

Hon M C Ramaphosa
President of the Republic of South Africa
The Union Buildings
Pretoria

By email: president@presidency.gov.za ; malebo@presidency.gov.za

Dear Mr Ramaphosa,

We write to you in the wake of your reshuffle of the Cabinet, undertaken following calls from the Democratic Alliance for changes to the executive. We do not write to comment on the individuals you have appointed, reassigned or removed. Instead, we write to make a point that we believe is more consequential than any individual appointment: the names on the doors of offices matter far less than what is written into the policy those ministers are told to carry out.

A new minister with the old mandate will not produce anything substantively different from the old outcome. South Africa has, over three decades, rotated a great many individuals through its ministries. What has remained constant, with debilitating effect, is the fake transformation agenda that has guided the policy they have carried out.

Fixed investment has sat below 15% of GDP against a world average closer to 26%. Growth since 2008 has averaged little more than 1%, a rate at which the economy would take well over half a century to double in size. Youth unemployment recently stood at 57%, with close to 45% of South Africans aged 15 to 34 not working, studying, or training. These are not the consequences of any individual incumbent in any particular office. They are the consequences of policy choices that any minister, however capable, is obliged to administer.

This is the central point we ask you to consider: you may reshuffle the Cabinet as often and as thoroughly as you judge necessary, but unless the policies your ministers are charged with implementing are reoriented toward growth, the change of personnel will not change the trajectory of the country. Competent administrators executing a poverty-perpetuating policy framework will still perpetuate poverty.

In the founding paper of our *Blueprint for Growth* series, *Arming SA's Pro-Growth Forces*, our Chief Executive Dr John Endres set out the core elements of the growth formula that decades of international evidence support. We would ask that whoever now holds each economic portfolio be measured against these elements, rather than against the optics of their appointment:

- **Secure property rights:** Investment depends on confidence that what is built or bought will not be expropriated, regulated away, or rendered insecure by policy uncertainty. Policies that weaken property rights, including through expropriation without compensation, are a direct brake on growth and must be reversed.
- **Free markets over state direction:** Growth follows where individuals and firms are left free to produce, trade, and invest with minimal interference. Excessive state involvement in the

economy, including through underperforming state-owned enterprises, should be reduced in favour of competition and private initiative.

- **Labour markets open to employment:** Race-based labour legislation and burdensome hiring regulation raise the cost and risk of employing people, particularly the young and unskilled. Removing these barriers is essential to converting South Africa's large pool of unemployed people into a productive workforce.
- **A depoliticised and capable state:** The politicisation of appointments through cadre deployment has degraded the state's ability to deliver basic services and to administer policy impartially. A public service appointed and judged on competence is a precondition for any of the above to function.
- **Economic growth as top priority;** Above all, Dr Endres argues that government must adopt a single-minded focus on growth, prioritising it ahead of redistributive and ideological objectives that have been pursued at growth's expense. It is this hierarchy of priorities, more than any individual policy, that we ask you and your Cabinet to adopt.

In simple terms, we ask that the test you apply to your new Cabinet, and to your own oversight of it, be whether the policies each minister pursues are calculated to raise investment, employment, and growth.

A reshuffle that leaves the current policy architecture untouched will, regrettably, produce the same results that have brought us to where we are today. A reshuffle accompanied by the kind of reorientation set out above could mark the beginning of the growth path South Africa has been waiting for.

Yours sincerely,

Anlu Keeve
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