

# ARCHBISHOP NJONGO NDUNGANE, President, African Monitor GOOD GOVERNANCE CONFERENCE

## Protocol and greetings:

Madame Public Protector, Advocate Thuli Madonsela  
Ministers present, Your Excellencies, Distinguished guests,  
Ladies and Gentlemen.

## Opening Remarks:

The theme of this conference is timely and close to my heart. There can be no denying that the failure to bring an end to poverty in Africa, and indeed in South Africa, is primarily a failure of governance. In 2008 African Monitor conducted extensive poverty hearings in South Africa, which were extended to five other African countries over two years. At the end of the South African process, African Monitor published a report titled, **The People Have Spoken**.

The beginning of this publication reads: *"The state of the nation is not just how the economy is doing, or how strong the Rand is. The state of the nation is about how well the people of South Africa are doing. Are they able to live with dignity; able to feed their children; able to meet their basic needs; able to access employment, education and health care? According to the views expressed during the poverty hearings, the state of the nation is dire. Communities are crippled by poverty. It is a state of emergency."*

I believe this statement is true today as it was four years ago. It is easy to be lulled into the belief that all is well, because we are protected in the safety of our comfortable homes and the security of strong walls in our big office buildings. On top of this, despite the general economic slow-down there is still a sense of optimism among the elite as South Africa rides the wave of Afro-optimism, where African economies are still coping better than the economies of the world. I assure you that this is a false sense of security. When we speak to the poor outside the mainstream of power, business and government in South Africa, it is clear to us that the levels of desperation are rising.

## **The Truth about Poverty and Inequality in South Africa:**

As we work on the ground, the evidence shows us that poverty is a complex thing. On the one hand it is a deadly cocktail of multiple challenges faced by affected households, from HIV/AIDS, lack of access to primary health, lack of access to quality education, to lack of access to income, and the absence of food security. On the other hand, these multiple tangible challenges are exacerbated by intangible factors, like the sense of powerlessness over one's life that most of the poor experience on a daily basis; or their systemic exclusion from political, economic and social progress. It is important to understand this intangible aspect of poverty – this powerlessness – because it is this factor that causes the majority of our youth to go on rampage in response to a system that does not serve their needs. And it is this factor that should urge us to move expediently to address the scourge of poverty. What is more is that, from South Africa, to Zambia, to Kenya, to Ghana, to Cameroon, to Liberia – we hear the same message over and over again from young people, who make up 65% of our African populations. The message is that they do not want hand-outs; but rather want equal opportunities and an enabling environment where they can irk out their livelihoods in a sustainable manner.

The World Bank reports that even though economic growth and rising social welfare payments have made a dent into poverty levels in South Africa, large pockets of poverty remain deeply entrenched, mostly among the black population in townships and informal settlements. An estimated 34.5% still lives below the poverty line; while a large number has relied on grants as a safety net and single source of income to stay on or slightly above the poverty line. Some data sources state that as much as 50% of the population lives below the poverty line if the international poverty line of \$2 a day is considered. Two dollars a day is equivalent to R606 per person per month using today's prices. Take a moment to think about what you could be able to afford with R606 each month?

It is worth spending a minute or two addressing the issue of grants. 16.1 million people currently receive social grants in South Africa according to the South African Social Security Agency. Those who receive grants are counted by Stats SA as receiving an income. Some have argued that the slight drop in poverty rates may be largely due to the rapid increase in the number of those receiving grants – which means that they are not out of poverty in reality; they are simply being maintained by our government to remain on or just above the poverty line. Now, in many ways social security systems and social safety nets are good in that they protect the poor from destitution. But this is a short-term solution and barely sustainable in the long-term. Where it becomes dangerous is when our whole poverty alleviation strategy relies on this short-term solution as the single mechanism for poverty alleviation. Over and above the fact that it is not sustainable, it also creates a sense of dependency on the state, the very thing grassroots communities do not want. I remember listening to a young

man in KZN when we did poverty hearings, who lamented bitterly that these grants were not helping as they made communities dependent on handouts.

