crisis
August 2018

VIEWPOINTS
Why land expropriation without compensation is a bad idea
By Wandile Sihlolo and Dr Tinashe Kapuya
September 2018

CDE
Business and land reform
May 2018



AGRICULTURE, LAND REFORM AND JOBS
November 2018

Events

Land reform

**ROUNDTABLE:
AGRICULTURE, JOBS AND
LAND REFORM**
Johannesburg

20 June 2018



Op-Eds

Land reform

Sunday Times

Monday, 11 November 2018

Don't neglect cities in the land reform debate

By Ann Bernstein

BusinessDay

Saturday, 15 June 2018

Huge number of land claims and chaos of overlaps must be resolved

By Ann Bernstein

BusinessDay

Saturday, 24 April 2019

Land-reform plan has been drawn up-it just needs willing leaders

By Ann Bernstein

City Press

Thursday, 7 November 2019

Smallholders at the forefront of land reform: the right road or a dead end? By William Beinart and Peter Delius

Media Coverage | Television

Land reform

eNCA

31 October 2018

CDE presents to Parliament's joint constitutional review committee on Section 25

CITIES



CDE has continued to advocate for accelerated growth that is urban-led, private sector-driven, enabled by a smart state, and targeted at mass employment. Cities are centres of economic growth and opportunity: in South Africa per capita income in the metros is about 40% higher than in the rest of the country. They present an important springboard for accelerated growth that can generate better livelihoods and jobs for millions of South Africans. Better management of South African cities could enable the country to leverage their great potential while managing what Professor Edward Glaeser calls the “demons of density”.

“ CDE’s work on urban-led growth is enriching the discussions on Johannesburg’s future

Herman Mashaba, Mayor of Johannesburg

”

Urban-led growth

In August 2018, CDE hosted Professor Edward Glaeser, the world’s leading urban economist and the Fred and Eleanor Glimp Professor of Economics in the Faculty of Arts and Sciences at Harvard University. He shared his critical insights on urbanism and growth in a series of seminars and engagements with political leaders, policy makers and officials from the Johannesburg and Cape Town metro governments.

As part of this programme, CDE set up a Roundtable which brought together key thinkers and actors to discuss how Johannesburg’s inner city and its surrounding suburbs can create more jobs and facilitate inclusive, sustainable economic growth. The event was attended by city officials, activists, academic and consultancy experts, as well as commercial stakeholders from banking, retail and property sectors. The executive mayor of Johannesburg, Herman Mashaba and his senior team gave presentations which outlined the development priorities of the city and highlighted the importance they assign to private sector involvement. That evening, CDE hosted a dinner for the mayor, Professor Glaeser and senior business and civil society leaders.

CDE took Professor Glaeser on a tour of the inner city for a first-hand experience of the new and fascinating developments taking place in Johannesburg. Highlights were seeing vibrant economic activities throughout Hillbrow and the city centre, discussions around how to reclaim formerly hijacked buildings, and the development of three and four storey buildings in the backyards of Yeoville properties, which is resulting in "bottom up" densification. The tour also took in one of the numerous informal transport hubs that have formed in Johannesburg. These hubs facilitate the transport of goods and people on a daily basis, into and out of Johannesburg, and to and from Zambia, Malawi and Zimbabwe.

The centre point of Professor Glaeser's visit to Cape Town was a day-long workshop on housing policy with senior policy-makers, including three members of the City Council, at which a number of presentations were made by members of the metro government, academics and practitioners. The previous day, the City organised a tour of key sites in the peninsula, with a special focus on Dunoon, an informal settlement in which per-meter rental rates approach those on the Atlantic Seaboard. The focus of discussions throughout was on how to develop a realistic and economically rational policy for managing the diverse housing needs of the city.

Professor Glaeser's contributions to the workshop helped to improve the quality of South Africa's deliberation about cities' vital role in growth and development and to place our experiences in their wider comparative context. Highlights of the many discussions which took place over his short stay were published in July 2019.

Cities and the 2019 elections

In January 2019, CDE convened a debate on cities, jobs and economic growth with senior representatives from all major political parties that was televised on eNCA. Ann Bernstein outlined CDE's views on the importance of South Africa's cities for creating much-needed jobs and generating faster, and more inclusive, economic growth. She raised vital questions about cities that political parties need to grapple with, including how to make interactions between local and national government more productive.

Hosted by Tim Modise, the event generated a lively discussion. The panel included Tshwane's former mayor, Solly Msimanga from the DA, the EFF's Gauteng Chairperson, Mandisa Mashego, and ANC's Gauteng Secretary, Hope Pappo. Other political parties including the ACDP, IFP, and GOOD, were also represented in the studio audience and were given a chance to state their position and to ask questions. Topics raised included apartheid's persistent spatial legacies; the high rates of youth unemployment in our cities; the shortages of land for settlement and the role of land reform in addressing this problem; the contributions of informal businesses and migrants; and proposals to reduce the costs of transport. These discussions have been incorporated into CDE's ongoing work on Cities.

