

20 Years of democracy:

Transforming the public service

By **ALISTAIR RUITERS**

The author was a senior official and director-general in the department of trade and industry in South Africa from 1994 to 2005. This is part one of his memoir of that time



Alistair Ruiters

In January 1993, in the final months of completing my DPhil at Oxford University in the UK, Mamphela Ramphela (then deputy vice-chancellor at the University of Cape Town) called me to say that they were recruiting black academics and asked me to consider returning to UCT. We agreed that the university would offer me a post-doctoral fellowship, which would allow me to continue with some research and teaching while investigating longer-term opportunities at the university.

During almost four years in the UK, I had watched the unbanning of the ANC, Nelson Mandela's release from

prison, and the dismantling of the legal framework of apartheid on BBC. I was keen to get involved again and be part of building the new South Africa. When I reported to UCT in March 1993, I was reminded of how deceptive television could be. Despite landmark changes in South Africa, the economics department was either unprepared or these momentous events had passed them by. I arrived to a very hostile reception. Academic departments don't take kindly to someone being parachuted in, as I had been. They had not developed a transformation agenda yet, so this



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appointment was being forced upon them. The head of department courteously said I'd have to find my own feet.

On the other hand, I was welcomed by Dave Kaplan and Wilmot James. Kaplan gave me a crash course on how to set up a research budget and helped me to prepare lecture notes on industrial policy. James, who was going on sabbatical, offered his office and other logistical support.

I fulfilled my lecturing and supervision commitments, but spent more time participating in policy discussions. My research area was the previous government's support for small businesses. Given the difficulties black entrepreneurs had experienced under apartheid, the development of the small business sector was an important part of democratising the economy. By 1993, there were multiple policy processes unfolding and the ANC, the Communist Party and COSATU all wanted to take a position on the issue. I was involved in talking to all three organisations and reviewing the sections on small business in their own policy documents, as well as the negotiations, in order to see what text would be acceptable to all for the Reconstruction and Development Programme.

I also joined a group of researchers, largely drawn from the Industrial Strategy Project based at UCT, and others involved in studying the department of trade and industry (DTI) and some other government departments. The group, which was co-ordinated by Trevor Manuel and Alec Erwin, held regular meetings in Johannesburg. With the April 1994 elections fast approaching, the most important task was to understand the institutional landscape of small business development and, most importantly, to take an in-depth look at the DTI itself.

GETTING TO KNOW THE DTI

In 1987, Anton Rupert had created the Small Business Development Corporation (SBDC) and convinced the National Party government to take up a 50 percent shareholding, along with some other large companies and banks. This became the core of the government's small business support programme. Smaller funding was given to small business units located at several universities, including Western Cape and Potchefstroom. In the bantustans, economic development corporations were styled on the SBDC model of renting premises and providing financial support. Not much was known about the activities of these organisations prior to 1994.

Outside of these government-supported institutions were myriad non-governmental organisations. These provided financial support, mainly small loans to micro enterprises, or non-financial advisory services, such as how to draft a business plan and get marketing support. Most of these NGOs were supported by donor agencies from the United States, the European Union and

various European countries. The donor agencies were quite explicit about promoting the virtues of enterprise development and entrepreneurship, and the benefits of free enterprise and market participation. In private, they were concerned that the new ANC government might turn its back on market-friendly policies and support the nationalisation of the economy.

I needed to gain access to the DTI without raising the anxieties of existing staff. At the time, small business promotion was located under the chief directorate for business regulation, which also included everything from the Companies Office to the Liquor Board and Consumer Affairs. The small business section was run by three officials, the most senior of whom was a deputy director. Using my UCT staff credentials, I requested an interview with the chief director and explained that I was doing research on small business development.

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The DTI was located in a building called the House of Trade and Industry. The offices were spread over twin towers on the corner of Church and Prinsloo Streets in Pretoria. The 1970s-style building was bordered by the State Theatre to the west and the Reserve Bank to the north. Apart from housing the DTI, the building previously hosted the "consulates" of Bophuthatswana, Ciskei, Transkei and Venda. This meant that security was a main concern. Grey prison-like turnstiles at the door were so tight that often you and your bag could not pass through together.

Along the corridors, all the office doors were closed except for those of the secretaries. As I entered the office, two sounds greeted me: the rattling noise of an air conditioner and the unfamiliar sounds of *liedjies* playing on an Afrikaans radio station. A dried-out pot plant placed on a saucer sat under a framed pink-and-white needlework with a quote from scripture that was hung on the wall. A plastic-covered table was cluttered



with a kettle, cups, saucers, doilies and teaspoons, along with containers labelled *koffie*, *suiker* and *tee*. There was no typewriter on the desk, only a large diary covered in Christmas wrapping paper that looked more like a school exercise book.

Only chief directors were entitled to a secretary. Secretaries kept the diary and made the tea for visitors. They were not allowed to type or file. Typing was done by a group of women (*tiksters*) called the “typing pool” and all files were sent to the records room. To move all this paper, the public service employed a significant number of messengers.

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The other door that remained open was the tea room. Each wing in the building had one. Chairs were placed on the perimeter, up against the walls on which were pinned pictures of popular television stars taken from the pages of *Rooi Rose*, *Vroukeur* and *Huisgenoot*. At 10am and 3pm each day, all of the staff left their desks and entered the tea room for 10 to 15 minutes. The tea cups were set out in their saucers and each saucer was decorated with a doily. Colleagues sat in these tea rooms talking in hushed tones. The telephones would ring but no one would answer their phones during tea. Visitors were expected to wait till after tea to start a meeting and meetings ended promptly at tea time.

