



# TIPS@25

and beyond



TRADE & INDUSTRIAL POLICY STRATEGIES

# TIPS@25 and beyond

**A celebration of 25 years of  
support for policy development  
through research and dialogue**

© TIPS, December 2021

Published by Trade & Industrial Policy Strategies



# CONTENTS

---

FOREWORD	
SAUL LEVIN: TIPS EXECUTIVE DIRECTOR .....	VI
OVERVIEW .....	IX
CHAPTER 1 1991-1995	
THE EARLY YEARS .....	1
CHAPTER 2 1996-2002	
THE TRADE AND INDUSTRIAL POLICY SECRETARIAT GETS GOING .....	10
CHAPTER 3 2003-2008	
TIPS FACES CHANGING TERRAIN .....	21
CHAPTER 4 2009-2013	
TIPS SEEKS TO REFOCUS TO SURVIVE .....	29
CHAPTER 5 2014-2021	
GROWTH AND CONSOLIDATION .....	40
CHAPTER 6 LOOKING AHEAD .....	53
ABBREVIATIONS .....	64
MESSAGES FROM TIPS STAFF .....	65

# FOREWORD

---

## SAUL LEVIN: TIPS EXECUTIVE DIRECTOR



**It is a privilege for me to be part of the TIPS journey, which has seen this organisation evolving over the past 25 years to reach this milestone. No organisation gets to this point on its own. It takes the foresight of a group of committed people who saw the need and along the way an equal number, if not more of staff and others, who continued to ensure that this organisation has survived so that it can continue to fulfill its mandate as set out in the months leading up to its establishment in September 1996.**

**T**here have been times over the past 25 years when the future of the organisation was not certain, but we are fortunate in that we have had partners in government, in particular the Department of Trade, Industry and Competition (the dtic), which has supported our research efforts and allowed us to flourish and grow. We have also had an enthusiastic and supportive Board of Directors as well as our Members Group, who have guided us and ensured that TIPS remains relevant and engaged in some of the core economic policy issues of the day.

If I reflect back on the past 25 years, it is astounding to see the research the TIPS team has produced to feed into and influence the key policy debates. But it is not only in the area of evidence-based research that TIPS has had influence, the organisation has also created a space for a dialogue of diverse views and input. This is reflected in the Annual TIPS Forums held over the years – to date there have been 18 annual forums – and increasingly in recent years the TIPS Development Dialogue Seminars, which bring together diverse views to engage around key policy issues. These spaces have allowed us to share

ideas and to grow our thinking on different aspects of economic development.

One of the focal areas of TIPS has been to ensure that its research is available in the public domain and that its research outputs are presented in a 'policy format'. This has seen TIPS publishing multiple policy briefs over the years, alongside its Working Papers, bulletins and trackers.

As confidence in TIPS has grown so too has its role in facilitating and contributing to other research-linked processes. Over the years, TIPS has been involved in processes such as the Electricity War Room, the Mining Phakisa and the Master Plan process, and increasingly the organisation has become a key provider of research and facilitator in the Just Transition space.

As an organisation we hope that we continue to add value and contribute to deepening our understanding on a range of economic development issues and strengthen our understanding of industrial policy. We are also increasingly exploring areas such as the Just Transition and Technological Change, and have over the past few years solidified our quarterly bulletins, trackers and value chain research. We have seen the benefit of having consistent and regular research outputs that provide a base of understanding on what is happening in the economy

and policy engagements on supporting industrial development in the face of many adversities.

One of the core problems confronting us at present is the economic fallout from COVID-19. The pandemic on top of pre-existing challenges in the economy has set us back several years. As we look at how to take our reconstruction efforts forward, we need to ask ourselves why South Africa remains with persistent poverty and inequality. A few weeks before lockdown began in 2020, we hosted a professor from the United Kingdom on his first visit to South Africa. After hearing a morning of inputs, at the lunch break he said, "From all that I have heard this morning, the country has so much going for it, I don't understand why it can't achieve higher growth rates and address its economic problems." It is difficult to answer that question briefly.

Having experienced the economic disruption of the past year and a half, it is opportune that we reflect on that question. As we take forward our economic reconstruction efforts, it is important that we consider the strengths and weaknesses of the economy and society, and understand what it is that we are responding to.

If ever there was a time to be more forthright in our approach to economic development, it is now. ■



Photo: Media Club South Africa



# OVERVIEW

---

**As the country marks 27 years of democracy, TIPS celebrates and reflects on its 25 year history. TIPS, like the country, has evolved significantly over the past 25 years. TIPS has gone through some rather rough patches and has grown from a small entity into an institution widely known for its research and policy analysis, and increasingly for its role in contributing to policy and dialogue.**

**I**t is an opportune time to explore TIPS's history, how it was formed and by whom, and to reflect on its current role and future challenges.

TIPS was the product of events that unfolded in the years leading up to the 1994 democratic elections and was the vision of a group of South African academics and activists who went into the new government. The process leading up to the formation of TIPS in 1996 is captured in Chapter 1.

In the early years of TIPS, its focus was on contributing evidence-based research to assist the new government in formulating policy to transform South Africa into a democratic society as well as opening up the economy. Chapter 2 speaks to some of those challenges and especially the trade negotiations with the European Union (EU), for example, and how the incoming government officials faced challenges both from their counterparts abroad as well as those who remained in the Department of Trade and Industry<sup>1</sup> (the dti) from the previous apartheid government. Also highlighted is the TIPS focus on building networks in the Southern African Development Community (SADC) and contributing to capacity building within the region around both trade and industrial policy, and this has continued until today.

As the country faced rising pressure to deal with challenges around increasing unemployment, poverty and inequality from early 2000, so too did TIPS face challenges in finding alternative sources of funding by trying to diversify its client base.

---

1 The Department of Trade and Industry merged with the Economic Development Department in June 2019 to become the Department of Trade, Industry and Competition.





Photo: Media Club South Africa





## OVERVIEW

---

Chapters 3 and 4 highlight some of those dilemmas as well as the shifts in focus around research as the organisation sought to respond to the socioeconomic challenges of the day. TIPS – while remaining focused on trade and industrial policy – began to explore areas around the social economy through its involvement in establishing the government’s Community Work Programme (CWP), and then its increased focus on climate change, the green economy and the threats of premature deindustrialisation. During that period, from 2003-2013, TIPS focused on a range of issues different to the early years, such as global market penetration, labour intensity, social inclusion and exploring new markets.

Over the past few years, TIPS has grown and its networks have both consolidated and expanded, internally and externally within the SADC region and elsewhere. Not only has its role in building networks expanded, so has the number of publications it produces effectively for the public good – to disseminate up-to-date and relevant economic data so as to assist in policymaking.

Through the years, and as reflected in the final chapter, the original intent of TIPS has been largely preserved. As with any organisation, there have been push and pull factors trying to alter its direction as the environment has changed coupled with the challenges of needing to explore alternative revenue streams. That will always be a challenge for a non-profit organisation. However, its resilience during some rather trying times is a tribute to both the leadership of the organisation over the years, and the ongoing and committed support by dedicated board members. ■

## BOARD OF DIRECTORS AND MEMBERS GROUP

---

A key ingredient that has kept TIPS on course over its 25 year history is the presence of a strong and active board. Former board members and the so-called “founding fathers” of TIPS all point to the independent nature of the board, which has ensured that TIPS has mainly stayed true to its original mandate and to why it was established in the first place. As former Board Member Garth Strachan points out, the board has continued the tradition of TIPS’s founding values and ethnics “which has steered the organisation through choppy waters and the ebb and flow that institutions go through”.

TIPS’s governance structure includes a Board of Directors and a Members Group. The board of directors is regularly chaired by an official from the Department of Trade, Industry and Competition (dtic) as well as representatives from other key government departments such as The Presidency, Science and Technology, National Treasury, as well as representation from institutions such as the Industrial Development Corporation [IDC](#) and [SARS](#). The members group acts as a reference and oversight body. It includes former board members as well as policymakers and researchers from a range of organisations both local and international. Strachan adds that the fact that representatives on the Members Group come from a range of institutions has meant that such members “act as a platform for intra-institutional cooperation in relation to an industrial policy heterodoxy approach to research and the sharing of ideas and even research”.

In addition, he believes that the composition, quality and process of renewal of board members has not only kept TIPS on course but has ensured it has retained its independence. This, he argues, is no easy task, to keep a board cohesive and an important consideration is they do not receive remuneration. “This is voluntary public service and the members in a sense had to keep the board honest and ensure a constructively critical approach to protecting the independence and integrity of the research rather than telling government what it wanted to hear. At times it was difficult to keep members in place as it is a voluntary undertaking and it was a question of trying to keep the board members both interested and involved and appreciating the role they played and providing them with sufficient information to keep them motivated to carry on their involvement as well as they themselves be constructively critical.” A perfect example of someone committed to public service is Jorge Maia (IDC) who was on the Board of Directors for 12 years. He acknowledges that it is not normal to stay on a board so long but he points out that “in a way my presence gave a bit of continuity and a legacy of knowledge which is important for a smooth process. I must say it was a great pleasure being part of the TIPS board. I witnessed it grew from a small entity into a widely known organisation in the research and policy analysis arena.”

## TIPS BOARD



Tebogo  
Makube



Palesa Moitse



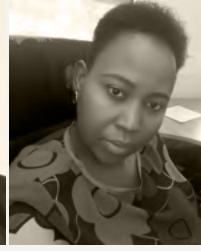
Tshediso  
Matona



Rudi Dicks



Imraan Patel



Thandi Phele



Saul Levin

## MEMBERS GROUP



Alan Hirsch



Shirley  
Robinson



Judy  
Beaumont



Nimrod Zalk



Dr Faizel  
Ismail



Dr Neva  
Makgetla



MONDAY  
February 12 1990  
Johannesburg

# The Star



South Africa's largest daily newspaper.  
Established 1867.

3c + 7c GST

the name of peace, democracy and freedom,

## struggle mu

pendent  
ape Town  
ela has re-  
tion of the  
essed hopes  
settlement

27 years in  
ted at more  
t the strug-  
include the  
pressure.  
d cheers.  
e to a negotiat-  
ay no longer be

unity to inten-  
of aborting the  
ill, he said the

13.

still existed.  
y and freedom  
dress for more

ne neatly grey-  
ubilant youths

owd.  
ted like becom-  
g early, and by  
e hot, thirsty,

the crowd for

running skir-  
ted them with

illets and bird-  
deaths.  
eets, smashing



Photo: southafrica-info.com



Mandela voting in 1994.  
Photo: Paul Weinberg



# CHAPTER 1

## 1991-1995

---

# THE EARLY YEARS

**In the period leading up to and post the unbanning of the African National Congress (ANC) and the release of Nelson Mandela on 11 February 1990, various international donor organisations and South African academics and activists sought to support the ANC in developing policies as the shifting political terrain became increasingly clear.**

**W**hile various donor organisations jostled for positions to support and influence the ANC, there were myriad different organisations and political factions inside South Africa which also wished to influence future policy. This led to some intense and often ideological contestation over post-apartheid policy choices.

One of the earlier international organisations that began to fund research and support the work of anti-apartheid researchers working for the democratic movement inside and outside South Africa was the Canadian-based International Development Research Centre (IDRC). Up until the late 1980s the direct involvement of the international donor community in South Africa was limited. IDRC's formal involvement began in 1988 when it sought to support the ANC to prepare for political transition by contributing to public policy processes by either supporting research and/or building capacity to prepare the ANC for the time that it would ascend to power.<sup>2</sup>

The IDRC's regional director in South Africa, Marc Van Ameringen, understood the environment. He built up strong networks and ensured that crucial people (researchers, activists and economists) were free to focus on research that needed to be done at that time. The IDRC also co-sponsored workshops and conferences held inside and outside South Africa (mainly in Lusaka and Harare), which sought to assist the ANC and its allies in developing policies which would deliver their vision of a post-apartheid South Africa.

---

2 Grawitzky, R. (2004). A South African retrospective: From apartheid to democracy. An external report on the role of the International Development Research Centre (IDRC) in South Africa during transition.



Marc Van Ameringen,  
former regional director  
of IDRC, South Africa.

One of these co-sponsored IDRC meetings, which took place in Lausanne in Switzerland, brought together for the first time ANC economists (living in exile), progressive economists based in South Africa, and traditional white economists working in the old government, its related institutions and the private sector, to discuss future economic policy.

While these meetings were underway, a number of ANC people started coming back into the country and set up the ANC's economics department with the help of Max Sisulu and Tito Mboweni (former Minister of Finance and governor of the South African Reserve Bank). These meetings formed part of a broader process aimed at formulating an ANC position on economic policy.