Women are disproportionately affected by poverty as female-headed households have a 50% higher poverty rate than male-headed households, with rural women suffering more than urban.

Then there is the unemployment problem we face as a country. 72% of South Africa's unemployed are under 34 years of age. The unemployment rate for people younger than 25 is 49%, compared to an unemployment rate of 25% for other age groups. This does not only spell trouble for the nation in the immediate future, but also has long term consequences.

South Africa remains the most unequal society in the world. The income Gini Coefficient stands at 0.70, with the top 10% of the population accounting for 58% of the country's income, while the bottom 10% accounts for 0.5%. Land distribution is also one of the most unequal in the world, with 55,000 white farmers owning 85% of the agricultural land.

I do not mention these statistics to preach doom and gloom ladies and gentlemen. However it is important for us to understand what our reality is, before we are able to address it.

### ***Where does Good Governance come in?***

When I started my address I stated firmly that poverty and inequality are a problem of governance. You may ask me why the dire picture above is a problem of governance. To answer this, we must first consider what good governance is in the first place.

The forefathers of democracy envisioned it as a fair system of governance, whose primary function would be to promote freedom and rule by citizens. More importantly, they also envisaged it as a system that would promote the equitable distribution of a nation's resources to its people. It is for this reason that the great philosopher, Plato stated that "democracy should dispense a sort of equality to equals and unequals alike". Ghandi on the other hand stated that "under democracy the weakest should have the same opportunity as the strongest".

I am convinced ladies and gentlemen, that high levels of poverty accompanied by high levels of inequality is a reflection of a dismal failure of the systems of governance to perform a critical duty – that of distributing our nation's resources in a just, fair and equitable manner. The moral function of the state is to coordinate the resources at the disposal of the nation for the wellbeing of its citizens. That half of South Africa's population accounts for only 8% of its income; while the top 10% accounts for 58% is shocking and an indictment on us.

As we consider the question of good governance and its role in poverty eradication, I want to highlight five critical points for our consideration:

**1. Good governance in South Africa must concern itself with one primary objective, i.e. the need to drastically shift from an unjust, unequal world towards an equal world – where national resources are shared by all, and benefit all.** There is plenty of evidence to show that we live in a grossly unequal society. What we have been too blind to see is the total cost of inequality to our nation. This cost must be calculated based on critical indicators such as:-

- the cost of conflict and unrest spurred by unequal distribution of resources;
- the cost of poor education systems to the advancement and productivity of our society;
- the cost of hunger and malnutrition – all of which have been shown to have significant impact on the ability of children to achieve their full potential.

The combined cost of these things further translates to significant cost in the loss of morality, spirituality and dignity in our societies. For example, unequal societies promote excessive binging by a few at the cost of the many – thus resulting in the perpetuation of greed, disregard for human life, and institutionalised disregard for human dignity.

**2. Good governance should be founded on the principle of a citizen-driven democratic system if it is to be truly transformative and sustainable.** I am not simply talking here about consulting citizens or some other superficial process like that. Evidence from the work African Monitor has done over the years shows that ordinary citizens want to be able to effect decisions that affect their lives. They want meaningful engagement about how their monies are spent by those they have placed in government; they want to inform strategic and planning decisions about the development path in their countries. They want to share the power they have bestowed upon those elected, especially because those in government have been found wanting when it comes to making decisions that benefit the majority.

What this means is that development must be people-centred. As Nobel prize winning economist, Amartya Sen has argued, development programmes are most effective and sustainable when intended recipients are fully engaged – respected, heard, and involved - in every stage, from inception and planning to delivery; and when adequate attention is paid to the realities on the ground.

