

***iKapa elihlumayo*: The Western Cape Policy Framework**

The development of *iKapa elihlumayo*

The socio-economic conditions and national policy priorities discussed earlier were the driving forces that marked a radical departure from previous spending priorities when the current government came to power. These spending priorities were however not yet developed when the *iKapa elihlumayo* approach was first presented by the Premier in his Opening of Provincial Parliament Address and subsequently by the provincial Minister of Finance in his 2003 Budget Speech. The commitment of government to respond to adverse socio-economic conditions was displayed in the strategic allocations for the Economic Stimulation Package and the General Education and Training (GET) and Further Education and Training (FET) Interventions in the Education Department.

A coherent and strategic approach behind these interventions still had to reach fruition and be consulted with the Province's development partners in civil society, other spheres of government and the business community. The period between March and December 2003 saw intensive consultation and negotiation both inside and outside of the provincial government to deliver a practical rendition of the *iKapa elihlumayo* vision.

External to the provincial government itself the process was marked by:

- The Black Economic Empowerment Summit;
- The work of the Western Cape Investment Council;
- Various Imbizos;
- The Public Transport Summit;
- The Property Summit;
- The Construction Summit;
- The Youth Summit;
- The Women in the Built Environment Summit;
- The Development Finance Summit;
- The Water Summit;
- The Cooperative Government Summit, and
- The pre-Growth and Development Summit process.

These external processes culminated in the Provincial Growth and Development Summit and the agreement between the social partners that followed from it.

Parallel and linked to this external process were a series of events internal to the provincial government that was marked by the following events and documents:

- The Socio-Economic Review (SER) 2003;
- The 2003/04 Adjustments Estimates, and
- The provincial Medium Term Budget Policy Statement 2004-2007.

This process culminated in the Framework for the Development of the Western Cape 2004-2007 that outlined and developed the philosophy of *iKapa elihlumayo* and guided the Province's fiscal commitments to the realisation of this vision.

Content of *iKapa elihlumayo*

In his 2004 Opening of Parliament address, the Premier outlined the long-term strategic framework that embodied the President's four implementation goals referred to earlier.

The Premier committed this Province to a delivery focused budget with fiscal discipline, in addition to appropriate job creation initiatives, strengthening of the social net together with continued rationalisation of health services (Healthcare 2010), building human capital, increasing infrastructure investment and safety measures for the Province's citizens and renewed efforts at bolstering land reform, urban and rural development. While some components of this framework have already borne fruit, this long-term strategy is essentially designed to guide government and its development partners over the next ten years. In this context, the eight priority areas that emerged from the MTBPS and the Provincial Growth and Development Summit (PGDS) as confirmed by the Premier in his address are:

- *Building Human Capital with an emphasis on the youth:*

The 2003 SER showed that one of the key determinants of poverty and inequality is the variable educational attainments of people in the province. In addition to its contribution to building social capital, a key goal of the human resource development strategy will therefore be to ensure that the entire labour force has appropriate skills to enter the labour market, on the one hand, and to facilitate additional investment by supplying enterprises with appropriately skilled workers on the other hand.

- *Micro-Economic strategy (MES):*

The 2003 SER showed that growth in the Province was slowing. The overall goal of the micro-economic strategy is therefore to guide and direct provincial involvement in private sector so as to ensure more appropriate levels of growth. In order to do this, the MES will have to identify and address global and national economy-wide trends as well as industry specific blockages and opportunities.

- *Building Social Capital with an emphasis on the youth:*

The Social Capital Formation Strategy aims to arrest and reverse the decline in social capital in the province that is visible in high levels of crime particularly amongst the youth, motor-vehicle accidents caused by driver attitude and fitness, alcohol and drug dependency, AIDS and TB and gang activity. Social capital will be rebuilt by the co-ordination and integration of the social capital interventions of especially the departments of Social Services, Housing, Health, Community Safety, Sport and Culture but also civil society, local government and the business community using a single targeting framework.