This early support saw the emergence of various initiatives and structures such as the Economic Trends Group, which included economists and researchers supportive of the ANC. Later, after the IDRC formally

opened an office in Johannesburg in 1991, other structures emerged such as the Industrial Strategy Project (ISP), which was set up to support capacity building to formulate industrial strategy and trade-related policies. Alongside the ISP, the Trade Policy Monitoring Project (TPMP) was established and located within the Development Policy Research Unit (DPRU) at the University of Cape Town. The IDRC assisted in setting up the Macro-Economic Research Group (MERG)<sup>3</sup> to stimulate and co-ordinate policy research and training in a range of areas including developing a macroeconomic framework.

TPMP was started by Alan Hirsch who was a lecturer at the time and he was joined by Rashad Cassim, Faizel Ismail, Tshediso Matona and Shirley Robinson.

Hirsch recalls that the “reason for establishing the unit was to have a more institutional way to engage with economic policy and also to open up the debate on trade policy with other stakeholders such as researchers who were commissioned by the ANC but not from the party. The project was essentially the ANC trade desk before the first democratic elections in 1994. The focus was on trade policy and reforms needed. It did research papers (a paper on anti-dumping duties was first), published a

---

3 MERG was transformed eventually into the National Institute of Economic Policy.





LEFT: Trade Policy Monitoring Project (TPMP) team. The TPMP (the forerunner of TIPS) was established and located within the Development Policy Research Unit (DPRU) at the University of Cape Town. RIGHT: Alec Erwin, former trade unionist and former trade and industry minister – in the early years

quarterly newsletter (The Trade Monitor), conducted workshops and conferences, which successfully brought together business, government and unions on trade policy issues.

Cassim points out that he and Hirsch were basically running TPMP, which he described as a “small-scale operation and modest in objective and aims”. The terrain shifted when Hirsch left and moved into government, and thereafter Ismail also left to become a special advisor to Trevor Manuel, who became the first minister for the dti in the new government. Eventually, Matona also joined the dti and Cassim stayed on to run the project. After they left, Cassim continued to interact with them in their new roles in the dti.

Cassim and Hirsch explain that the “genesis” of TIPS emerged out of the TPMP. There are numerous stories as to who spoke to whom first. Ismail indicated that the idea emerged from Hirsch who spoke to Van Ameringen from the IDRC about the fact that the new government needed to build its capacity “as we did not know anything about trade”.

Cassim states that “Marc (Van Ameringen) came to us and said you need to think big. You are running this little project and the dti needs lots more of support in terms of harnessing research in policy making. Why don’t you think big?” Van Ameringen explains that “the dti was facing many challenges at the time, and Alan and I spoke about the need to do something around the industrial policy angle. There was a need

## MESSAGE FROM

---

# ALAN HIRSCH

Members board and former board chairman



“When I started what became TIPS 30 years ago, with Rashad Cassim, I had no conception that it might continue to exist, in a transformed and much enhanced form 30 years later. This was a pre-TIPS version of TIPS. We called it the Trade Policy Monitoring Project (TPMP) and initially it was largely funded through the Macro-Economic Research Group (MERG) channel of funding. This was 1991 – just after the unbanning of the ANC and three years before the first democratic election. TPMP became TIPS in 1996.

The idea of the TPMP was to provide the government-in-waiting with knowledge and networks to help it work through trade policy issues. Critical issues at that time were how to deal with the very high levels of protection

in many sectors at that time and how to think about future relationships with what became SADC, the broader African continent, and the EU. We published a quarterly Trade Monitor, working papers, and organised workshops where we brought business and labour together with experts close to the ANC. I remember, for example, President Cyril Ramaphosa attending our workshop on foreign investment.

The TPMP was a hothouse of ideas. Apart from Rashad and me, our early team included Tshediso Matona, Faizel Ismail, Shirley Robinson, and Gary Eisenberg, now a top immigration lawyer and a thorn in the flesh of the Department of Home Affairs.

It was rewarding and an honour to be the founding TIPS chair after the TPMP evolved into TIPS in 1996. In 2011 I handed the chair of TIPS over to Fundi Tshazibana (now a Deputy Governor of the South African Reserve Bank, like Rashad). After a year or two I stepped down from the board as I was moving back to Cape Town and the University of Cape Town to start the Nelson Mandela School of Public Governance and felt that it was time for new blood and new thinking.

Since then, TIPS has got considerably stronger, with a closer relationship to key policymakers, an outstanding record of top-class research publications, and a wide range of dialogues and courses. Through this multiple media it has considerable influence for good in key areas of policy for the real economy. I'm very proud to have helped to start TIPS, and to remain associated with it. I learned much of value about leadership and management being involved in the ups and downs of TIPS and I am very grateful to have had the experience and at the same time, helped to build this legacy. I wish TIPS everything of the best for the future." ■

to look at restructuring every sector of the economy and to take forward the work of the ISP."

At that time, the dti needed support in both the industrial policy space and for evidence-based research for the trade negotiations. In the post 1994 period, the new government had numerous applications from countries around the world including the EU to start discussions with a view to creating new trade agreements. Aside from that, Ismail adds, "Countries such as Botswana were calling for a review of SACU, and Zimbabwe was asking for an immediate termination of the old bilateral agreement, and we were asked to join SADC".

All these requests were being made in the face of opposition from the officials from the old regime who were in government, as prior to 1994 they were fighting a war and did not want to join SADC. The same thing happened with the EU. In explaining more about the environment within the dti and government more broadly, Ismail explained that the new team came into a very "hostile environment in government as the old administration was afraid of us and the culture was not just Afrikaans but the government had been under siege from the international community and all the people working on international trade had so little knowledge". This was also the case for those working in offices abroad as they

were directly affected by sanctions and the anti-apartheid campaign so they did not have much of a relationship with their host government or key stakeholders in those countries.

Aside from the hostile environment, there was a question of the lack of capacity both in the ANC and in government to negotiate trade deals. As Ismail, for example, pointed out, he was expected to be South Africa's key trade negotiator and he did not have any training and "neither did anyone else". In addition, he added, there was so little capacity within the dti in those early days: "The only way we could be on top of our game was to build some capacity or to rely on advice."

It was not only a capacity issue, as the dti former director general Zav Rastomjee explains, but also one of intense contestation around policy. For example, he says, there were various vested interests at play, such as business, government institutes such as the Central Economic Advisory Service, researchers aligned to the ISP and MERG, and within the dti itself.

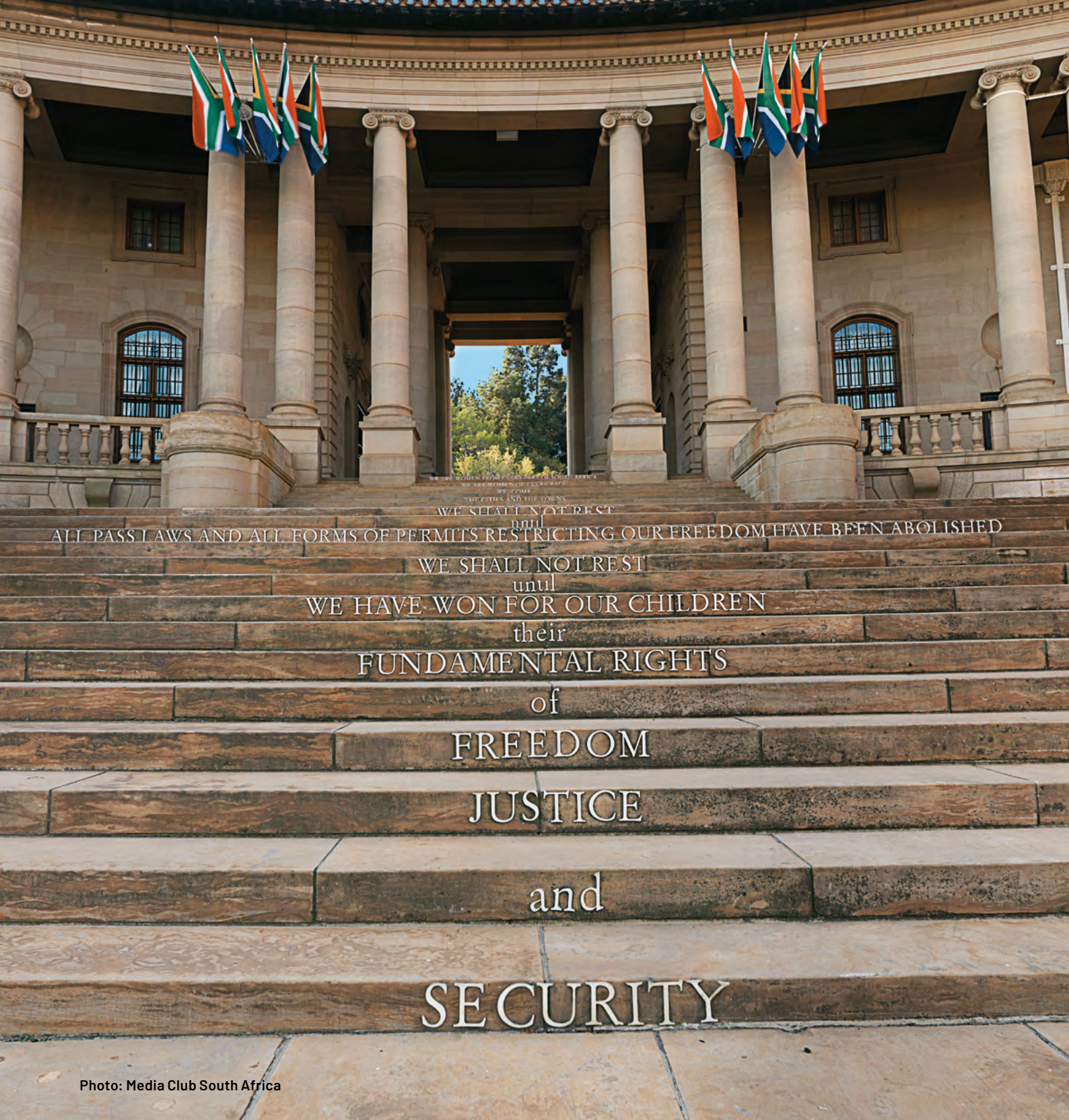
It was in this context that discussions began between the dti (Alan Hirsch) and the IDRC around creating a non-governmental organisation (NGO) outside of government so that it would be independent of government but provide support for those working inside government.

Van Ameringen explains that he was running various IDRC programmes in Southern Africa and supporting various transition processes around economic policy such as Merg and the ISP. The IDRC brought in a range of global policy experts to work with Manuel and President Nelson Mandela. At that time, Van Ameringen explains the IDRC was very much a global thought leader around economic policy and development policy, and took a very different approach from other Western donors. "We brought the best minds around the planet and that was the context in which we thought of setting up a think tank around trade and industrial policy."

Van Ameringen came up with the funding, and towards the end of 1995 he appointed Stephen Yeo and Jeffrey Fine to do a study of the research capacity in South Africa in the fields of trade and industrial policy. Yeo was head of the Centre for Economic Policy Research in London at the time and Fine was the founder of African Economic Research Consortium – another initiative supported by the IDRC.

Yeo recalls that he bumped into Hirsch at an event and they spoke about the possibility of a feasibility study for the IDRC. "I said what do I know about South Africa? But if I could involve Jeffrey Fine as he knew everyone who was anyone in the African economics space."





WE SHALL NOT REST  
until  
THE CITIES AND THE TOWNS  
WE HAVE WON FOR OUR CHILDREN

ALL PASSTAWS AND ALL FORMS OF PERMITS RESTRICTING OUR FREEDOM HAVE BEEN ABOLISHED

WE SHALL NOT REST

until

WE HAVE WON FOR OUR CHILDREN

their

FUNDAMENTAL RIGHTS

of

FREEDOM

JUSTICE

and

SECURITY

The two spent three weeks travelling around South Africa meeting academics, policymakers and people in the private sector with the aim of understanding what help was required during the transition to strengthen policy capacity within the dti. Both pointed to the challenges the department faced in terms of existing capacity. To illustrate this point, Fine recalls walking into Manuel's office (then trade and industry minister) "and it was stacked with all these studies and I thought shit this poor guy is drowning ... there was no-one around to digest these studies".

Then there was the future direction of the dti. Fine says "it was quite an interesting picture and things were in a state of flux as the dti sought to redefine its agenda. During apartheid, South Africa ran the most complex system of trade protection. In effect, because of the complex structure of protection, it created a lot of manufacturing inside the country which was only viable as long as protection remained and at the same time government was anxious to generate jobs in former bantustans." Their challenge at the time, he says, was "how do you get growth but restrict imports and that was a complex set of problems and the dti was there to manage this problem on a short term basis?"

Yeo states that the feasibility study pointed to the need for external capacity to assist the dti. "In 1995 we found the government full of professors; the critical voices against apartheid were hiding in universities and in academia and so the first wave of people who went into government came from academia. They, however, needed assistance as they did not have the time to conduct evidence-based research to assist with the development of policy."