Op-Eds

Cities

Sunday Times

Sunday, 14 April 2019

We need to build cities of hope, not more houses in the veld

By Ann Bernstein

Sunday Times

Sunday, 11 November 2019

Don't neglect cities in the land reform debate

By Ann Bernstein

Events

Cities

THE GROWTH AGENDA: JOHANNESBURG'S ECONOMIC FUTURE

Johannesburg

24 August 2018

THE GROWTH AGENDA: JOHANNESBURG'S ECONOMIC FUTURE

Johannesburg

24 August 2018

ECONOMICS OF HUMAN SETTLEMENTS

Cape Town

27 August 2018

URBAN LED GROWTH ELECTION DEBATE

Johannesburg

30 January 2019

CITIES DINNER

Johannesburg

21 May 2018



Media Coverage

Cities



30 January 2019

CDE election debate on urban-led growth

YOUTH EMPLOYMENT AND SKILLS



Eight million young people (officially defined as between 15 and 35 years old) are currently not in employment, education or training. Very little is known about this category of young South Africans – the 'NEETs' – and the challenges they face. CDE aims to develop practical recommendations to government, business, and civil society about what can be done to address this challenge. We will develop a deeper and more differentiated understanding of the challenge, based on a research-guided assessment of the policy experiences of other countries.

“ CDE has been, and continues to be, a valuable partner in this area which is of critical importance to the country

Mpho Letlape, Chair, Tutuwa Community Foundation

”

us about who these young people are, and how we can differentiate between them. We have also surveyed the public and private training opportunities currently available to NEETs. The next phase of our research will be to map international policy experience in this field, and to investigate the potential of fieldwork to generate fresh policy-related knowledge about employment-related training.

The project will culminate in a policy report explaining how the state, the private sector and civil society can adopt appropriately-scaled interventions to provide excluded young people with access to job-related training.

Events

Youth employment and skills

YOUTH EMPLOYMENT AND SKILLS DEVELOPMENT

Johannesburg

21 November 2018



Media Coverage

Youth employment and skills

702

7 November 2019

How to end youth unemployment

EDUCATION REFORM



It is vital that South Africa moves the dial and starts to really improve the quality of basic education available for most learners around the country. South Africa's education system performs poorly in comparison with almost every other country in the world, and many education experts concur that deep structural problems are to blame.

CDE spent time planning and writing a series of documents on education reform designed to influence the president, his cabinet, and the wider public including business leaders (who spend considerable sums on education). It focuses on the politics of reform in education, and how to be a successful reformer in a context of powerful trade unions. These issues are not part of the general public discourse, with most commentators and politicians avoiding any talk of the corruption and dysfunction in the education department.

As part of this process, CDE has been engaging with education experts and business leaders who have shared ideas and perspectives, and been closely involved with reviewing and shaping draft reports. An international perspective, drawing on experience from other developing countries, also forms an important aspect of the research will be released before the end of 2019.

Events

Education reform

**EDUCATION REFORM
DISCUSSION**
Johannesburg

12 November 2018

**EDUCATION REFORM
DISCUSSION**
Johannesburg

30 January 2019

BUSINESS AND REFORM



CDE has an ongoing focus on the role business and markets can play in economic growth, a crucial consideration given the current state of the economy. Business employs more than five times as many people as government, invests much more than government (and does so more efficiently), generates all of South Africa's foreign exchange earnings and pays a large proportion of all the taxes the government collects.

“ CDE's fact based contributions are important to the national debate

Jabu Mabuza, then chairman of Business Leadership South Africa

”

An attitude to business that is hostile and antagonistic, is therefore short sighted and a major constraint on growth and development. However, retreating from these public attacks and choosing the path of least resistance is not a helpful strategy for business or the country as a whole.

CDE has spent considerable time engaging business leaders on this issue and urging South African business leaders and their organisations to play a higher profile public role in South Africa's national debates. CDE's focus is on encouraging business to develop its own approach to how South Africa can

grow a more inclusive economy and society, by strengthening the forces, arguments and alternatives for how South Africa delivers for the bottom half of society. In short, business needs to be a part of changing the South African narrative on growth, jobs and transformation; on business and its role in our society; and on what actually helps poor people get out of poverty.

Two themes of the Global Advisory Council Meeting which took place on 9 March 2018 were business and the new political environment and business legitimacy. CDE's executive director shared insights based on interviews with 15 business leaders leading up to the GAC. During the course of the year, two dinners

focusing on what individual businessmen and organised business could do differently to help the president succeed in setting South Africa on a new, more prosperous path were attended by CEOs and chairmen of leading companies. CDE also engaged business leaders specifically in another two dinners on a business contribution to the Presidential Jobs Summit which took place in October 2018.

In addition, the executive director wrote two important op eds on this topic. The first focused on the importance of business if we are to give effect to the president's planned reforms to address the multiple crises the country faces. The second built on this and turned attention to how business could play a more visible and constructive role in the public square and in national debates. The op eds were republished on additional platforms, reaching a large number of readers. Following the publication of the op eds, several business leaders spoke out on the issues.

Op-Eds

Business and reform

BusinessDay
Tuesday, 4 September 2018

New deal a mirage unless president sells an enterprise-friendly strategy By Ann Bernstein

BusinessDay
Friday, 21 September 2018

Business's path of least resistance to government is a recipe for disaster By Ann Bernstein

Publications

Business and reform



CDE
Business and land reform
April 2018

Events

Business and reform

CDE'S GLOBAL ADVISORY COUNCIL MEETING

Johannesburg

9 March 2018

BUSINESS AND A NEW DEAL: STRATEGIC CONVERSATION

Johannesburg

7 August 2018

BUSINESS AND A NEW DEAL: STRATEGIC CONVERSATION

Johannesburg

13 August 2018

A PRESIDENTIAL JOBS SUMMIT: WHAT SHOULD BUSINESS CONTRIBUTE?

Johannesburg

27 March 2018

A PRESIDENTIAL JOBS SUMMIT: WHAT SHOULD BUSINESS CONTRIBUTE?

Johannesburg

21 May 2018



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Published in August 2019 by the Centre for Development and Enterprise
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