- *Strategic Infrastructure Investment:*

The SER gave preliminary indications of the impact of insufficient investment in the provincial transport network. The goal of the Strategic Infrastructure Plan is therefore to provide the physical infrastructure that supports growth, labour market participation and general well being in the Province. Given the fiscal constraints that the Province is under, this plan will contain a strategy for progressive rollout according to the position of relative priorities in it.

- *A Spatial Development Framework (SDF):*

The PSDF will provide a common framework for the geographical targeting of provincial service delivery and regulatory interventions. It will also provide an indication of provincial plans to local authorities, national government and the business community, and thus facilitate improved development linkages between the spheres of government as well as its development partners.

- *Co-ordination and Communication:*

To render the first five priorities effective would require excellent cooperation and a well articulated common sense of purpose between the provincial and local government spheres and between them and civil society and the business sector.

- *Improving Financial Governance:*

Without diligent and well targeted use of finite financial resources, the ideals articulated in *iKapa elihlumayo* will not be fully attained, if at all.

- *Provincialisation of Municipal rendered services:*

A long outstanding issue relates to the rationalisation of services between provincial and municipal spheres so as to achieve optimisation and clear accountability lines.

These eight priorities were derived from an overview of development challenges in the province (the SER), thorough assessments of provincial service delivery (Medium Term Expenditure Committee - bilaterals, Efficacy reviews, Efficiency reviews) and extensive deliberations through the process that culminated in the Provincial Growth and Development Summit (PGDS).

Implementing *iKapa elihlumayo*

While the Provincial MTBPS 2004 – 2007 provided the broad framework for the development of *iKapa elihlumayo*, it did not develop each of the individual components thereof. To this end Cabinet assigned key roles and responsibilities to each department, including the designation of five lead departments, each who are charged with the development of their individual strategies. Likewise each of the eight provincial priorities that constitute *iKapa elihlumayo* has to be developed, driven and coordinated by a designated provincial department.

In addition to having the responsibility to design, develop and implement these plans, the lead role of departments has an added strategic dimension. Almost all these plans involve a variety of other role-players both inside and outside of provincial government. The leadership role of the designated departments would also entail the coordination and incorporation of important actors that fall outside of their immediate sphere of influence. It is for this reason that many of the strategies and plans have to be designed in partnership with other significant developmental partners and service providers in the Province.

More generally this speaks of a more pro-active approach to governance that has begun to mark governments across the world. This reverses to some extent the rolling back of the state in the 60s and 70s that left all issues of distributive justice to the 'invisible hand' of the marketplace to resolve. It should be realised that this magical formula is not succeeding, requiring more interactive and innovative approaches to governance. This is also what society is asking of our government: not just to deliver services, but also to provide strategic leadership to society more broadly. Not just to spend taxpayer's money, but to find creative ways of obtaining the maximum return for every Rand spent. And this often means greater cooperation and coordination with other governments, civil society and the private sector. It is for this reason that Cabinet designated a number of departments as lead departments to intensify and extend their sphere of activity.

***iKapa* Strategies, Lead Departments and Partners**

<i>iKapa</i> Intervention	Lead Department	Supporting Departments	Other Partners
Social Capital Formation Strategy	Social Services & Poverty Alleviation	Health, Education, Culture and Sport, Community Safety, Transport & Public Works	Civil Society Organisations
Human Resource Development Strategy	Education	Provincial Administration, Transport and Public Works, Health, Agriculture	SETAs ¹ ; Universities, Private facilities
Strategic infrastructure Plan	Transport and Public Works	Housing, Environmental Affairs and Development Planning	Local Government, Parastatals
Micro-economic strategy	Economic Development & Tourism	Agriculture, Environmental Affairs and Development Planning	Private Sector
A Spatial Development Framework	Environmental Affairs and Development Planning	All Departments	Local Authorities, Private Sector

¹ Sector Education and Training Authorities

iKapa elihlumayo firstly combines short and long-term strategies. Through the payment of grants and the Extended Public Works Programme (EPWP), the elihlumayo drive provides short-term relief to the poor and unemployed. Over the long term, structured human resource development, targeted and coordinated infrastructure spending and investment promotion should put in place key pillars of higher levels of sustained growth and employment.

iKapa elihlumayo secondly combines economic interventions with social interventions. So while it pursues economic growth and higher levels of employment, it also puts in place programmes to regenerate social capital by supporting especially the youth and families.

