TRANSPORT AND THE ACCELERATED GROWTH INITIATIVE OF SOUTH AFRICA: HAVE WE MAINSTREAMED?

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ABSTRACT

This paper is concerned with strengthening the relevance, effectiveness, and responsiveness of national transport policy to deliver national demands and targets for accelerated and shared economic growth in South Africa. Its objective is to analyse the linkage and gaps in the White Paper on National Transport Policy of South Africa (1996), and the Accelerated and Shared Economic Growth Initiative of South Africa [ASGISA] (2006). Its focus is on the national transport policy. It found that the national transport policy is well aligned to contemporary thought and practice in transport. It shares and addresses with ASGISA the same Reconstruction and Development Program (RDP) national developmental objectives, constraints and interventions. However, it does not mainstream the national growth performance targets and milestones, and poverty reduction, which constitute the basis of ASGISA. It concludes that the policy has gaps or weakness, which stem from not aligning to crucial national strategic growth performance targets and milestones of ASGISA. The paper recommends systemic policy review and mainstreaming of ASGISA's growth performance targets and milestones.

1. INTRODUCTION

The fundamental reason why governments in developing countries have, for decades, failed to make meaningful transition on the global human development index does not stem from the shortage of excellently crafted national policies, strategies, and targets or the lack of resources. The problem, very often, is that sector policies, strategies, and programmes on one hand, and national goals and targets, implementers, stakeholders, and players, on the other, are seldom systemically aligned and synergised to each other. Lessons from development practice have shown that even the excellently crafted national infrastructure policies and strategies, action plans, enabling frameworks, sophisticated human resources and financial outlays, if not mainstreamed to each other, cannot guarantee the effective and efficient delivery and achievement of set national development targets. They can do so only when, as elements in a system, they link and synergise or mainstream each other systemically and systematically.

'Mainstream' is of recent use in development practice. It is applied to mean the act or process of bringing into mutual synergistic alignment and embrace or fusion of two or more elements. It involves recognizing, sharing, and synchronizing mutually supportive and reinforcing synergies towards common intent, purpose, and activities to achieve common goal.

In the context of South Africa, national transport is presently the subject and object of considerable attention and scrutiny. Of major interest and significance to this paper is not its traditional role and function, but its policy response to the objectives and targets of the Accelerated and Shared Growth Initiative of South Africa (ASGISA). Specifically, the transport sector is under challenge to accelerate infrastructure investment growth by 15-20% per annum till 2014 in order to underpin the accelerated and shared economic and social growth of the country. Besides, the national transport policy dates back to 1996 and is premised on the Reconstruction and Development Programme (RDP), while ASGISA is a 2006 agenda to bolster the results of the RDP. Has the national transport policy mainstreamed the new agenda? Clearly, it is of fundamental importance to assess the synergistic linkages and harmonization between the National Transport Policy and ASGISA, particularly in view of the important role of the transport sector and policy in achieving national accelerated and shared economic growth targets. Accordingly, the aim of this paper is to carry out a systemic and systematic desk review of the National Transport Policy to ascertain synergistic linkages with ASGISA. It focuses on a review stock take of the linkage and gaps between the national transport policy and ASGISA, assessing the degree of mainstreaming, and suggesting recommendations.

The review of national transport policy is, for the most part, a desk research exercise. The internet was the primary source of information. To their credit, the Department of Transport (DoT) and stakeholders have a wealth of useful and up to date policy, annual reports, and research materials stacked in their internet libraries. The availability of these internet resource materials substantially reduced necessity for conventional interviews and extensive consultations of stakeholders.

The remainder of paper is in four main sections. The first section, 'Background, Thought and Practice in Transport', provides a brief overview of the conceptual framework of contemporary principles thinking informing transport practice in developing countries and emerging market economies. It helps to evaluate the alignment of the National Transport Policy of South Africa to modern thought and practice. Second, The Agenda of ASGISA on Transport provides an outline of the rationale, objectives, targets, and agenda of ASGISA, and it relates to transport. Next, is The Transport Sector and Agenda of ASGISA, which is a systemic analysis of the extent to which the National Transport Policy is presently aligned to ASGISA. The final section, Conclusions and Recommendation, draws the overall conclusions, and recommendations.