Yeo and Fine state that, based on what emerged, "we thought an arm's length think tank which could tap into university academics and other economists would be effective. We did not think such a structure would survive in government. The idea we emerged with was to establish an NGO with strong links to the dti." Their proposal fleshed out that such a structure would be a space for research for policymaking and respond to the department's policy needs. The document had raised several types of activities such as summer school courses, an annual economic forum, creating a forum on dialogues and overall to train and build a whole new generation of researchers. Capacity building both inside and outside of government was key. Both Yeo and Fine also made suggestions around the governance structure with the proposal that there be independent people including international people, academics and others.



Both indicated that they took this proposal to Van Ameringen, Hirsch and Ismail and, “whatever politicking he (Marc) did in Ottawa (IDRC head-office) and Johannesburg, he got money to start such as a structure”.

It was decided that such a structure would be located as a secretariat around trade and industrial policy within the IDRC office. Van Ameringen pointed out that the IDRC had a history of setting up many secretariats to house initiatives that were not ready for an institution yet. This saw the decision to set up the Trade & Industrial Policy Secretariat (TIPS). Van Ameringen believes that “we really got it right on TIPS. It could not have been absorbed into government, otherwise it would have been killed. There was a lot of discussion around that issue, taking into account the state of the government at the time. The main view was it needed to have autonomy and still be critical, and people in that whole political economic policy circle such as Trevor (Manuel) and Alec (Erwin) respected it being outside government ... there were a lot of political issues we navigated around and it led to the notion that TIPS should be independent and have strong relations with government and not in government and that is part of the reason it has survived.” ■

Photo: Media Club South Africa



## CHAPTER 2 1996-2002

---

# THE TRADE AND INDUSTRIAL POLICY SECRETARIAT GETS GOING

It took almost a year for TIPS to be established in September 1996 as an independent secretariat under the auspices of the IDRC regional office. In the months leading up to its launch, the board was set up with Hirsch appointed as its first chairman. Once established, the board's first task was to recruit and appoint its first executive director.





The IDRC was TIPS's biggest funder and all its finances and operations issues were managed through the IDRC. Van Ameringen explains that the idea of creating TIPS as a secretariat within the IDRC was important both from a funding angle as well as ensuring that all the administrative and financial functions were being handled so that TIPS could “hit the ground running”. He explains that “All the boring stuff that often kills an organisation such as the administrative and financial systems were already in place”. He adds that it was easier to attract donor funding if it was housed in the IDRC and that ensured that a number of donors came on board. “We played a role in bringing in GIZ [Deutsche Gesellschaft für Internationale Zusammenarbeit] and the Ford Foundation which were like brother and sister organisations as they often co-funded things in other countries.”

Having sorted out the systems and funding, the board moved on to recruiting an executive director. Rashad Cassim, who was still running the TPMP at UCT, was the obvious choice in view of his background in trade policy and his leadership abilities. So Cassim was asked to apply for the position. He recalls that he was reluctant as he did not want to leave Cape Town. But he was persuaded and took up the position.



He claims that in the initial phase, “My life was made easy as I had the masterplan in front of me.” He was referring to the results of the feasibility study conducted by Fine and Yeo which outlined positioning and suggested activities. Cassim claims that “I tweaked it a bit” but the timing was good and “in those early years it was the honeymoon period as there was a lot of donor funding and there were a lot of respected activists and academics who joined government and they were sincere in their support of evidence-based policymaking”. He says, “Everyone knew each other” and “I was very lucky but today the leadership has a more difficult job than I had in those days – I had a combination of generous funding and committed and well-trained researchers in government who demanded what we had to offer.”

While this may be true in many ways, Van Ameringen and others point out that although Cassim had a lot of fundamentals in place, such as funding, the administration sorted out, receptive people in government who he knew, and an international network he could access through the IDRC. “It was Rashad who turned TIPS into something and he was able to bridge the divide between research and policy. We did not know if TIPS was going to work. When it works it’s a great structure but its success depends on good leadership taking it forward. There were other entities we created in South Africa where leadership went from good to bad and things fell apart.”

Van Ameringen believes that, “we were lucky to recruit Rashad who had the dynamism and intellectual ability and the convening power to turn this idea into something”.

Cassim explains that a successful organisation needs rules or governance which needs to be embedded. He says he was lucky to have the backing of the IDRC as they had experience in terms of targeting donor funds. In addition, Cassim placed a high premium on quality control and he had a network of top trade economists who participated as research associates and research fellows so that he could harness the right kind of skills and expertise.

Ismail says, “We were happy to have Rashad as we knew him well and he was very energetic and he was learning as well, but he was very independent minded and keen to explore, and he brought people together who had different views and perspectives. We did not always agree but he offered us an opportunity to debate. That is what we wanted from TIPS, not merely to report an ANC view – we wanted TIPS to be a place for critical independent thinking and a place of excellence, to benchmark our thinking and policies against the best in the world.”

In turn, Cassim was known to guard his independence. Fine points out that “he was intellectually honest, sufficiently self-confident and got the best out of people”.

## MESSAGE FROM FIRST CEO

---

# RASHAD CASSIM



At the time of the formation of TIPS, I largely had a master plan in front of me in terms of how the organisation would be positioned and what it would seek to achieve. Not only did I have a plan but the environment was very different to what it is now – I was very lucky and Saul has a more difficult job than I had in those days. I had a combination of generous funding and a group of committed and well trained researchers in government who demanded the kind of research we did which supported evidence based policy making.

That was the honeymoon period where a lot of “lefty” and respected activists and academics were called into join government and TIPS operated in an environment where people were sincere about having evidence-based research to inform policy.

By the time I was leaving TIPS, the environment was changing and TIPS had to refocus as there were many other players in town and we were doing what everyone else was doing even though we started it all. The board realised that TIPS had to reinvent itself and refocus and part of the reason for TIPS’s success is that it has been able to be responsive to the changing environment. Over the years, the organisation has evolved and different leadership has sought to take it in different directions – partly as a result of the changing funding models and the changing nature of the dtic. While TIPS has changed since the early years, it continues to remain relevant and has retained its core mandate to influence policy debates as well as build capacity within government. ■



20 YEARS ON. Saul Levin and Rashad Cassim celebrate TIPS at 20.







## CHAPTER 2 1996-2002: THE TRADE AND INDUSTRIAL POLICY SECRETARIAT GETS GOING

---

Van Ameringen explains that the early years, “the period 1995/6 to 2000 everyone was trying to get through the economic transition period . . . our view was short term as there were so many needs in terms of the redesigning the political economy” and in that space there was an unlimited amount of work and international organisations were attracted to working with TIPS. In addition, “Mandela had a powerful first cabinet and people were very optimistic and there was a lot of commonality of purpose and there was no scepticism of government.” TIPS, he says, was very much part of that.

Another key ingredient putting TIPS on the map in those early years, as Ismail points out, was that the “whole international community were totally excited about the new government and wherever we went we had such support because of Mandela and the goodwill of the world.” In addition, “TIPS had a lot of access to academics and researchers and policy thinkers around the world and we used our networks in the academic community around the world.”

**LEFT:** Nelson Mandela with members of his first Cabinet outside Tuynhuys, Cape Town. © Independent Newspapers.

## CHAPTER 2 1996-2002: THE TRADE AND INDUSTRIAL POLICY SECRETARIAT GETS GOING



**LEFT:** World Trade Organization Ministerial Conference, Singapore, 1996. (Wikimedia Commons)

The dti, through TIPS, began to be exposed to what developed countries were doing to grow small and medium-size enterprises, and in technology and innovation, competition policy, and trade and industrial policy. Ismail says that TIPS was able to draw on researchers internationally as well as bringing policymakers from these countries to “tell us their stories about how they developed policies in all these areas”.

The new environment in South Africa, he says, was that everyone was learning and “creating policy as we needed to”. For example, in the negotiations around a customs union, “we had to imagine what a democratic institution looked like and we

had to learn from talking and consulting and brainstorming and bringing people in who had experience on customs unions. A similar situation applied in relation to trade negotiations with the EU. “We were a unique country for the EU. We did not want a normal free trade agreement and we had to change the balance in favour of South Africa. The negotiations took about five years and the discussions were very intense. Politicians were supportive of the country but when we talked to the trade negotiators in the EU, they only knew how to negotiate trade agreements in favour of the EU. They were not used to negotiating trade agreements which were more balanced.”

TIPS Board Member and former the dti Director-General Tshediso Matona says, “We were courageous to be negotiating with the EU. Those guys were ruthless and they were looking out for themselves. We had this idea that because of Mandela, they would be nice to us. That was a critical negotiating lesson I learnt – when it comes to the negotiating table, do not think your opponent has your interests and will tell you what your interests are. If you don’t know what your interests are they will have you for lunch.”

Former trade and industry minister Alec Erwin (from 1996 to 2004) recalls the time when the EU commissioner for trade “met with us in Johannesburg to discuss the idea around trade negotiations and that we should contemplate a free trade agreement with the EU and we thought he was nuts. Faizel started to look more closely at this. ... Within government, there was little experience of trade negotiations because of the previous government’s isolation policy so TIPS was important in these processes as well as in terms of the WTO [World Trade Organization] negotiations.”

Within this environment and with the challenges the new government faced, “TIPS created space to brainstorm, to bring people together in a safe space outside of government (as inside government there was still a hostile environment as highlighted in Chapter 1) and develop new policies and positions.” Cassim adds that

TIPS’s role was being able to “elevate the economic sophistication of debates... for example, in relation to our work around negotiations around free trade agreements”.

The dti had agreed to start these processes, he says, but they had not thought about the economic impact of going the EU trade agreement or multilateral route. “We helped them think through these debates and the dti relied heavily on the work we commissioned. For example, what products are non-negotiable and how fast or slow should tariffs reforms be phased in.”

Erwin recalls the supportive role that TIPS played, for example, in relation to the intense debate that took place around the “correct tariff reduction schedule”.

Amid these debates and in the early days of TIPS, President Thabo Mbeki released the Growth Employment and Redistribution Strategy (GEAR) in 1996. Erwin points out that discussions with the TIPS team around GEAR were critical but “they gave good advice around tariffs and trade policy”. Cassim points out that a key aspect of his work was managing relationships with the dti. At differing times, officials within the department were not comfortable with TIPS being “this free-floating organisation” and the view was that “TIPS is either with us or on its own”. There were times when the department sought to ignore TIPS

but because of its standing, TIPS “in a sense forced the department to engage where it was resistant”.

Hirsch acknowledges that there were periods of stronger and weaker relationships with government departments such as the dti. They varied depending on the attitudes of influential senior managers on both sides. This stemmed partly from the perspective of government officials; perhaps they preferred other sources of research or didn't care much about the research. But it also depended on the ability of TIPS managers to build relationships”.

What is certain, Hirsch says, is that the art of maintaining intellectual independence and yet forming close and valued relationships with senior officials in government is an absolutely essential element in the skill-set of a TIPS director. Cassim was able to do this and he began to focus on building capacity of policymakers to absorb the research conducted by TIPS. For example, “I would have a session with the dti around economic models as it was an important part of the TIPS work in the early phase to empower people to be good policy analysts. Our role was to empower the dti officials but also to provide high-level academic research so that the dti could think through the impact of their policies such as how would opening up the economy impact the labour market?”

As part of TIPS's commitment to research and capacity building, in 1997 it began what has become an important feature of the organisation's landscape – the annual TIPS Forum. Cassim points out that while the annual forums were quite expensive to host, it became the space where policymakers and academics interacted, engaged and exchanged ideas. He adds that the annual forum also contributed to building expertise and capacity and was well attended by government officials at various levels, academics from South Africa, Southern Africa and abroad, researchers and regulators.

To add to its ongoing research work, the organisation also increasingly focused on packaged research in ways that made it more accessible for policymakers, such as the Trade and Industry Monitor. In 2002, TIPS launched its State of Trade Policy publication which was a synthesis of research on the impact of trade reform on the South African economy and employment in the 1990s.

By 2000, the terrain in which TIPS was operating began to change following a decision by the IDRC to close its regional office in Johannesburg. This meant that TIPS had to review its “secretariat” status, which led to the decision to set up a Section 21 non-profit company. At this point there was a name change – from Trade and Industrial Policy Secretariat to



Trade and Industrial Policy Strategies. With this change in legal status, TIPS also had to adopt various policies and procedures associated with the management of an independent entity. This included the reconstitution of TIPS's "governance" structures. In addition, it also meant that TIPS would have to put in place proper accounting, personnel, financial and administrative support systems. In terms of funding, the IDRC indicated it would continue to fund the organisation in the short term.

Cassim says the broader environment was also changing. Subsequent to this an external evaluation of TIPS was conducted in 2001.<sup>4</sup> The evaluation found, among other issues, that TIPS had developed a good reputation for quality and relevance of its policy research; the proactive approach taken by TIPS in identifying emerging issues, surveying existing knowledge on them, and commencing exploratory work had been important to policy debates; and its training courses has increased capacity among those involved in policy formulation; while the TIPS Annual Forum emerged as a key event in the calendar of those engaged in producing or using research bearing on trade and industrial policy.