**3. Transparency and accountability must be enshrined as a central aspect of good governance, if it is to have tangible results.** I am often reminded of wise words from Reinhold Neibhur, who stated that “human being’s capacity for justice makes democracy possible; human being’s inclination to injustice makes democracy necessary.” What he was saying is that it is only through democratic systems of governance such as transparency and accountability that we can manage and control humanities inclination towards injustice. Such transparency and accountability begins first with political leaders accounting to their citizens. There is a strong role for civil society and citizens to play in promoting that accountability. Putting accountability systems in place means that a number of structures and institutions must be strengthened, including the judiciary, parliaments, media, and civil society. That is why South Africans are making use of this important office of the Public Protector – because it is without a doubt one of the very few avenues available to the people of South Africa to effectively address their concerns about how resources are used in our country. Protecting and strengthening this office is important for that reason. Other institutions, such as the Judiciary, the Prosecuting Authority, the Auditor General whose independence is of paramount importance area sine qua non in a Constitutional Democracy.

**4. Lack of capacity to deliver is another key indicator of weak governance systems.** It is no secret though that for the most part South Africa has good policies, but very little capacity to deliver. Part of the problem has been the silos in which government departments operate, where the education department may not talk to health or social development about what they are doing in schools for instance. This must come to an end. Secondly, is the lack of capacity and professional skills among various levels of government to deliver effectively on the promises and commitments made by government. This is exacerbated by the practice of cadre deployment, where qualifications and skills are sacrificed for political expediency. Our arms of delivery need to be professionalised to the point where excellence in delivery is the main mantra.

**5. If we are to succeed in promoting good governance, we must deal decisively with corruption, and the inefficient use of resources by the political and business elites.** African Monitor is currently running a mobile campaign with young people in ten African countries called **Voice Africa’s Future**. This campaign is meant to seek-out the aspirations of this generation for post-2015. The results coming out from this work are astounding. The strongest and most frequent message is that democratic governance is the area that concerns young people the most. Within this, these young people are calling for an end to corruption and corrupt governments. They express frustration about the betrayal by African leaders who have chosen to care more about their stomachs, pockets and bank accounts than they care about citizens. For example, the youths in KwazuluNatal, Eastern Cape and Western Cape consistently voted better governances as one of their top priorities for a better future of South Africa in relation to post 2015.

To add to that, one young lady from Kenya stated in her SMS *“I dream of an Africa devoid of prejudices, an Africa that fully embraces democracy and shuns selfishness, an Africa free of debt and where no one lacks food, homes are safe, children go to school instead of toiling in the fields. I dream of Africa where the libraries are full and the slums are empty. An Africa where education is a right that everyone attains with or without money. I want an Africa that gives birth to the greatest innovators.”* Another one from Uganda stated, *“I hope Africa will be free of corruption by 2016”*.

This trend of fatigue with corruption is one we hear in grassroots conversations throughout the world. It is also instructive to note that the surveyed youths in this initiative were speaking more about better governance and not just good governance. If we are to meet their aspirations, we therefore ought to raise our standards even higher in so far as governance is concerned.

#### **Concluding Remarks:**

Having said all of this, we must never lose sight of why we want to promote good governance in our democracy. We need to heed a critical voice emerging out of grassroots communities about the future they want to see. In their own narrative, citizens have a deep desire to have the capability to function. Such a capability to function is defined as:

- the ability to reclaim the power to effect decisions that affect their lives, which requires a certain kind of democratic governance and accountability;
- have access to equal opportunities across class, gender, religion, taking into consideration vulnerable and excluded groups; and
- enjoy an enabling environment to sustain their livelihoods.

So, what then needs to be done?

South Africa has to start giving real attention to the creation of economic opportunities for grassroots communities. Economic opportunities can no longer be defined in limited terms to mean formal employment and income generating activities. They must include a whole list of other things than allow citizens to actively and independently generate their own livelihoods. To start off with, it is critical that ordinary citizens must have access

to productive assets such as land. Productive assets create the space and opportunity for ordinary citizens to independently generate their own livelihoods. Modern economies must start recognising those assets that the poor have – land, livestock, etc – as real assets that can serve as collateral to access financing, so that the poor can benefit from modern financing and investment systems. There is no reason why people in rural areas are not issued with title deeds to the pieces of land they have, so that their wonderful homes can serve as an asset base and spring board towards accessing financial services.