2. BACKGROUND, THOUGHT AND PRACTICE IN TRANSPORT

On the basis of country case studies, the World Bank (1994) provides very instructive insights into contemporary thought and practice in transport for developing countries and emerging economies. What emerges is that transport infrastructure is central to the progress and transition of economies, the improvement of daily social and economic activities of individuals, households, and business, and poverty reduction. Any failure or deficiencies in transport reduce the quality of life and productivity. Conversely, any significant improvements in transport infrastructure services enhance social welfare, economic productivity, and poverty reduction.

Governments are the traditional provider of transport infrastructure. This is a function of the intensive technological and capital-intensive nature of transport, and the fact transport is a national service with strategic economic, social, and political significance. About this, the World Bank (1994:13) cautions that the dominant and pervasive interventions by governments in transport have, in many cases, failed to promote efficient delivery of transport. There are now strong suggestions that transport has multi-dimensional

structural, functional and positive and negative 'cause-effect' links to economic growth, globalisation, poverty, and environment, the user and environmental sustainability. There is increased acknowledgement that transport constitutes the 'wheels' (World Bank: *ibid*) of economic activity and growth and contributes significantly to the gross domestic product (GDP). High cost contribution suggests inefficiency while high low cost contribution points to efficiency.

Concerning user demands, high quality of transport infrastructure and services and reduction in effort and time to access transport service, commute to work, get products to market at affordable cost is of essence. In recent years, developing countries have become a larger part of the global market place with implications on the transport sector. Many developing countries need to compete in global markets and participate in 'global sourcing' (World Bank: 1994). To do so they require efficient and cost-effective freight logistics services. Widely recognised now is that transport is not only an important cog in economic production and growth, but in poverty reduction through capital and service investments that create employment and incomes and also in underpinning production and marketing activities.

On the other hand, urbanisation and transport are one side of the same coin. Spatially dispersed settlements and population distribution patterns are costly in transport and unsustainable. Traditional supply-driven transport and urban planning approaches and paradigms that are historically technocratic, undemocratic, top-down and the preserve of professionals are being discarded in favour of participatory and inclusive methods. There is now greater involvement and participation of stakeholders and users to influence transport policy, pricing, and quality of service. There is also increased technological innovation and application of commercial principles, competition, and participation of users and stakeholders in transport infrastructure provision. Emphasis is now on transport solutions that are responsive to needs and demands of the customer. Further, the World Bank (1994) points that the new commercial thrust clashes and contrasts with the bureaucratic frameworks and policy induced -inefficiencies that are associated with state owned public departments and public entities. There are calls for the reform of government roles and transport policy, and also for the grooming of new commercial organisational cultures, which, enable and regulate for competition than against.

There is greater environmental sensitivity and realisation that transport investments create permanent assets that permanently change the natural environment. There are now international environmental agendas, protocols, and codes of practice which governments and national transport policies mainstream. On the other hand, advances in technology have opened new opportunities and pragmatic attitudes towards infrastructure, greater sensitivity to poverty, and to the environment.

Finally, the traditional public supply-driven paradigm of transport infrastructure servicing development is no longer viable and sustainable on its own. Accordingly, governments are crafting modern transport policies that embrace the above progressive thought and practice. And, the extent to which the national transport policy of South Africa mainstreams this thought and practice influences its responsiveness and effectiveness to new challenges and mandates beyond the Reconstruction and Development Programme (RDP). In the next section the paper proceeds to articulate the new demands that ASGISA has placed on the transport sector beyond and further to the RDP.