No light entered the dark and unfriendly corridors. It could be any government department. No pictures or signs marked the fact that you were in the DTI. If not for the names on the doors, one would hardly imagine that the place was inhabited. The offices were either too big or too small and the smaller ones seemed to be allocated as punishment for being black or English-speaking. The outsider is always found in the least comfortable spaces. The office was cold inside, with a strip of carpet on the floor just big enough for a large desk to be placed on it. The venetian blinds were either half-down or stuck open. To keep the harsh sunlight out, A4 pages were randomly stuck on the window panes. The windows did not close properly. Some staff creatively placed newspaper in the gaps to keep out the cold, while others left their windows open permanently. Even on the 10th floor, all the street noises could be

heard. I remember our meetings having to compete with the annoying sound of hooting taxis, shouting drivers and the fruit-sellers on the corner.

There was a very strong respect for the hierarchy that reminded me of my days at school. When you passed your senior in the corridor, you moved aside, avoided eye contact and greeted him in a loud and clear voice, “*Goeie môre, Meneer.*” All the women were referred to as *mejuffrou* or *mevrouw*.

The majority of the men carried a grey or brown briefcase and wore grey shoes. Grey was the “in” colour. I always tried to steal a peek into these briefcases. On the few occasions I could, I saw only a lunch box and perhaps a copy of *Rapport*. No one in the public service was allowed to take documents home. This applied to the chief director as well. Their briefcases had to be empty when they arrived for work and they left. There were certainly no files lying around. A ubiquitous *in/uit* tray sat on every desk, holding brown files tied with pink ribbons. Most offices had a safe, and all confidential documents had to be locked away at the end of the day, or sent to the records room on the third floor.

In the early months of 1994, I travelled to Pretoria often. The civil servants I met were decorous and forthcoming. They were hoping to learn a bit more about me as I wanted to learn about them. During these meetings, I was able to review their staff structures, budgets and business plans. I could, however, only speak to the chief director or – with any other staff – in his presence. Apart from the obvious security concerns, they didn’t know what was going to happen to their careers and their pensions after the elections.

THE ANC WINS-HOW TO RULE?

A week after the April 1994 election, Trevor Manuel, the newly appointed minister of trade and industry, called me: “You had better go and find out what’s going on in the department. I’ll make you a special advisor. I don’t have a director-general appointed yet and I need to start putting people in the department.”

I went up to Pretoria that week for further meetings with the DTI. As I was not in a position to reveal to them my conversation with their minister, our conversation continued as before. They told me about a fund that had been established at the National Economic Forum to assist black entrepreneurs, because there was a perception that the SBDC only funded white businesses. The discussion was interesting and there was a new confidence. The chief director comfortably told me that the existing civil servants would implement whatever changes were required. Nothing would change in the department for a while. An old civil servant had been appointed as acting-DG.

The following week, my special advisor status was announced in the press. On Tuesday, I travelled back to Pretoria. No longer the UCT researcher, I faced a



cold reception. There was no welcoming committee: I had to go find the staff in their offices on the 10th floor and request a meeting. The chief director was not co-operating. He said he was in a meeting all day and could not see me. I realised that all the chief directors were meeting with the acting-DG to discuss this new development: “How do we deal with special advisors?” I decided that, since I was now part of the department, I could meet with staff members on my own and spent the day talking to them individually. I was less concerned with the content of the discussion than with looking for signs of those might have some sympathy towards the ANC or who welcomed the enormous change that South Africa had just experienced.

While in Pretoria, I started to inquire about office space, and again I could not find anybody willing to assist me. I suspected that my private meetings may have annoyed the chief director and that he had instructed his staff not to co-operate with me. When I went to the personnel office to ask for an office and some resources, they politely said, “You are not part of the department. You are part of the ministry, so you should go to the 11th floor.”

When we approached the old management about creating new functions, we were told that this was impossible.

That was clear, but the chief administration officer in the ministry told me he couldn't help me. He said he had just returned from exile and had just been here for a week himself! I was stuck in the split between the ministry and the public service. I had political authority but I couldn't actually participate in the line functions of the department. If I suggested what I thought should be done, the response was always, “*Ja, ja, ja*. Yes, we agree with you.” Then they would go back to their offices, sit down and do nothing – or do the opposite. These shrewd civil servants could find good reasons to prevent anything from being implemented.

If we spent money that was not approved in the budget, it would be considered “unauthorised expenditure”. We were also informed that a fate far worse than hell then awaited us. First, the auditor-general would send us to parliament to appear before the finance committee. This was what public servants dreaded most and I finally understood what it meant to be called on the carpet. The only way to change a budget was through an application to the finance department for a virament. They could either decide by themselves or go back to parliament in October or November for the adjustment budget.

In June 1993, we had started thinking about a



new public service. We had high expectations. We created new policies, designed new organograms and functions, and thought of new people to recruit. Drawing on this work, we wanted to introduce two new activities in the DTI in May 1994: small business development and trade relations. Up until 1994, the trade function in DTI was largely concerned with breaking anti-apartheid sanctions. New trade activities were now overwhelming the department: SACU, SADC, bilateral and multilateral trade negotiations.

When we approached the old management about creating new functions, we were told that this was impossible. “You have to change the budget, make an allocation for a new post. But the establishment is fixed. You can't change it. If you want to create a new chief directorate for small business or trade relations, you will have to wait another two years.”

The realisation that introducing new functions, budgets and people would take much longer than was anticipated forced us to think about alternatives outside of the public service. The problem with this solution was that new public servants were absorbed into a structure that was untransformed. Functions, budgets and culture remained largely the same. We had underestimated the strength of the administration. Despite our earlier efforts to learn about the departments we were entering, nothing quite prepared us for the resilience of the structure.

So questions remain; should we have been bolder and more radical in our approach? Would a different approach have delivered better results? Are we comfortable with the public sector we have created after twenty years of democracy?