Interestingly, the evaluation found that key to TIPS's successful performance overall included excellent leadership; an engaged board; an audience of policymakers valuing high-quality, independent but relevant research; an ability to discern upcoming issues; and a close but not overly intimate relationship with government.

TIPS also began to play an important role in influencing the direction of research in academic institutions as well as building capacity for policy analysis and this was achieved through a number of programmes and short courses. In 2002 TIPS became actively involved in programme management for the Southern African Trade Research Network (SATRN) – a joint venture with the Botswana Institute for Development Policy Analysis. From then onwards, SATRN played an important role in building capacity among SADC members around trade negotiations and, in those early years, around effectively being able to participate in the WTO processes.

Towards the end of 2002, TIPS faced its next big challenge with the decision by Cassim to take up the position as head of the School of Economics and Management Studies at the University of the Witwatersrand. ■

---

4 Fine, Jeffrey C., and J. Dirck Stryker. Trade and Industrial Policy Secretariat (TIPS) of the International Development Research Centre of Canada: report of an external evaluation. (2001).



## CHAPTER 3 2003-2008

---

# TIPS FACES CHANGING TERRAIN

Stephen Hanival – who had originally been involved in the Industrial Strategy Project, a parallel project to the Trade Policy Monitoring Project based at UCT – took over the helm of TIPS during 2003. It was under very different conditions to when Cassim started in 1996. TIPS had become a standalone NGO with some funding from the IDRC, but it had to set up its own systems and operational support while the political and economic terrain was changing. This required the organisation to refocus its energy on a new area of work outside of trade and industrial policy.

**B**esides the need to refocus, Hanival worked to craft a space for himself following on from the leadership of Cassim. Hanival points out that “Rashad was a consummate diplomat” and was able to engage with donors as well as government. It was hard, he says, for anyone to follow him and “I battled to keep the donor relationships that he obtained”. This highlights a key challenge Hanival had to deal with – that funding from the IDRC was no longer a certainty. Hence, the need to diversify its sources of funding at a time when there was a shift in donor funding priorities in South Africa.

When the IDRC withdrew from South Africa, it was still funding a part of TIPS’s running costs but, as Hanival points out, donor funding was on the decline. Ismail indicates that TIPS had to chase a different set of clients as donors were starting to lose interest in South Africa. “If TIPS was to survive it had to focus more on domestic funders. It had to adapt and that is what TIPS did. Although it went through some difficult times after Rashad left.”



Together with the board, Hanival took a decision to move TIPS to Pretoria so that the organisation could be closer to government. “We took this decision only after much introspection, but we believed that as we worked more and more closely with government departments, the decision was appropriate from both an operational and strategic perspective. Our office relocation placed us in a central locality with easy access to both policymakers and the donor community.”<sup>5</sup> This relocation decision saw TIPS hosting a monthly seminar series at its Pretoria offices.

The move from Sunnyside, Johannesburg also saw the organisation growing in size with the recruitment of five young black economists, a step Van Ameringen supported as the IDRC was keen for TIPS to be a space to build a cadre of young economists. The first paid piece of work that TIPS did for the dti was a review of small enterprises. The Small Enterprise Development Programme work fitted in with the key areas of research activities being undertaken by TIPS at the time. By 2003 this was clustered around four thematic areas: trade analysis; small, medium and micro enterprises (SMMEs) and local economic development; sector analysis; and economic regulation.

The Small Enterprise Development Programme included a qualitative assessment of the outcomes of government’s policy, strategy and initiatives in small enterprise development, and this led to subsequent work in this area. TIPS co-ordinated and published the dti’s Annual Review of Small Business in South Africa in 2004 and 2005. In addition, TIPS became involved in a Ten-Year Review of Support to the Small Enterprise sector, and also collaborated with government colleagues to develop a new strategy for supporting small enterprises.

The early years of TIPS was focused on the cut and thrust of developing policy around trade reform, macroeconomic discipline, and some deregulation in the economy. However, by the time Hanival took over, the country was facing significant challenges around rising unemployment, poverty and income inequality along with a range of social problems such as HIV/Aids. TIPS was set up to respond to the needs of the day and, as a result, it began to focus more on the challenges around growth and reducing poverty, as reflected in the themes of both the 2003 (The challenge of Growth and Poverty – The South African Economy Since Democracy) and 2004 (African Development and Poverty Reduction – The Macro-Micro Linkage) TIPS Annual Forums.

---

5 TIPS Annual Report, 2004

Its focus on addressing the challenges around growth and poverty alleviation eventually led to TIPS becoming involved in the Presidential Second Economy Strategy Project and this led to the Community Work Programme<sup>6</sup> being located in TIPS.

However, before embarking on that journey, Hanival met up with Kate Philip who was working with the UK Department for International Development's (DFID's) South Africa Trade and Poverty Programme, which had initiated the Making Commodity Markets Work for the Poor project, otherwise known as ComMark. This sought to build capacity in South African institutions to formulate and implement inclusive, pro-poor trade reform strategies. This programme sparked Hanival's interest and he had discussions with Philip and DFID to house the project in TIPS. Hanival effectively took over the project and the ComMark staff moved into the same building as TIPS and he became the executive director of both TIPS and ComMark.

Dr Myriam Velia was appointed by Hanival as head of research. She says that Hanival wanted to formally merge ComMark with TIPS as it would significantly help TIPS's finances and create a strong organisation. It would also introduce a

practical side to policy – something that Hanival was committed to. TIPS senior programme manager Mbofholowo Tsedu recalls that when he arrived at TIPS from the Presidency, ComMark and TIPS were working together with TIPS doing the research and ComMark the implementation of projects and “so we got to see both sides of the equation”.

Hanival indicated that such a merger would make for a bigger organisation, bigger budget, and would provide the whole value chain of work. The proposed merger did not fit comfortably with the board and Hanival says that it was “outside their comfort area”. Some board members felt that it would be diluting the TIPS voice. Consequently, the merger did not go ahead.

Also in 2007, Hanival recruited a new trade economist, Ximena Gonzalez-Nunez, as his deputy. Gonzalez-Nunez recalls how she had actually worked at TIPS in around 2001 as a trade economist with Cassim and Dirk van Seventer. She indicates that when she rejoined TIPS, “it was a different team and they were in Pretoria and TIPS still had some funding from the IDRC as well as increasingly from ComMark”.

In line with Hanival's approach to broaden funding sources by combining donor and contract funding, Australian aid agency, AusAID, contracted TIPS as one of its local partners to implement a three-year

---

6 The Community Work Programme is covered in the next chapter

project focused on developing the research infrastructure to accelerate Southern African Development Community (SADC) trade analysis. The project included support for building a SADC trade database, as well as an annual reference publication on SADC trade patterns. This fitted in with TIPS's overall approach of contributing towards building capacity for research and policy analysis across the region. TIPS also became involved in a number of regional research projects, including working with the SADC Secretariat in undertaking a mid-term Review of the SADC Trade Protocol. Tsedu says the focus at that time was very much on SADC and "one of our primary roles was to help shape the landscape for economic policymaking and teaching researchers" in the region. This led to the building of significant informal and formal networks.

On the trade front, in 2006, TIPS co-ordinated a review of five key service sectors with a view to better understanding their development dynamics and growth potential. These studies, funded by the British High Commission, were used by the dti in its General Agreement on Trade in Services negotiations at the WTO.

While TIPS sought donor-funded projects, it retained its focus both on supporting the dti and retaining its focus on trade and industrial policy issues. During this period, TIPS worked on a number of projects

for the dti including providing planning and research support for the dti's Agro-processing Customised Sector Programme. Meanwhile, in collaboration with key sector agencies, TIPS implemented a wide range of sectoral initiatives, such as sector forecasts and economic reviews. As part of this, TIPS became involved in doing sector analysis as well as providing policy-relevant research support to provincial industrial strategy initiatives, for example, in Gauteng Province around the Blue IQ projects.

TIPS also provided support for the Industrial Policy Action Plan (IPAP) process. The dti launched the National Industrial Policy Framework and IPAP in 2007 and began implementing IPAP from 2008.

Just prior to the 2008/9 global financial crisis, the South African government initiated a project to focus on what President Thabo Mbeki referred to as "the second economy". This was highlighted in the 2007 Annual Report of the Accelerated Shared Growth Initiative of South Africa (AsgiSA), which also identified the need to explore mechanisms to ensure shared growth reaches the margins of the economy. Out of this work, emerged the Second Economy Strategy Project which eventually was located in TIPS.

Hirsch approached Philip to work for TIPS on the second economy strategy project together with the Presidency.



# SECOND ECONOMY RESEARCH

---

In South Africa, people with access to wealth experience the country as a developed modern economy, while the poorest still struggle to access even the most basic services. In this context of high inequality, the idea that South Africa has “two economies” can seem intuitively correct, and has informed approaches that assume there is a structural disconnection between the two economies.

The research and analysis conducted as part of the Second Economy Strategy Project highlighted instead the extent to which this high inequality is an outcome of common processes, with wealth and poverty in South Africa connected and interdependent in a range of complex ways. The different emphasis in this analysis leads to different strategic outcomes.

Instead of using the analytical prism of “two economies”, the strategy process emphasised the role of structural inequality in the South African economy, focused on three crucial legacies of history:

- **The structure of the economy:** its impacts on unemployment and local economic development, including competition issues, small enterprise, the informal sector, value chains and labour markets.
- **Spatial inequality:** the legacy of the 1913 Land Act, bantustans and apartheid cities, and the impacts of recent policies, looking at rural development, skewed agriculture patterns, and the scope for payment for environmental services to create rural employment.
- **Inequality in the development of human capital** including education and health.

Source: TIPS website



**CHAPTER 3 2003-2008**  
**TIPS FACES CHANGING TERRAIN**

---

The purpose of this project, she says, was to contribute to reducing poverty and inequality by supporting government in developing a strategy for the second economy.

The first phase of the project was to review the performance of existing government programmes targeting the second economy. This was completed in early 2008 and a strategic framework was approved by Cabinet in 2009.

TIPS's work around inequality and economic marginalisation is built on the outcomes of this strategy process.

The research continues to be relevant today as government explores policy options to reduce inequality and bring people out of the margins of the economy

Throughout this period, Hanival sought to explore different avenues to improve TIPS's financial position and took on new areas of work with a strong focus on regional economic development, trade in SADC, agriculture, and the impact of inequality on the structural challenges faced by South Africa. Like many of his earlier colleagues, Hanival took up a position within the dti, and left in late 2008. ■





## MESSAGE FROM TIPS BOARD MEMBER

---

### **TSHEDISO MATONA**

Secretary of Planning,  
National Planning Commission in the Presidency



Tshediso Matona's association with TIPS stretches back to his days in the Trade Policy Monitoring Project, which was the forerunner of TIPS. On reflecting back on that time, he says, "to have created something like TIPS was incredible foresight – we could see that technically and analytically we needed to deepen the work we were doing at the time."

When Matona joined the then Department of Trade and Industry with Trevor Manuel as the first trade and industry minister, "so we were all there – Alan and Faizel [Ismail] were there it was incredible – we were on fire."

He recalls the trade negotiations with the European Union (EU) and the support provided by TIPS. "Being in government, TIPS was a natural place to go as there was not sufficient research into industrial policy in the mainstream academic sector. TIPS filled that gap. It was a niche and it grew because it occupied a niche." He cautions, however, that "government can be very insular and resist input" but in the dti, compared to what we saw elsewhere in government, we had highly intellectually grounded ministers."

Now, as a board member, he is encouraged by what he sees in TIPS. He feels, however, that for most of TIPS's life, the organisation has responded to demand and was not aggressively proactive. He believes that, in view of the resource constraints and the eroding technical capacity in the public sector, TIPS could expand its focus beyond the dti to other departments. ■





CWP

CWP

8  
CE  
SAFETY

HEM  
CE  
SAFETY

Department of  
Employment

## CHAPTER 4 2009-2013

---

# TIPS SEEKS TO REFOCUS TO SURVIVE

Hanival's departure heralded an uncertain time for TIPS. The organisation faced staff turnover and financial pressures, as the IDRC funding was coming to an end and the merger with ComMark did not materialise. Externally, the country was starting to feel the impact of the 2008 global financial crisis while a new President, former President Jacob Zuma, was waiting in the wings.

**J**uanita Pardesi, who had moved from ComMark to TIPS, recalls that the organisation was not in a good financial space and it was difficult finding a trajectory of work. She points out though that “most strong and resilient organisations go through different cycles and when I got involved with the organisation, TIPS was going through a bad patch”. It took a number of months for the board to appoint Gonzalez-Nunez as the new CEO.