3. THE AGENDA OF ASGISA AND TRANSPORT.

Essentially, the Accelerated Growth Initiative of South Africa (ASGISA) is an executive presidential national development policy framework instituted in 2006. It affirms state stewardship of recent economic growth and gains. ASGISA aims to consolidate and sustain the higher national economic growth rates achieved over the past two years. As Mlambo-Ngcuka (2006) outlines, specifically, it seeks to accelerate present positive economic growth of 4.5% per annum to 6% per annum by 2009, but making sure that the benefits of this growth are used to underpin the reversal of historical socio-economic structural distortions, injustices, and underdevelopment.

As outlined, the key targets of ASGISA are to; a) reduce poverty and unemployment by 50% by 2014; b) accelerate economic growth rate by 4.5 % per annum between 2006 and 2009; c) accelerate economic growth rate by 6% per annum between 2010 and 2014; d) accelerate infrastructure investment growth by 15-20% per annum to 2014; e) address deficiencies and binding constraints to accelerated economic growth; and f) make transport freight logistics efficient and competitive for the economy and global market.

ASGISA outlines the following eight (8) major challenges and objectives for the South African economy, and transport sector; i) improving environment and opportunities for labour absorbing economic activities; ii) fruits of growth are equitable shared to eliminate poverty; iii) reduction of acute inequalities; iv) inclusive and diverse economic production; v) value added products and services; vi) reduction of production and distribution costs; vii) absorption of labour into sustainable employment; and viii) new business generation and expansion and mainstream second economy. Finally, six (6) major interventions are proposed by ASGISA, *viz*; a) Macroeconomic Issues; b) Infrastructure Programmes; c) Sector Investment Strategies and Industrial Strategies; d) Skills and Education Initiatives; e) Second Economy Interventions, and f) Public Administration.

4. THE TRANSPORT SECTOR AND THE ASSISA AGENDA

In this section, the linkage between the National Transport Policy and ASGISA is interrogated. It has three parts, the first is a brief outline of the transport sector and framework of South Africa, while the second highlights the extent to which the policy is aligned to contemporary thought and practice, and the third takes stock of the extent to which national transport policy mainstreams ASGISA.

4.1 The South African Transport Sector

South Africa is a relatively large country measuring 1,200 km² and a population close to 46.6 million in 2004. The gross domestic product topped over \$470 billion (approx. '3,290 million Rands) in 2004 (US Dept of State: 2006). Sections of the national road network stretches from the northernmost (Musina) to the southern most (Cape Town) by over 2,000 km and by 1,200 km to Durban on the eastern coastline. The network stretches over 600 km from the east to west. The network is of high standards in the context of Southern Africa. The main transport infrastructure challenge lies in historically disadvantaged provincial and municipal areas. At the national level, the challenge is network and freight logistics bottlenecks.

The South African transport policy sector is relatively large, complex, and sophisticated, comprising six (6) mandates; Transport Infrastructure; Land Passenger Transport; Land Freight Transport; Civil Aviation; Maritime Transport, and Road Traffic and Safety. Transport plays a very important role and function providing national, regional and international freight logistics services. It underpins the accelerated and shared economic

growth initiative. The Department of Transport (DoT) is the state authority for transport sector policy and is organised into six branch sub-sector mandates comprising; a) Public Equity and Economic Regulation; b) Transport Logistics and Corridor Developments; c) Public Transport; d) Integrated Planning and Inter-sphere Coordination; e) Transport Regulation, Accident and Incident Investigation; f) and Research Policy and Economic Analysis. The DoT internet library presently lists 32 policy and strategic documents including the White Paper on National Transport Policy (1996), the National Freight and Logistics Strategy (2005) and National Land Transport Strategic Framework (2006-2011). In addition, 63 legislative instruments define the enabling and regulatory framework for transport and over 300 stakeholder organisations.

4.2 The National Transport Policy and Contemporary Practice.

Analysis showed that the White Paper on National Transport Policy of South Africa (1996) aligns well to nearly all major principles of contemporary thought and practice in transport. Save for role in poverty reduction, the policy embraces nearly all thought contemporary thought concerning application of commercial principles, role of the markets, users, institutional reform, environmental sensitivity, and the role of transport in social and economic development.

