

## NEVA MAKGETLA: Departments keep their eyes on targets while the country splutters

Combining the five-year medium-term strategic framework with annual performance plans has improved transparency but it has not fostered agility

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Eskom power station. Picture: REUTERS

There's an old saying: the operation was a success, but the patient died. It arose in medicine but thrives in bureaucracies, which often drive programmes long after their irrelevance to national goals has become undeniable.

This is a systemic problem. Governments must manage large systems while pursuing not a well-defined target like profitability, but broad, complex outcomes such as GDP, jobs growth and greater economic equality. In these circumstances, it is fatally easy for officials to focus on just doing their jobs irrespective of the ultimate social and economic benefits.

In 2010, the government transformed its management systems to address this challenge by combining the five-year medium-term strategic framework (MTSF) for the government as a whole with annual performance plans (APPs) for individual departments. In theory, the MTSF sets targets for priority outcomes while the APPs indicate how departments will achieve them. If core outcome targets are not being met – if economic growth slows, say, or no improvement emerges in joblessness and inequality – then the programmes in the APPs should be re-examined and revised.

Certainly these systems vastly improved communication about government activities. In particular, departmental APPs provide crucial information on programmes and objectives. But there's no evidence that they have substantially upgraded policy making. Above all, it was hoped that departments would continually re-examine and improve policies in order to improve national outcomes. Instead, even when things are clearly going wrong – as for instance with the economic slowdown since 2015 – there has been little impetus for a fundamental strategic review.

A key challenge is that the APPs, which centre on setting numerical milestones for departmental programmes, often focus managers' attention on driving programme implementation rather than pursuing broader national goals. If the programmes are misguided, the APP targets just aggravate the damage. The MTSF aimed to address this challenge by requiring continual evaluation against the actual socio-economic impacts. In practice, however, managers tend to focus their time and energy narrowly on achieving APP targets, which are integrated into the national audit system and require regular reports to parliament.

The disjuncture emerges from a cursory review of most APPs. It is virtually impossible to evaluate from the documentation how specific activities will affect broader socio-economic outcomes. Will SA get much closer to food security and equality if a programme to promote food gardening assists 11,710 households out of the total of 12-million? If a department targets “maintenance” of 25 models, will that help ensure its policies do more to bring about inclusive and equitable growth?

Departmental APPs often include vague and sometimes misleading or contradictory objectives. For instance, in the name of promoting local procurement, several departments target increased purchases from black-owned companies – without specifying that they must produce the goods in SA rather than importing them. Treasury's sole published target for its state-owned companies is that they should

submit quarterly reports. The department of public enterprises is pledged to achieve a 19% reserve margin for electricity, without any indication of how to get there in the midst of rolling blackouts, inflationary electricity hikes and a fiscal squeeze.

Once APP targets are adopted, the rules usually make it very hard to modify them. Whatever crises emerge – Eskom starts load shedding, say, or growth nosedives – the audit process still holds departments to the predetermined APP. In these circumstances, dealing with unanticipated changes globally or nationally takes a backseat to reporting against outdated targets.

The solution is not to end reporting on programmes and outcomes. The existing system has real strengths, above all by making departmental programmes more transparent and specifying priority outcomes for government as a whole. But it could do much more to promote responsive and effective policies.

Above all, that would require that the MTSF outcomes also be audited, with real consequences when they are not met. And it would entail dedication of greater resources to ensure that APPs are co-ordinated across departments and linked practically and visibly to national development aims.

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