Gonzalez-Nunez points out that when she took over with the head of research, at the time Dr Myriam Velia acting as her deputy, “we thought about how to refocus TIPS” not only in trying to diversify revenue streams to address the funding situation but also in research. Both Pardesi and Velia point out that TIPS faced an uphill battle in trying to refocus the organisation and resolve the funding situation. In addition, Pardesi says TIPS staff did not know what TIPS did and “staff themselves battled to understand what TIPS was about”.

The organisation reprioritised its work areas, and focused on strengthening its support to government, and strengthening its capacity building. Tsedu recalls that when Gonzalez-Nunez took over TIPS, “we were trying to deal with the shifting donor landscape which led to an attempt to reposition the organisation and refocus it back to government”. During this period, he says, TIPS sought to increase its visibility and to “get policymakers to trust us”. This, he says, led TIPS to engaging more locally and working increasingly with provincial governments, especially on their local growth strategies.

## CHAPTER 4 2009-2013 TIPS SEEKS TO REFOCUS TO SURVIVE

---

A decision was taken to explore how to increase its revenue stream by engaging with other government departments, aside from a focus on the dti. Ismail recalls that the organisation was very stretched at the time but “then they reoriented themselves to the needs of the dti which was not a bad thing.”

TIPS's focus on capacity building also had an internal focus as it was committed to growing and developing young economists. Velia played an instrumental role in this.

TIPS's funding saviour came in the form of Philip and her work with the Presidency on the Second Economy Strategy Project. Philip explains that the final AsgiSA report went to Parliament in 2009 and “it was clear that nothing was going to happen but there was one component which had the potential” and that was a concept she developed around a Community Work Programme. She came up with this approach after she faced some pressure to emerge from the project with 50 000 jobs.



Evans Chinembiri



Mbofholowo Tsedu

**Evans Chinembiri joined TIPS as an intern and joined the research team in 2009. He shares some of his thoughts about his experiences at TIPS and how he honed his skills as a researcher and economist.**

I moved from ComMark to TIPS as an intern in around 2009. Juanita hired me and took a chance on me and if not for TIPS I would not have had the career that I have now. TIPS was instrumental in growing me as an economist and I walked away with two degrees through their assistance.

At the time I was studying to complete my Master's in agricultural economics and my time at TIPS cemented my development in terms of becoming an economist. I started working with Myriam and I was working with other new interns such as Mbofholowo Tsedu and she honed our research skills. She was one of the toughest people I know and a perfectionist, but she taught us to write research papers and to think critically. She was one of the best critical thinkers and researchers I have ever met and I learnt all I know from her.

As a result of what I learnt at TIPS, I went on to do a Master's in international trade policy and law, and this was instrumental in getting my subsequent jobs.

Not only did I learn to interact with government officials and others, but I worked on a range of issues from the electricity crisis in relation to power outages in the mining sector to making a case for the extension of the US African Growth and Opportunity Act (AGOA). ■



Philip says it took “everything to get the CWP accepted as a new programme”. She managed to get donor funding from DFID to fund a CWP pilot at four sites for three months. She adds that in those early days the CWP pilot was project managed by TIPS in partnership with two Implementing Agents, Seriti Institute and Teba Development.

Philip indicates that she, together with Pardesi and Rozale Sewduth, basically managed the pilot phase from the TIPS side. Philip says that the TIPS board was “quite freaked out as it was so out of a left field for them”. In addition, board members were concerned about being involved in an implementation role when TIPS’s mandate was around providing evidence-based research and capacity building to assist government in policy formulation.

After the first three months, Philip managed to get the CWP approved as a government programme. TIPS then managed the CWP until it was moved into government, as a programme of the Department of Cooperative Governance, from April 2010. TIPS continued to work for the CWP on two fronts: advocacy work within government around policy and scaling up the programme; and providing technical assistance under contract until September 2011. By the time the CWP moved into government, Philip and

her team had managed to scale-up the programme to more than 50 000 jobs.

Tsedu points out that the CWP “was really fulfilling work where communities were empowered to help solve their own problems, improve their surroundings, and create meaningful work even if it was temporary”.

Pardesi says the CWP implementation was an “amazing process to be part of and it was a life raft” for TIPS. While providing TIPS with much-needed revenue, Gonzalez-Nunez says that it changed the way she viewed the whole funding situation and that is when she started exploring how TIPS could become a line item in the dti budget. Gonzalez-Nunez adds that “TIPS played a difficult balancing act” in trying to be independent and providing new innovative thinking but be supportive of government.

As part of the organisation’s refocusing and repositioning, Gonzalez-Nunez and Velia began to expand beyond trade and industrial policy to include sustainable development. Velia recalls that when these discussions took place there was concern from the board that South Africa was not a developed country, and the relationship between industrial development and environmental issues was strained. Despite these initial concerns, TIPS moved ahead and set up a sustainability pillar headed by the late Peet du Plooy.



Kate Philip



Early Childhood Development Centre, Welkom, Free State

## COMMUNITY WORK PROGRAMME (CWP)

---

Philip explains that in terms of her mandate to explore projects/programmes to deliver on jobs, she realised – while lying in a bath one night – that “all the evidence suggested no quick wins from market-based strategies”. In addition, there were interesting projects and programmes around but mainly employing around 10 people, so the challenge was how to design to scale.

She drew on and adapted a model developed in India of the concept of a minimum employment guarantee, where the Mahatma Gandhi National Rural Employment Guarantee Act guarantees a minimum of a hundred days

of employment a year to rural households that need it. In the way the CWP pilot was designed, every site would employ 1 000 people.

The Indian model, she explained, provided that every household was entitled to 100 days work a year and relied on a strong local government system. There was no way the model could be directly replicated in South Africa, but through innovative approaches and adapting the model to the realities of South Africa “today the CWP is now in every ward in the country and over 250 000 people are involved.” ■

## CHAPTER 4 2009-2013 TIPS SEEKS TO REFOCUS TO SURVIVE

---



Dollen Ndove, CWP Lephephane, Limpopo



Jeremiah Monyai, Randfontein, Gauteng

Gonzalez-Nunez says this was “an incredible turning point”.

After the introduction of a sustainable development pillar TIPS collaborated in producing an important report together with the IDC and Development Bank of Southern Africa (DBSA), known as the Green Jobs Report. The report, released in 2011, detailed the distribution in time (short, medium and long term) and over sectors (manufacturing, construction and operations and maintenance) of the green jobs targeted by the South African government’s New Growth Path. The report highlighted that the economy had the potential to create more than 460 000 new direct jobs by 2025 through green economy interventions.

At the launch of the report, the then Minister of Economic Development, Ebrahim Patel, emphasised the green economy’s importance as a lever to grow local industrial capacity and create sustainable jobs. He stated that “the experience of several advanced and emerging countries that have been adopting green initiatives point toward an extraordinary opportunity for South Africa as it pursues a job-rich new growth path”.<sup>7</sup>

---

7 Green Jobs: An estimate of the direct employment potential of a greening South African economy by the Industrial Development Corporation, Development Bank of Southern Africa and Trade & Industrial Policy Strategies. Available at: <https://www.idc.co.za/2011/11/25/greening-of-the-economy-to-spur-job-creation>.



## BOKFONTEIN CRÈCHE

---

TIPS was involved in four CWP pilot sites. At the Bokfontein site, the CWP team built a crèche for the local community. King George Mohlala, the district manager who has oversight at the Bokfontein community, explains that the CWP participants coupled with other people in the community built the crèche and, in subsequent years TIPS assisted in equipping the crèche. He adds that before the crèche was built the children in the community used to roam in the streets as they did not have a place to keep them safe. Today there are more than 70 children in the crèche and many have graduated and moved to grade R at the nearby Glenwood Primary School.

Talking about TIPS's contribution over the years, Mohlala points out that TIPS discovered that the crèche was no more than an empty shell of a building, and on the first Mandela Day after the construction of the crèche, TIPS ensured it was painted. This started a relationship that TIPS has continued to the present day. Over the years, TIPS has put in windows, toilets, ceiling boards, a perimeter fence, awning for outside, supplied various things for the children, kitchen equipment and a TV. Mohlala says that every year the children also receive toys. TIPS has also supported the development of an early childhood development garden as well as a community garden for the benefit of the community.





## MESSAGE FROM FORMER CEO

# XIMENA GONZALEZ-NUNEZ



TIPS has played a formative role in South Africa's trade and industrial policy context. Its contribution has taken many forms, from research to fostering robust policy discussion and introducing innovative ideas and approaches. The organisation has also piloted and scaled up new ways of trying to address the enormous challenge of unemployment through its poverty and inequality work. Furthermore, what started as a fledgling foray into becoming a voice in the environmental policy space has today become an integral part of the organisation and TIPS is recognised as a thought leader.

It has not always been an easy path on the road to realising its vision, but TIPS has always been able to count on having an amazing team of dedicated people to see it through. It was a privilege to be part of an organisation that was truly committed to making a positive change. This vision and commitment continue today, and I wish the team at TIPS all the best in going from strength to strength. ■

He added that “as a considerable emitter of greenhouse gases, South Africa faces the challenge of transitioning to a less carbon-intensive growth trajectory without delay. In short, our challenge is to use less carbons and more people in our economic growth. This is what we mean by a new growth path.”

At the launch, Jorge Maia, the head of research and information at the Industrial Development Corporation (IDC), stressed the important role of investment in moving towards a green economy: “This should be progressively supported by investment activity and result in considerable

employment creation”. He added that growing a “green economy should translate into opportunities for localisation, either through the increased utilisation of existing production capabilities, or the establishment of new capacity”. Issuing a cautionary note, Maia pointed out that the “momentum provided by the greening of an economy is being increasingly exploited in countries such as the United States of America, the United Kingdom, China and Brazil, among many others, especially in light of the employment challenges faced at national level”.



TIPS also provided input to the BRICS (Brazil, South Africa, India, China) Expert Forum on the likelihood, impact and legality of border carbon tax adjustments, as well as recommendations on how to deal with these in multilateral climate negotiations.

It also collaborated with Camco<sup>8</sup> in an assessment of the economic risks and opportunities associated with climate change in South Africa. The report was used in compiling the South Africa National Climate Change Response Strategy.

Gaylor Montmasson-Clair, who joined TIPS shortly before the passing of Du Plooy, recalls the difficult journey in the first few years. Not only did TIPS have to try to build legitimacy and get the dti interested but “we were new to the space”. Setting up the green desk within the dti helped to gain traction in the department around issues of green industries.

---

8 TIPS participated in a research project led by Camco, an international consulting firm specialising in climate change solutions, and financed by the British High Commission. The study considered the indirect effects that climate change could have on South Africa’s economy, ranging from impacts on the tourism sector, aviation and food exports, to commercial opportunities in low-carbon technologies and the promotion of alternative carbon markets. In addition to the main report, a series of 18 sectoral reviews and two case studies on the construction industry and renewable energy and the draft Integrated Resource Plan for electricity, were produced.



**Ahead of his time:** Peet du Plooy established the sustainable development pillar before climate change issues were on the radar of South African policymakers. TIPS mourns his untimely death.

While the sustainable development pillar began to grow, it continued to do work around the challenges of industrialisation as well as focusing on trade and industrial policy issues, especially in relation to SADC. The Southern African Development Research Network (SADRN) programme was active under the helm of the programme manager, Mmatlou Kalaba. Velia points out that there was an extensive focus on regional/SADC issues: “We tried hard to have a regional integration agenda but SADC was an extremely difficult entity to break into. TIPS sought to make inroads with regional industry platforms while SADRN sought to kick-start a regional industrial policy process.”

This, says Velia, had its challenges and the region was suspicious of South Africa, one of the few countries in the region to have developed an industrial policy.

With its work around industrial policy in South Africa, Garth Strachan says that TIPS played a supportive role in the development of industrial policy action plans especially from 2012 onwards. “TIPS was instrumental in research underpinning the successive IPAP plans as well as support for the development of sector plans.” TIPS was doing some good work around producing trade data, Velia says, while also engaging in geographical indicators.<sup>9</sup> TIPS became involved in trying to assist behind the scenes in “trying to win back the rooibos brand” from the United States.

Within the three pillars of work, namely trade and industrial policy, inequality and economic inclusion, and sustainable growth, the organisation streamlined its operations by identifying six core theme areas of importance for policy-oriented research: African economic integration, industrial

development, inequality and economic marginalisation, sustainable growth, and rural development.

During this time, Saul Levin was recruited as the new research manager. He recalls that when he came on board the organisation was still facing financial pressures even though it had received some funding from managing the CWP and some support from the dti. The turning point came, he says, when the dti made a commitment to an annual funding tranche. That was the turnaround for TIPS as the previous donor funding had dried up.