4.3 Linkage between Transport Policy and ASGISA

This section takes stock of the extent to which the national transport policy mainstreams ASGISA. Matrix and gap analysis techniques were used.

Table 1: Findings; Linkage between National Transport Policy and ASGISA

| | ASGISA | NATIONAL TRANSPORT POLICY | | | |
|----|---|---------------------------|-----------------|--|--|
| | | Response Indicator | | Evidence Indicators | |
| | | Explicit | Not Explicit | | |
| a) | Research & Development | ✓ | | Government will support R&D | |
| b) | Refocus Government and its partners in way they do business | √ | | Reform of Institutional Framework, positive regulation, partnerships, joint ventures; commercial principles | |
| c) | Reference of Social Goals to meet MDGs | | × | No reference to poverty reduction, MDGs, and targets to reduce poverty and unemployment by 50%. Reference to improvement of general welfare and broadening participation in the sector. | |
| d) | Benchmarking | √ | | Establish global competitiveness in land, air and marine freight and logistics efficiency and costs | |

Source: Compiled by Author, 2007

Table 2: Findings; Linkage between National Transport Policy and ASGISA

| | ASGISA | NATIONAL TRANSPORT POLICY | | | | |
|----|--|---------------------------|-----------------|---|--|--|
| | | Response Indicator | | | Evidence Indicators | |
| e) | Rationale of ASGISA | Explicit | Not Explicit | | | |
| | Policy adapted to make explicit focus and reference to ASGISA | | × | • | No reference to ASGISA, targets and milestones to 2014 | |
| | Recognition of objective to reduce poverty and unemployment by 50% by 2014 | | × | • | No reference to poverty and poverty reduction; not target indicators and milestone | |
| | Embracing of objective of reducing poverty and unemployment by 50% by 2014 | | × | • | No reference to poverty; no target indicators and guidelines | |
| | Achieve 15 % - 20% growth in infrastructure investment to 2014 | | × | • | No sector investment performance target indicators | |
| | 4.5% economic growth rate between 2006-2009 | | × | • | No reference to economic performance targets | |
| | 6% economic growth rate between 2010-2014 | | × | • | No reference to economic performance targets | |
| | Ensure environment and opportunities for more labour absorbing economic activities | ~ | | • | DoT will promote entry of SMMEs into freight sector; Use of labour intensive construction methods | |
| | Ensure fruits of growth are shared towards elimination of poverty | | × | • | No reference to poverty and sharing or redistribution, save for subsidies; [but provision of infrastructure expected to enhance the quality of life of all citizens] | |
| | Severe inequalities are to be considerably reduced | | × | • | Inequalities in provincial and rural areas left to provincial and local municipal governments | |
| | Vision of vigorous inclusive economy | ~ | | • | Review policy to ensure it meets needs of all people; Broadening economic participation and entry in transport services | |
| | Value addition of products and services | √ | | • | Enable world class transporters and service providers | |
| | Cost of freight and logistics reduced and made efficient and competitive | √ | | • | Improve competitiveness through greater effectiveness and efficiency to meet needs of different users locally and globally | |
| | Labour readily absorbed into sustainable employment | | × | • | No explicit reference to sustainable employment, but reference to labour intensive methods and affirmative action | |
| | New business are encouraged to increase, grow, and expand | * | | • | Establishment of SMMEs and addressing infrastructure provision; barrier to entry removed; DoT will promote entry to road freight sector through formalization of small operators, training and skills transfer | |
| | Reach out to one third of South Africans not benefiting from mainstream economic gains | | × | • | No specific recognition and reference to this target group; reference to improve welfare of all citizens and affirmative action; reference to disabled | |