The goal of the Spatial Development Framework (SDF) is to guide the appropriate geographical targeting of service delivery in the Province. In this way it ensures a common set of assumptions in the delivery of the other departments in terms of the spread of economic development, availability of employment, the occurrence of poverty, the spread of criminal activity, disease, etc.

In the same way the Strategic Infrastructure Plan, apart from its own direct and indirect economic impacts, also has to support the Social Capital Formation and Micro-Economic Strategies in particular. The institutions that support and generate growth, jobs and social capital must be made accessible to the intended beneficiaries by the appropriate infrastructure.

What will *iKapa elihlumayo* deliver?

Because many of the strategies that make up *iKapa elihlumayo* are still in the process of being finalised, many of the above linkages will need to be developed further over time. Some of the specific goals that will be pursued were, however, agreed on by government and its social partners at the Provincial Growth and Development Summit in November 2003. While many of these commitments demand synergy between provincial strategies, they have been categorised below by the priority area that they address. It is also important to note that these goals will not be the only ones to be pursued by the *iKapa* strategy. The complete set of targets will be generated by each of the lead departments as and when they finalise their strategies, although the objectives listed in the individual Budget Statement 2's give a preliminary indication of what these will be.

Human Resource Development

- Implementing a Human Resource Development Strategy with an emphasis on preparing the youth for employment through 10 000 new learnerships, and the alignment of Further Education and Training priorities with economic reality, and
- Focus on the effective functioning of SETA's and to participate proactively in a Provincial Skills Development Forum for the implementation of the HRD strategy.

Economic Growth

- Accelerated export growth and increased investment in all priority economic sectors through supply-side support measures, co-ordinated marketing campaigns focused on key global markets and public-private investment in collaborative sector platforms and projects;
- Strengthening the Proudly South Africa campaign locally, in particular through our public and private procurement processes;
- Improving the investment environment by increasing capacities and efficiencies and by co-ordinating policies and processes across and between different spheres of government, with respect to safety and security, and the regulatory environment for planning and environmental impact;
- Work in partnership to attract new investment of R5 billion into the priority economic sectors by the year 2006;
- Reviewing the regulatory framework for informal trading in order to make it more conducive to developing micro and small traders;
- A comprehensive and broad-based empowerment strategy that encompasses access for historically marginalized groups to procurement opportunities in the public and private sectors;
- Identifying concrete opportunities for co-operatives to be nurtured and developed in the key economic sectors;
- Integrated system for service delivery to small business, and
- A pilot project to incubate and graduate 100 emerging entrepreneurs (30% of whom will be women) providing the full spectrum of services in a co-ordinated and integrated system.

Job creation and Social Capital Regeneration

- Creating at least 120 000 net new jobs by 2008 within the priority economic sectors;
- Implementing an Expanded Public Works Programme at all levels of government as short term amelioration for high unemployment of low skilled people and for critical economic and community requirements;
- Establishing a permanent provincial rapid response unit comprising the social partners to defend current investments and jobs, and
- HIV/Aids, TB and foetal alcohol syndrome prevention and treatment are prioritised.

Infrastructure Investment

- Significantly increasing levels of investment in key economic and social infrastructure from the current 1.1% of GDP to 2.5% of the GDP by the year 2008 guided by a Provincial Strategic Infrastructure Plan and the integrated development planning process, aligned to the National Spatial Development Perspective.

While the policy framework and delivery goals make up the ideal towards which provincial service delivery will strive, the extent to which it can be reached will largely depend on the revenue to which it has access. Before describing the revenue that the province will have access to over the next three years, we outline the budget process that translated provincial policy priorities into budget allocations.