Gonzalez-Nunez together with the board decided to commission Sandy Lowitt to review TIPS and inform the direction of the organisation. She points out that there were discussions around funding, the independence of TIPS and what that means, and what a new business model would look like. “Those were very difficult conversations but the wonderful thing about TIPS is the board; despite the fact that they were all very busy they allowed for great conversation.” Lowitt further explains that “we wanted to see options to diversify revenue streams as we were only getting income from doing research for government (and some donor linked funding projects) and we looked at various business models but we did not want to become a consultancy.” ■

---

9 A geographical indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. To function as a GI, a sign must identify a product as originating in a given place. Rooibos has now been granted GI status.

## MESSAGE FROM FORMER BOARD CHAIRMAN

---

### GARTH STRACHAN



Garth Strachan's association with TIPS began around 2010 when he joined the dti as chief director in industrial policy and then more intensively when he was appointed chairperson of the board in around 2013.

He recalls that when he joined the board TIPS was at low ebb and struggling to survive – it was struggling to match the funding it was receiving with good policy research output. “Through the collective efforts of the board and people such as Alan Hirsch and Jorge Maia and the TIPS team we managed to strengthen TIPS and its programmes, its research outputs and operational capacity and systems. Thanks to those collective efforts, TIPS is at a high point.”

In reflecting back on the start of TIPS, he says, “Credit must go to the founding directors and sponsors who set up TIPS not to advance any vested interest but on a solid base of ethical and principled values to assist and support government in relation to industrial policy and trade-related research.” He adds: “The success of TIPS has a lot to do with the management and morality to steer the organisation in a strategic and ethical way – TIPS has been blessed with ethics, commitment and skill.”

Another key component to TIPS success and survival, he says, is the fact that there has been an independent board and members group.

When evaluating an organisation's impact over time, he says, “sometimes people only look at clearly visible outcomes as opposed to hidden outcomes. One of these is the fact that TIPS has in many ways been an incubator of skills, with many people from government going into TIPS and from TIPS into government as well as its policy of recruiting emerging young black and women economists.” Internal training of interns as well as the external training and capacity building of government officials is part of this. Another important element for him has been that TIPS has kept the flame of heterodox economics alive. “It was in a sense not a lone voice but an important voice that was arguing for a heterodox approach to economic policy, at the time of Gear, and during that era.”

In conclusion he says, “Aside from some rocky periods, TIPS has been innovative and at the forefront in exploring new areas of research and keeping abreast with global economic and industrial policy trends and being located in the South African political economy.” ■



## CHAPTER 5 2014-2021

---

### GROWTH AND CONSOLIDATION

While the country geared itself up for its fifth national elections since 1994, TIPS finalised its plans around a new business model that took into account the changing terrain. As TIPS sought to reposition itself, Ximena Gonzalez-Núñez took a decision to resign and, in July 2014, Levin, became acting executive director before being formally appointed in November 2014.

As Levin's appointment came through, the dti indicated that it would be increasing its funding for TIPS and that this had become a line item in their budget. Levin says this meant that the organisation could provide more support to both the dti and other government departments in the form of up-to-date economic data, research, dialogues and increasingly technical support in government processes. As the challenges facing the South African economy have grown in the face of threats of deindustrialisation, the growing need to shift onto a path of green growth, and the persistence of massive and systemic inequality, Levin and the TIPS team have faced rising demands to support policymakers.



Levin implemented the new business model which included, among others, the introduction of three data-driven quarterly publications tracking trends: The Foreign Direct Investment (FDI) Tracker, the Export Tracker and the Import Tracker. During the first months of the COVID-19 pandemic, a weekly TIPS Tracker – The economy and the pandemic – was put out to assess the impact on the economy. Other interventions included the introduction of The Real Economy Bulletin and reports such as the manufacturing subsector notes. Levin explains that all these additional products “underscore the evidence base that you need to do industrial policy”.

Levin recognised the importance of the Annual TIPS Forum, having attended several during his time as a government official and, with the support of the dti and other funders, was able to reintroduce the TIPS Forum again as an annual event. He added that “the response to the TIPS forum has been amazing, with high-quality papers and robust discussions taking place at these events”.

The enthusiasm for the TIPS forums has meant it was able to continue (modified for a virtual format) during the COVID-19 period. As a result, The TIPS Forums for 2020 (Regional Industrial Development) and 2021 (Reconstruction and Recovery: Rethinking Inclusive Industrialisation in Response to COVID-19) during the COVID-19 lockdown shifted to virtual formats. Other events such as the Development Dialogues and Just Transition dialogues are also being held on a virtual platform. This has opened such events to a much bigger, more global audience.

In continuing its tradition of becoming more responsive to the challenges of the changing economy, TIPS has looked at contextualising shifts in the markets both globally, regionally and locally. During this period, its focus on sustainable growth and climate change issues has become a core area of TIPS’s work.

Voting in the national elections, 2014. (Wikimedia Commons)



In the last two to three years, TIPS has seen a marked increase in commissioned research and projects funded by external partners. Levin says that there has been a shift in the return of the donors, “we hardly had much donor support for many years, however, that is now changing. What we have seen in past three years is that our track record in doing work on sustainable growth and around electricity has made us an important resource in understanding the energy transition as we look at the Just Transition. The need to structurally transform the economy, that in many respects still has a dependency on minerals, brings together the work for donors and the dti to be part of that future economy that needs to transform.”

While there is now donor funding linked to research outputs, he says, the dti remains TIPS’s major funder and that funding has helped to strengthen the research offering and evidence-based outputs. “We would not be the institution we are without that ongoing support.”

While TIPS has increased the number of its publications over the years, it has also hosted more Development Dialogue Seminars, building on the earlier vision from 2005 of regular and insightful engagement with government on relevant economic policy issues. This has inadvertently created a new space in which TIPS is operating. It is true that TIPS has always sought to create a space for engagement and dialogue, but this space

has been strengthened. Levin says that in recent years TIPS has started getting other people to present and have conversations with diverse views and “we have increasingly blended our work with others”, which has led to interesting conversations around policy.

This approach reflects an increasing confidence in TIPS and the fact that it has been able to find a balance between supporting government but also being able to be critical when necessary. This, some observers indicate, could be that Levin, who came from government and has an understanding of that environment, knows how to achieve this balance. Levin believes that TIPS, through its ongoing commitment to evidence-based research, “has geared itself up to working with people in government in a not uncritical way. We understand the constraints (of being in government) but we are not coming in with a view to insult government, as lots of us have been in government. What we have tried to do is provide a platform for useful conversations that engage policymakers in relevant issues . . . and have different perspectives on these issues.” TIPS senior economist Baba Gqubule explains that one of the reasons TIPS has maintained its longevity is “that different constituencies trust that we will be able to manage different constituencies and get people to move towards a particular goal – and TIPS has solidified its position as facilitators of the industrial policy development processes”.



## MESSAGE FROM BOARD MEMBER

---

### RUDI DICKS

Department of Performance Monitoring and Evaluation in the Presidency  
as an Outcome Facilitator for Employment and Inclusive Growth



Rudi Dicks' association and interaction with TIPS stretches back to his days in the Congress of South African Trade Unions (COSATU) and then as head of the National Labour and Economic Development Institute (Naledi), while his direct involvement was when he joined the TIPS board in 2012.

He says that TIPS, like many research organisations, has gone through difficult times and has had to face funding cuts, but TIPS “has stood its ground despite a difficult journey and solidly provides knowledge for ever-changing economic environment”. TIPS, he says, has been able to survive when many other organisations were not able to. The organisation, he says, is unique in its ability to deliver what policymakers

want but still engage in critical and independent thinking and knowledge management.

Over the years, TIPS has done some ground-breaking work on the state-owned enterprises, localisation, the support around the Master Plan process, the work around the green economy and exploring potential new growth sectors not in the traditional manufacturing and productive sectors. TIPS also did some amazing work for the Mining Phakisa around capital goods, he says. Finally, Dicks would like to see the dtic using TIPS resources more. ■



**LEFT:** Rudi Dicks chatting to senior economist Neva Makgetla with first TIPS CEO Rashad Cassim in the background.

TIPS has also become involved in a number of government and sector processes. Through its work around electricity, for example, TIPS became involved in late December 2014 and early 2015 in extensively supporting the Electricity War Room and also in 2015 the Mining Phakisa as well as the Master Plan processes. The Mining Phakisa was led mainly by Rudi Dicks in the Presidency who “fell in love with the process”. It is based on a “quick, fast results” methodology developed initially in Malaysia that brings together all stakeholders in the industry into a “lab” with the aim of identifying constraints and developing a shared vision and growth strategy for the long-term development and transformation of the sector. TIPS provided research support for the Mining Phakisa. This involved providing support to the secretariat as well as undertaking and contracting research covering a range of topics, from the mining sector and municipalities, to an analysis of investment in mining, to upstream and downstream linkages in the mining value chain and the cost structure of the mining industry.

Strachan says, “research from the Mining Phakisa was innovative and important research” while the support provided by TIPS in sorting out the crisis around electricity is critical as “you cannot have an industrial policy without electricity. If we do not get electricity right we are in trouble – hence TIPS’s ongoing involvement

in publishing research papers and dialogue around electricity issues as it is so enmeshed in industrial policy”.

TIPS’s ongoing focus on industrial policy included work on IPAP and increasingly on sector research reports and value chains. Strachan stated that the development of the automotive development plan now renamed the Automotive Master Plan, “was seminal research which has informed government economic and industrial policy during that period and into the future. That Master Plan became the template for all sector plans.” Levin added that “when IPAP migrated across to the industry Master Plans, TIPS was able to play a key role in putting together a conceptual framework, and was involved in working with a range of sector specialists to develop several of the industry Master Plans, as well as providing ongoing support for the research required in the Master Plan processes.” Levin adds that as TIPS was involved in research outputs for several of the Master Plans, it was able to draw on that knowledge, and identify the cross-cutting constraints facing these key economic sectors.

Gqubule points out that “one of the highlights about working at TIPS has been about learning the importance of bringing different stakeholders to the table, for example around the Master Plan processes”. These processes, she explains “attempt to balance different views and they give

# ELECTRICITY WAR ROOM

---

In December 2014, Cabinet announced that a war room had been set up to address the electricity challenges facing the country. The “war room” was made up of representatives from key departments such as Energy, Cooperative Governance and Traditional Affairs, Public Enterprises, National Treasury, Economic Development, and Water and Sanitation, and Eskom – as well as technical officials to help drive the implementation of a five-point plan.

The plan included, among others, interventions to harness the cogeneration opportunity through the extension of existing contracts with the private sector; accelerate the programme for substitution of diesel with gas to fuel the diesel power plants; launch a coal independent power producer programme; and manage demand through retrofitting energy efficient technologies.

Addressing the South African National Energy Association’s Johannesburg lecture on 28 July 2015 shortly after the war room was established, chaired by then deputy president Cyril Ramaphosa, Rudi Dicks, deputy director-general in the Department of Performance Monitoring and Evaluation in the Presidency, pointed out that it was based on a concept in which a deliberate focus is placed on the problem at hand. In war-time this would be the defence of the nation, but at present it is the critical shortage of electricity. TIPS provided research support, back office support and other resources to the war room itself to help support government’s effort to get things right. ■





different constituencies an opportunity to engage in the development of policy. Sometimes we assume that we all agree on the way the problem is impacting on different groups. But in an unequal society, it creates a difference in how stakeholders experience the impact of the policies, as the different groups have different levels of power and the Master Plan process tries to negotiate around these differences.”

Senior economist, Neva Makgetla, explains that the Master Plan process was about developing a methodology aimed at enriching the discourse around how to help grow sectors. This emerged out of the work done for the auto sector.

TIPS’s commitment to ensuring an effective, responsive and agile industrial policy is also reflected in its work around sustainability and climate change. Since the early years of setting up a sustainability pillar, its role within this space has increased to the point where the organisation has become a “trusted broker” within the Just Transition space. Lowitt points out that TIPS has evolved over the years and “our profile has increased substantially, and now we have a level of credibility to support policymakers”. She says that this is evident in the work being done around sustainability and a Just Transition. “We have become thought leaders and are creating new paths.”

## MASTER PLAN PROCESS

---

**Discussions and research around the Master Plan process began around 2015/6 while the first sector to finalise one was the Automotive Master Plan, launched in 2018. The dynamic nature of industry has required that the Master Plans are living documents that require regular updating and revision. Since then, and building on the success of that process, government and industry have agreed that a number of sectors should have their own Master Plans.**

These plans are now either completed or are in the process of being finalised. The intention of such plans is first to develop a baseline of what is taking place in the industry (status quo analysis), understand the international experiences, and then to work in collaboration with core government departments and industry players to develop a vision and action plans that to create conducive conditions for industries to grow. Part of that vision is to link the Master Plans to industrial policy and to work with companies to improve their industrial capacities and sophistication, focusing more on export-orientation, and reclaiming domestic market space which has been lost to imports.

Master Plan processes require participation from relevant government departments, employers, unions and companies. The plans include the objectives, how to achieve those objectives, and clear stakeholder commitments.