Source: Compilation by Author, 2007

Table 3: Findings; Linkage between National Transport Policy and ASGISA

| | ASGISA | NATIONAL TRANSPORT POLICY & STRATEGY | | | | |
|----|---|--------------------------------------|----------|---|--|--|
| | | Response Indicator | | Evidence Indicators | | |
| | | Explicit | Not | | | |
| - | | | Explicit | | | |
| f) | Addressing of National Binding Constraints | | | | | |
| | The volatility and level of currency | | × | Not explicit as an important area of transport economics research analysis | | |
| | Cost, efficiency and capability of freight and logistics sector | √ | | To provide, safe, reliable, effective, efficient and full integrated land freight transport operations and infrastructure which best meet the needs of customers | | |
| | Shortage of skilled labour and high cost dues to patterns of settlement | ✓ | | Training needs for provision and operation in transport will be identified, quantified and matched where applicable with skills provision | | |
| | Barriers to entry, limits to competition, limited new investment | ~ | | Broaden participation in transport service provision; DoT to influence ownership, participation, jobs, organization, and bidding processes influence participation in various transportation sectors; Potential barriers of entry will be removed; affirmative action accelerated at all levels of government | | |
| | Regulatory environment and burden on second economy | √ | | Potential barriers of entry will be removed by establishment of documentation suitable for SMMEs; affirmative action accelerated at all levels of government | | |
| | Deficiencies in state organization, capacity and leadership | ✓ | | Fragmentation between different government departments, Absence of structure or mechanism for coordination of the strategic planning of infrastructure; appropriate structures for coordinate planning will be established a forum to be established by the DoT. | | |

Source: Compilation by Author, 2007

4.4 Analysis of Linkage and Mainstreaming between National Transport Policy and ASGISA

Overall, the analysis showed several major strengths and gaps or weaknesses in the linkage between the National Transport Policy and ASGISA as shown below.

4.4.1 National Transport Policy and Modern Thought and Practice

Generally, the National Transport Policy is modern as it explicitly embraces, reflects, and mainstreams the majority, if not all, contemporary principles of thought and practice in transport for developing countries and emerging markets.

4.4.2 National Transport Policy and ASGISA

The binding constraints to the economy and focal objectives of ASGISA underpin the national transport policy; *viz*; unsatisfactory and high cost, inefficiency and capability of the national freight logistics system; removal of backlogs, frameworks that do not encourage competition, high cost of freight and logistics; shortage of suitable skilled labour: address lack of sufficient skilled professionals, high cost of common labour due to high transport costs; barriers to entry, limits to competition and limited investment opportunities: lack of

opportunities for downstream production and service industry to absorb labour; regulatory environment and burden on small and medium enterprises; constraints to micro, small and medium enterprises by regulatory environment; and deficiencies in state organisation, capacity, and leadership; address and weaknesses in the way government is organised, leadership, implementation, and policy development.

Reconstruction and Development Programme (RDP) objectives, constraints and interventions generally underpin the National Transport Policy and ASGISA, *viz*; Macroeconomic Issues; Infrastructure Programmes; Sector Investment Strategies and Industrial Strategies; Skills and Education Initiatives; Second Economy Interventions, and Public Administration.

4.4.3 National Transport Policy and ASGISA;

The National Transport Policy shares the same RDP goals, objectives, recognition of constraints and interventions with ASGISA, however, the National Transport policy exhibits several gaps or weakness which reflect need for review and mainstreaming in the specific areas summarized below:

- Reference to ASGISA: The National Transport policy does not reference to ASGISA, suggesting no review of the White Paper took place in the light of ASGISA.
- Milestones not Synchronized and global targets lacking; The National Transport Policy is a long term document, however, it has not embraced the national target and performance milestone of 2014, and national targets are not recognized.
- Poverty and Poverty Reduction Targets; There is no recognition in the National Transport Policy of the key objective and target of reducing poverty and unemployment by 50% by 2014. There is no reference to poverty. The policy does not explicitly embrace poverty reduction by 50% as its social goal by 2014. The policy has no explicit reference to poverty reduction and Millennium Development Goals (MDGs) although reference is made to transport contributing to social and economic development and improving general welfare of all citizens. In this case, the policy does not refocus and target poverty reduction and reduction of social inequalities.
- Sector Infrastructure Investment Targets; The National Transport Policy does not make specific reference to transport infrastructure investment growth performance targets of between 15-20% per annum expected to be sustained to 2014.
- National Economic Growth Targets; The National Transport Policy makes no reference to national economic and social growth performance targets of 4.5 % per annum between 2006 and 2009 and 6% per annum between 2010 and 2014.
- Economic and Social Redistribution; Although the National Transport Policy expects
 every citizen to benefit from transport investment, and makes reference to spatial
 inequalities in transport provision and poor people and transport subsidy interventions,
 it does not make explicit reference to objective to the objective of redistribution and
 ensuring that fruits of accelerated economic growth are shared to eliminate poverty to
 2014.
- Maximizing Employment, Although the National Transport Policy recognizes the use of labour intensive methods, and affirmative action for SMMEs, there is no explicit focus and target on readily absorbed sustainable employment creation.
- Reaching Out to One Third of South Africans not benefiting; The National Transport Policy does not make specific recognition and reference to these, but provides for broad participation and that they be taken care of by constitutional spheres of provincial and local government.
- Social Development, the policy recognizes the role of transport in social and economic growth, but there is no explicit linkage of the transport sector to MDGs, ASGISA and PRS.

5. CONCLUSIONS AND RECOMMENDATIONS

The review and analysis of the White Paper on National Transport Policy of South Africa has produced very significant findings and conclusions. Overall, the policy draws its strengths from embracing contemporary principles of thought and practice in transport and from recognizing and addressing the same RDP -inspired national development objectives, binding constraints as well as state interventions as does ASGISA. However, in the final analysis, it exhibits gaps and weakness in linkage to ASGISA drawn from the fact it has not been reviewed and refocused to embrace, mainstream, and realign with the crucial national performance targets and milestones which constitute the spirit and purpose of ASGISA, as would be expected. It is for this reason that the National Transport Policy does not reference to the Accelerated and Shared Economic Growth Initiative of South Africa (ASGISA), (Millennium Development Goals) MDGs and the Poverty Reduction Strategy of South Africa (PRS), entirely.

If we agree that the role and function of the national sector policy is to project, guide, and achieve state development policy targets and milestones, then it follows that the present state of linkage of the national transport policy in relation to those of ASGISA is incomplete and unsatisfactory. The significance of this gets clearer if one considers that the national transport policy is to be cascaded to lower spheres of government with the same gaps and weakness.

The fact that the White Paper on National Transport Policy of South Africa makes no reference or linkage to poverty, poverty reduction, and the MDGs of South Africa entirely (though providing for accelerated investments, addressing of barriers to entry to the sector, affirmative action for SMMEs, labour intensive methods, and expecting social and economic benefits to trickle-down to all citizens) is very instructive. Understandably, such focusing on such gaps constitutes the *reason de etre* of ASGISA. There appears to be some logic, therefore, in extending the interrogation of linkages of the national transport policy to PRS and the MDGs of South Africa.

Further, although national transport policy coordination and monitoring institutional arrangements between the national and provincial levels are provided for via the Ministers Conference of Ministers of Transport (MINCOM) and executive consultation through transport 'indaba' and 'imbizo', the White Paper on National Transport Policy of South Africa is not clear concerning institutional framework and arrangements for overall transport policy sector management and operational coordination and monitoring interaction, especially between the national, provincial, and local government levels. Such a framework is of vital importance in ensuring that ASGISA performance targets and milestones get mainstreamed and accounted for at all levels.

Although the White Paper is generally adequate, and covers all principles of contemporary practice, it could offer a focused accelerated and shared growth policy service to the three constitutional spheres of government, if it mainstreams ASGISA, the MDGs, and PRS.

Finally, in consideration of linkage and mainstreaming gaps and weakness identified between the national transport policy and ASGISA, the paper recommends that the Department of Transport consider a systemic review of the national transport policy and mainstream national performance targets and milestones of ASGISA and the PRS, and for which a multi-stakeholder systemic and systematic meta-plan based method and process is considered most suitable. A policy that is relevant and responsive is a powerful public instrument for transformative change as much as it is for progress and accountability.

6. REFERENCES

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