Macro-economic policies need to be redesigned so that they are developed with the poor and grassroots, rather than for the poor. Economic development models where the poor are the drivers of economic growth through appropriate sectors like manufacturing, have proven to be the most successful in reducing poverty and inequality. The focus has to be economic growth through the inclusion of the poor in the economy. For a country like South Africa, there is need to revive some of the industries that were allowed to die, e.g. textiles, leather, etc.

The informal sector is one such sector that requires thinking outside the box. Professor Ncube, Chief Economist of the African Development Bank recently argued that the informal sector in Africa contributes to about 55% of the GDP in sub-Saharan Africa, and absorbs about 80% of the labour force. In South Africa, the informal sector absorbs 35% of the labour force according to Stats SA. The prominence and importance of the informal sector in Africa stems from the fact that it provides opportunities for the most vulnerable, such as the poorest, women and youth. Despite its limitations, the informal sector works for the poor; it does what the mainstream economy has failed to do – that is, create opportunities and livelihoods for the excluded. Despite its relative importance, South Africa's policies are virtually silent on the issue of increasing support towards the informal economy. It is important to start thinking creatively about how the country can leverage on this sector and better strengthen it through the provision of infrastructure, technology, financial services, as well as back and forward linkages with the formal economy.

What this means, Ladies and Gentlemen, is that investments must be made in productive sectors that absorb the skills of the poor. It means that education systems must be geared towards promoting the capacity of the poor to function as integrated contributors to economic productivity. It means increasing access to productive infrastructure for the poor. In short, it means making the poor active contributors of economic development and growth.

Our governance systems must embody openness, transparency and accountability. That accountability is first and foremost to the citizens of this country. This means that government, in order to promote good governance, must put in place adequate systems and structures for meaningful citizen participation.

The one area where we need to increase systems of control and accountability is the area of illicit financial flows. It is estimated that over 43.5 billion USD leaves Africa every year through illicit flows. For South Africa alone, it is estimated that about 8.3 billion USD leaves annually. These are resource that could be used to fast-track development and address poverty. We are starting to figure out how we can support our government to put in place better controls in order to drastically reduce these illicit financial outflows. This means we need buy-in from big-business so that we can dig deep in their books. Good governance does not only apply to the public sector. It has to apply to business and civil society if we are to achieve a poverty free world.

Lastly, I am amazed by the extent to which current leaders across Africa, and indeed in South Africa, have gone silent on issues related to the MDG's. In less than two year's time – in 2015 we will have reached the deadline to achieve commitments we made towards the MDG's. It is a well known fact that South Africa is trailing behind. Why do we not hear an outcry from leaders across the country – including those in business and civil society? My sense and fear is that there is not enough ownership in our land about the development trajectory that we are taking.

Well, I think enough is enough. I am making a public call to all the leaders of our country, including those of you sitting here today. This call is especially to community leaders, and faith leaders who are the moral compass of our country. We must rise up and say ENOUGH IS ENOUGH.

What are we as faith leaders, and as civil society doing to ensure that our governments whom we have entrusted with our monies are doing the right thing?

As Prisoner 620/63 locked up in Robbin Island many years ago, I dreamt of an Africa where all her children are liberated; where all her children are educated, have enough to eat, and have all the basic essentials for a decent life filled with dignity. It is that dream that I still hold for South Africa today. Never could I have imagined though, sitting on those cold floors of Robbin Island almost 50 years ago, that this dream would remain an elusive dream for so many today despite what we have fought so hard for.

We must find it in our heart to keep pressing for change, so that this dream can be a reality for us all.

We must have the audacity to say we will eliminate poverty and hunger from the face of the earth.

Citizens of South Africa – Enough is Enough!

We cannot allow this trajectory to continue in our name! We should stiffen our spines to advocate for good governance and the elimination of poverty.

Thank you.