Photo: Media Club South Africa

The benefit of the Master Plan approach is that it brings together players to support collaboration in an industry to unlock growth. As part of this, the idea is to identify constraints to growth and what is needed to support growth, such as ensuring appropriate support institutions or measures. These collaborative benefits, however, also need to be looked at across industries. There are various processes in place to foster that collaboration, including through the National Economic Development and Labour Council (NEDLAC), the Job Summit and the Public Private Growth Initiative.

The collective approach to identifying constraints, and measures to resolve the constraints, has contributed to unlocking growth and investment by giving players in the industry confidence in in future. The alternative, which has been seen in several industries already, is a downward spiral. ■

## A Just Transition ensures that South Africa's move to a low-emissions economy is just and equitable by protecting communities and workers so they are not adversely affected.

For Montmasson-Clair (who now heads the sustainable growth pillar) it has been a journey. He points out that from as early as 2013 “we were already talking about the risk of green protectionism and that if we don’t transition we will lose access to markets as other countries will put measures in place to prevent our products from gaining access.”<sup>10</sup>

He recalls that people thought he was off his head and that “I was scaremongering ... now it is on everyone’s mind” especially with the EU having released its climate change policy package. Adding to this, Tsedu points out that Montmasson-Clair struggled for between three to five years to get policymakers to see the importance of the need to focus on the Just Transition and “now this is a hot issue and now everyone wants to fund us”.

Montmasson-Clair explains that “we had to make the case that there are jobs and investment in the green economy, and it took a lot of work.” Some of this work focused on new growth industries and research aimed to explore how to green existing industry. Once TIPS was able to build some momentum, “then we started looking at the hard questions around what about a complete shift in industrial policy, and we introduced those issues into the department.”

The need to align industrial policy with less energy intensive, more labour absorbing industries that creates opportunities for new economic actors, has become increasingly important, and has informed how TIPS has understood inclusive growth and structural transformation of the economy. This, he says, initially created some pushback especially in relation to the incentive structure supporting “old industry”. However, TIPS, in line with its foundational approach, continues to provide critical thinking on how best to take forward industrial policy based on current economic conditions and realities.

---

10 At the beginning of July 2021 the EU released its new climate policy package which includes a mechanism aimed at taxing goods imported into the EU based on their climate credentials. A series of transitional arrangements provide South Africa with some time to adapt.



# A JUST TRANSITION

Since 2019, work around the Just Transition has become a central focus for TIPS. This saw TIPS developing the National Employment Vulnerability Assessment; Sector Jobs Resilience Plans for five value chains (coal, metals, tourism, transport and agriculture); and the Policy Toolbox for a Just Transition. Other aspects of TIPS's work around the Just Transition relate to how to finance this as well as bottom-up solution identification. These outputs have led to the point that, during 2021, TIPS was commissioned by the Presidential Climate Change Coordinating Commission to develop a draft framework for a Just Transition that will entail running and co-ordinating a stakeholder process to obtain input, and undertaking several research papers.

In addition, TIPS has done extensive research around potential new growth sectors linked to greening the economy, such as electric vehicles and lithium-ion batteries, green hydrogen, climate-compatible industrial strategies (forestry, aluminium, petrochemicals, iron and steel, and cement), and various studies on the implications and opportunities of climate change for small businesses.

TIPS is working on a range of Just Transition-linked projects ranging from how to foster a Just Transition in Mpumalanga (eMalahleni and Steve Tshwete in particular) as well as looking at the green hydrogen economy and assessing the demand for skills in this economy and the development of new and sustainable value chains. TIPS is also engaged in facilitating dialogues on the just energy transition, analysing and understanding various metrics for a just transition in the energy sector, and providing inputs into policymaking processes. ■



**CHAPTER 5 2014-2021**  
**GROWTH AND CONSOLIDATION**

---

## MESSAGE FROM CURRENT CHAIR OF THE TIPS BOARD

---

### DR TEBOGO MAKUBE

Chief Director: Industrial Procurement,  
Department of Trade, Industry and Competition



Even though Dr Makube was appointed to the TIPS board only in October 2020, he has had a long association with the organisation through its research and attending and even presenting at the Development Dialogue Seminars. He believes that TIPS is one of those crucial institutions for policy, and that its research has informed government policy and affected different aspects of economic development.

In view of the role TIPS has played, he believes there is space for the organisation to expand to other subsectors which are not covered yet by public policy. “We really do not know what the world will look like in the next 15 years from an energy perspective. What will this mean for South Africa? Institutions like TIPS can come in and provide that policy advice.” Another area in which TIPS could play an instrumental role is in assisting in creating the linkages and proper co-ordination around the implementation of industrial policy at a provincial and local level. “There is no proper co-ordination, linkages and understanding across government and at other levels around industrial policy.”

In addition, he says, more training is needed in relation to industrial policy across government departments. ■







## CHAPTER 6

---

# LOOKING AHEAD

**As Van Ameringen says, “we really got it right on TIPS”. Having stated this, neither he nor the early supporters of TIPS were clear about whether the organisation would exist beyond South Africa’s transition period. There was no long-term view of where TIPS would go except to fill a gap that existed at the time in government’s capacity to produce evidence-based research to influence policy.**

TIPS’s focus on trade issues has continued with a strong emphasis on the alignment between trade and industrial development. TIPS embarked on a multi-year programme with the dti and the Centre for Competition, Regulation and Economic Development (CCRED) looking at regional value chains, which later saw UNU-Wider coming on board as a partner. Part of TIPS’s contribution to capacity building has seen it partner with Faizel Ismail on the running of a trade policy training course and the publishing of research reports and manuals in this area. Another focus area has been trade and the African Continental Free Trade Area (AfCFTA).

To illustrate the renewed focus on collaboration with colleagues in Africa and building capacity, Strachan points out that from 2014 onwards, TIPS has co-facilitated the African Programme on Rethinking Development Economics (APORDE) which brings together academics, policymakers and civil society to explore economic development options. In addition, he says, the hosting of the Industrial Policy for Policy Makers training programme, held alongside the APORDE programme, has been “recognised globally as best practice training”.

Levin says that TIPS is committed to focusing more on training and capacity building for government officials and in the future will do more training around industrial policy issues in partnership with the National School of Government. Lowitt outlines some of the initiatives including setting up a training programme “which would increase capacities in government, as well as developing additional information products and generally try and improve the environment for government officials around policymaking and strategy”. As part of this, the TIPS team began to do value chain analysis training.

## CHAPTER 6 LOOKING AHEAD

---

Finally, TIPS's response to the COVID-19 pandemic reflected the ability of the team to be fully engaged and reflected the institution's ongoing ability to be relevant. Levin points out that TIPS's response reflects its ability to be able to pivot to the key economic developments and changes happening as a result of COVID-19. "Credit must go the TIPS team, especially Makgetla, who sought new sources for data when the official stats were not available, and worked tirelessly to ensure that TIPS was able to put out a weekly tracker on the pandemic and the economy." ■



Photo: Media Club South Africa





**T**wenty-five years on, TIPS has survived where other NGOs have not. Part of the reason for this is because the organisation has continued to fill a much needed gap, but it is also because the board structure has ensured that the leadership of TIPS over the years has largely kept to its original mandate. Maia says, “the original intent of TIPS was preserved intact throughout its existence. As with any organisation, push and pull factors can alter the direction and that can have implications that are not always the best – in the case of TIPS it pulled it back to its core.” He added that while the initial mandate has always been preserved, society has changed a lot over the 25 years, and there was dynamism in the way in which TIPS has adapted to the changes in economy and emerging trends.

Maia adds that, “during those initial years, the focus was on transforming the South African economy from the apartheid economy to a democratic society and opening up the economy, and ensuring that the process was as smooth as possible and this occupied the time of TIPS”. Today, the country faces another transition and this process is different – it is now, Maia says, about aspects of global market penetration, labour intensity, social inclusion, exploring new markets and transitioning to a low-carbon economy. In tackling these challenges, government faces similar capacity constraints as it seeks to address many competing pressures and interests.

What does this mean for TIPS moving forward? Fine points out, “we had a picture of how South Africa would evolve, and in many ways it has been a rocky road and it is nice to have the capacity provided by TIPS but the question for TIPS now is one of coming up with fresh thinking”.

For Levin, the key challenges ahead for TIPS are not only about fresh ideas and thinking but about how to support policymakers in building and growing the economy differently as well as what a future TIPS should look like and its future sustainability.

Taking the first challenge, Levin says that “the economy in 1994 was broken with an inward focus and highly dependent on minerals, and although many people might think it is still broken now, the reality is we have deepened our industrial capabilities, but a lot of change still needs to happen with many challenges confronting us. We need to build and grow our economy differently.” He adds that as government grapples with these changes, “TIPS needs to remain relevant by supporting institutions through research and engagement”. Levin says TIPS’s history has shown that its strength has been its ability to remain relevant and at times respond to demands but increasingly to pre-empt trends. Adding “the economy is always changing and the research needs to reflect those changes”.

Hirsch says the key areas of work should be



## MESSAGE FROM FORMER MEMBER

---

### JORGE MAIA

Industrial Development Corporation of South Africa Ltd (IDC)



Jorge Maia joined the Members Group in 2007 and stayed on until he decided to leave in 2019. Through that time he saw a number of changes in the leadership of both the organisation as well as the main board, from the first board chairman (Alan Hirsch) to the time when Garth Strachan was board chair. In reflecting back on the role of TIPS over the years, Maia (who is himself head of research at the IDC) can see the enormous contribution that the organisation has made not only in contributing to trade and industrial policy but the broad economic policy arena. In addition, and important for him, is the “enormous efforts to building capacity in the policy and research community in South Africa and SADC and even extending to the

African continent.” Maia points out that through TIPS, he and many others have been able to establish strong professional networks which have spanned many years. For example, he says, the annual TIPS Forum has become such an important space and “something to expect on an annual basis as a place for academics, researchers and policymakers” can disseminate their work. In addition, the IDC has collaborated with TIPS on the African Programme on Rethinking Development Economics (APORDE) programme which has been going on since 2007. He stresses the importance of initiatives such as APORDE, which has gathered African professionals and students together to focus on building capacity around industrial policy.

Maia not only emphasises the strong focus on building capacity externally but also in the strong element of internal capacity building. This, he says, is reflected in the work that TIPS has undertaken over the years, with particular reference to the joint project done between the IDC, DBSA and TIPS around the Green Jobs Report released in 2011. Maia also emphasised the contribution TIPS has made to trade analysis and trade policy issues within the SADC region. The expertise developed over the years has put TIPS at the forefront of this issue and “made them a strong centre of expertise in trade policy and analysis issues”. Maia also touched on the extensive work done around industrial policy and exploring new sectors and its important work in the social economy interventions driven by Kate Philip, and early pushing of the circular economy. He concludes that while there were some rocky years during which TIPS had to reassess its sources of revenue, it has preserved intact the original intent of what the organisation was established to do. ■

around the energy transition and climate change more broadly as well as dealing with inclusion. Hirsch explains that, when we talk about inclusion, it is about growth and employment creation. And it is about the inclusion of people into the formal economic system and inclusion of people into the middle class and upper classes of the economy.

He says that a lot more work is needed in this area, especially around how to address the challenges small businesses face, and also in reviving township economies. Lowitt agrees that TIPS needs to refocus and strengthen its small business research agenda.

Tsedu has done extensive work on what is needed to revive township economies and strengthen small manufacturing businesses in townships. He points out that while there have been myriad policies and interventions aimed at reviving township economies, they have not had the impact anticipated mainly because of a lack of understanding and knowledge around the worth, functioning and requirements of the township economy. This lack of knowledge, he says, “not only results in inefficient public spending but also discourages private sector investment in prevalent and potential township markets. This has created a barrier for both the South African government and private sector to invigorate and grow township markets.”

Strachan says “given the extent of our

unemployment, poverty and inequality, which have been exacerbated by COVID-19, more robust measures are clearly needed. We have settled at an equilibrium of low employment levels and low growth, we have not been able to break from that trap, and with each shock over the past three decades we slip further away from our goal of full employment.” He adds that the existing level of recovery will further exacerbate existing poverty and inequality.

Levin points out that in the same way that TIPS was fully engaged in key economic developments such as with the impact of COVID-19 on the economy and industrialisation, so too is the organisation engaged around the energy transition, climate change more broadly and the Just Transition. “We continue to focus on the key economic changes and we look at the economy all the time and by having the various trackers we are able to draw on that and shift research to be relevant.” In view of “understanding the lie of the land going forward”, TIPS has in recent years emerged with proactive and innovative research and has been exploring new sectors, in particular in relation to new “green” sectors.

Montmasson-Clair says TIPS is “now in a position where our voice matters” with the work being done around climate change and a just transition, “cutting edge in many respects”, and it will continue to grow in the

coming years.

In the climate change work, Makgetla indicates that TIPS is playing an important role around the coal value chain. She explains that South Africa's industrial policy will be fundamentally shaped by the climate crisis as the coal value chain has historically been so central. As a result, moving away from coal, she says, will profoundly impact on the structure of the economy and that will therefore form a key focus of TIPS's work in the future. To illustrate this, Makgetla highlights the work being done by TIPS around new technologies (such as green hydrogen and electric vehicles), which are crucial for the future industrialisation of the country.

Another key factor in relation to the country's industrial policy, she points out, is that if it cannot deliver for the majority in an unequal society like South Africa, it will not be sustainable. Elaborating on this, Makgetla explains that if the industrial policy is not linked to policies that will generate employment, it will fail. For example, in Asia, "when people talk about industrial policies they can see that it creates jobs. That is an issue here, and with COVID having made the country more unequal, the more the pressure grows on industrial policy

## MESSAGE FROM TIPS BOARD MEMBER

### IMRAAN PATEL

Deputy Director-General:  
Socio-Economic Partnership,  
South African Department of Science and  
Innovation



Imraan Patel's association with TIPS started about five years ago when he joined the board. During this time, "TIPS is back to being quite influential in the way it was in its early days ... Saul has done well to get the organisation on a firm organisational footing."

TIPS, he says, has provided significant assistance to the DSI as it is under-capacitated. Significant areas of work have been around the National Water and Sanitation Master Plan and the green economy, and the fourth industrial revolution work has also been useful. Ultimately, he says, TIPS is positioned to be influential. ■



to deliver to the majority.” So it is not just about industrialisation at any cost but about inclusive industrialisation.

Gqubule points out that the landscape has changed so much and “we were already dealing with pre-existing inequalities and the fact that the structure of the economy is so entrenched and now with COVID we are having to readjust our thinking. The challenge for us is to be able to try digesting the many ways things are changing and come up with solutions.”

Strachan points out that as “South Africa confronts its own challenges, we should not neglect the important role that the country has on the region”. Board member Imraan Patel says that there have been ongoing discussions at a board level about TIPS increasing its focus at a regional and continental level. However, Lowitt notes that South Africa’s positioning in the region could prove challenging as the country focuses more on localisation on the one hand and on the other exploring how to boost trade.

Former trade and industry minister Alec Erwin says TIPS needs to focus on some of the challenges around bringing about structural change and addressing the patterns of investment. Patel adds that TIPS should also increase its focus on the interface between industrialisation and infrastructure development. In addition, TIPS should continue the work it has been doing

around the circular economy.

The second challenge facing TIPS is where to from here? Maia says that because of the way TIPS is structured, being an NPO, funding will always be an issue and it brings a strong element of risk and that is in a way always a constraint. Having said this, TIPS, he says, is fortunate that it has serviced its core funder well and retained and even grown its workload. However, in moving forward TIPS needs to diversify its customer base without compromising its core mandate. “If TIPS is able to do so then it can grow, but the question is how much does it have to grow internally or leverage off external networks even more – the model that TIPS has utilised in the past”. Both avenues open up opportunity for growth.

Over the years, TIPS has grown from a small core of researchers to its current complement of around 18 researchers and interns, with a full staff complement of about 28 people. Levin explains that the organisation went through a rapid internal growth in the number of staff as the budget tripled. In the last two to three years the organisation has reached a plateau and effectively reached full capacity. When additional resources are needed, Levin says “we draw on our network of highly-skilled researchers”.

The question now for the team and the

## MESSAGE FROM FORMER MEMBER

---

### ROHINTON MEDHORA



Rohinton Medhora's association with TIPS started before its inception, when the IDRC was involved in the policy space in the pre-transition and transition period in South Africa in the early 1990s.

He recalls how the origins of TIPS began when people like Alan Hirsch, who had moved into government, articulated that they needed capacity around economic policymaking and what came to be trade and industrial policy. This, he says, fitted into the kind of work that the IDRC supported at the time and then began a process of where and how to locate such a structure. Ultimately, he says, this was a South African-driven initiative. During these discussions, there were concerns that locating such a structure within the dti would have resulted in it being caught up in dti stuff so, ultimately, it was initially located within the offices of the IDRC.

In paying tribute to where TIPS is at, he stresses that what is critical to remember is the vision by people like Hirsch and then the leadership of people like Rashad Cassim who set the ethos of the organisation “and he did that in spades”.

Medhora reflects on some of the seminal work done around multi-lateral trade relations in the region in the years he was on the Members Board and the annual TIPS Forum “was the place to be”.

Over the years, he says, TIPS migrated away from the IDRC and became a self-standing institute: “Sure there were growing pains and you learn to walk and wobble but we are better for it in seeing how TIPS is a clear lesson in how you can bridge research to policy”. ■

## CAPACITY BUILDING IN GOVERNMENT

---

Current and former board members all stress TIPS's role in building capacity in the state and bringing in expertise "to help us think and get clarity on policy". As Ismail says, "we still need to do today what we did 25 years ago and government still needs that capacity and to train officials around key policy areas, as government still needs to be clarifying its own policies". In a sense, he says, TIPS is back where it started.

Ismail adds that the type of training he is providing to government officials today is the "same ground covered then". During the transition period, he says, "what we had then was a broad political direction on policy which was articulated every day by ministers, and we knew what the policy was and it was translated into detailed legislation. We also knew the values (as many officials had come out of the struggle) and how to relate to our neighbours in Southern African, and the alliance with the South and developing world. And what was clear was that we were trying to address the sharp inequalities inherited from apartheid and the development discourse was how to address these." Today, he says, when he engages policymakers in government, "all the issues are not clear". Hence, the need for an organisation like TIPS. He and others have stressed the need to continue with its work around relevant research, capacity building and training officials, and to expand that beyond the dtic.

board is whether TIPS continues along the current trajectory and provides the same kind of support to government – which not only includes evidence-based research but extensive capacity building as well as effectively “free” up-to-date economic data such as that incorporated in the various Trackers – or look to expand and become a larger, more formalised research institution.

As Levin says, there are different examples TIPS could draw on, and consideration could be given to evolving into a “more significant and well-resourced institution which could play a different role across government around economic policy research”.

On TIPS’s capacity building and research support to government, Makgetla points out that, having been in government herself, “it does not have capacity to do this kind of thinking”. In view of that, other departments

need structures like TIPS, which she describes as semi-autonomous. “TIPS is enough ‘part of government’ to be part of the discourse and far enough away from government to be critical, but close enough to be relevant.” She stresses that, “Every country that has a successful industrial policy has this kind of institution.”

Both Gqubule and Tsedu point out, however, that TIPS has always been good at focusing on future policy trends and “looking beyond the horizon” and identifying “hot topics” ahead of the curve. This has been possible, Tsedu says because “TIPS has had the independence to look outside of the current priorities of government and, as a result, has been able to respond to immediate client needs and pre-empt future ones.”

Matona believes that TIPS needs to grow to support an expanding list of research. He adds that the model has changed as “over



the years, TIPS tried to get revenue from work they do but it is still largely dependent on grant funding and it is a challenge which needs to be resolved, and which will underpin the sustainability of TIPS". He says the organisation also needs to market itself outside of its core base.

The future structure of TIPS is also dependent on the organisation's internal capacity and systems. Levin says the organisation is focused on building internal capacity and has an internship programme and "we spend time and energy looking at developing staff to become accomplished researchers." Patel says one of the challenges for TIPS is having a team which has the technical competence and orientation for development and issues of social justice, and keeping that team together. As a knowledge-based organisation, he says, its success and continued relevance and survival depends on having a team whose knowledge is deep enough. It is crucial that TIPS retains the depth of knowledge, especially as TIPS is in a space where it is competing with others.

In being able to have a consistent team in place, Gqubule points out that TIPS has created a space for economists to pursue development goals "but to dream beyond

that". She explains that, in South Africa, there is no clear career path for economists and TIPS is an organisation that facilitates economists being able to "walk a journey of defining a niche for yourself".

Gqubule and Tsedu reflect on the fact that TIPS provided people such as Montmasson-Clair the space to build the sustainability pillar over a five-year period to where it is now. Gqubule adds that what puts TIPS in a different space to its competitors is that "TIPS holds a space for different opinions and it does so in a way that strengthens its mandate".

Levin points out that a core part of the engine is having systems in place. He says that if an organisation's back office does not work, it can destroy an organisation. "Getting the systems right, such as financial management systems and the correct staffing often gets ignored but the reality is that the administration side makes the research side work – if we do not get it right we can do the most amazing research but organisation will not be sustainable."

As a final point, Levin acknowledges the crucial role that the governance structure has played in the survival of the organisation. As a number of board members have indicated, it has not been

# MESSAGES FROM TIPS STAFF

---

## **MBOFHLOWO TSEDU**

---

Arguably the most influential research organisation in South Africa that has had an impact on a range of strategic policy interventions in South Africa. TIPS has initiated and assisted communities through the Community Works Programme, assisted integration through SADC Trade, and helped firms grow through local procurement and increasing local manufacturing capabilities. I have had the pleasure of being part of these initiatives and would not trade that experience for any job anywhere in the world.

## **KELELLO MASHIANE**

---

“Alone we can do so little; together we can do so much.” – Helen Keller.

TIPS has a strong team characterised by collaboration and a work ethic of giving their best to the organisation.

## **LERATO MONAISA**

---

My time at TIPS has been a learning experience. TIPS is a great institution because of its hardworking team. The organisation’s work is constantly pushing forward industrial policy and its importance.

## **GAYLOR MONTMASSON-CLAIR**

---

TIPS is an exceptional institution to grow personally and professionally – a unique mix of individual and team stimulation, research excellence, intellectual independence and policy impact.

# MESSAGES FROM TIPS STAFF

## **NATASHA DU PLESSIS**

---

TIPS houses a research family from all over the world. I have seen interns that worked at TIPS who have received their PhD's. We are a tight family behind the scene and we are growing from strength to strength. It is an honour to work at TIPS.

## **SANDRA MAKUMBIROFA**

---

TIPS is an exceptional place to work as the organisation cares about the employees' wellbeing. From one on one or group coaching sessions during the pandemic to project close out braais and surprise Pick n Pay vouchers.

## **TIRO DIPUDI**

---

I have been working at TIPS since 2014 as a Finance and HR Officer and since then I have seen how TIPS has grown. I look forward to seeing TIPS surviving another 25 years!

## **LIAKO MOFO**

---

The integrity of information and policy advice that TIPS provides to its clients; the culture to excel and go and extra mile makes TIPS what it is today! TIPS is becoming an integral part of South Africa's and regional economic development!

## **ITUMELENG MOKOENA**

---

TIPS has been a fertile ground for learning about industrial and economic policy development. Research conducted at TIPS is impactful in nudging the South African economic policy in the right direction.”

# MESSAGES FROM TIPS STAFF

## GILLIAN CHIGUMIRA

---

It has been the best fun and the most fantastic seven years of my life as a researcher and economist at TIPS. I think it is an excellent think tank to get a holistic understanding, exposure and gain experience in regional economic development and industrialization. I have tremendously enjoyed traveling the SADC region engaging with top-notch institutions and contributing to the growing pool of evidence based policy research. Aluta Continua TIPS lets continue to fight deindustrialization and resuscitate the manufacturing capabilities within the region.

## ELIZE HATTINGH

---

A huge congratulations for building a solid industrial research organisation over a 25 year period!

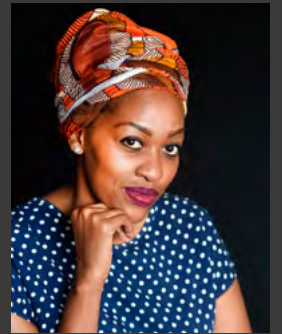
TIPS plays a strategic role in #buildingbackbetter towards a more inclusive, low-carbon economy. This is through the Just Transition work and Green Industrial Policy work. The range of Climate Resilience Masterplans is forging the way to provide our country with the best policy options on the table to make informed decisions that benefit people, the planet and profit (PPP).

May there be many more 25 year celebrations to come!

## ABBREVIATIONS

<b>AfCFTA</b>	Afr
<b>AGOA</b>	Afr
<b>APORDE</b>	Afr
<b>AsgiSA</b>	Acc
<b>ANC</b>	Afr
<b>CCRED</b>	Cer
<b>CWP</b>	Co
<b>dti (the)</b>	Dep
<b>dtic (the)</b>	Dep
<b>DPRU</b>	Dev
<b>GEAR</b>	Gro
<b>IDC</b>	Ind
<b>IDRC</b>	Int
<b>EU</b>	Eur
<b>IPAP</b>	Ind
<b>ISP</b>	Ind
<b>Nedlac</b>	Nat
<b>NGO</b>	Non
<b>SADC</b>	Sou
<b>SATRN</b>	Sou
<b>TPMP</b>	Tra
<b>WTO</b>	Wo







25

