

Restraint, austerity and failed leadership

An interview with **John Samuel**

John Samuel, now a visiting professor at the University of the Free State, was head of the ANC's education department in the early 1990s and then deputy director-general in the national department of education. Ben Turok spoke with him about the times of transition.

MEET THE BANK

Ben Turok: There is a growing interest, in the movement and in the public, about the transition to democracy in South Africa and what actually happened. Not to blame individuals, but to understand the conditions of the transition, so that we understand our history better. You were involved in certain policy initiatives in Washington. Can you tell us about that?

John Samuel: In 1991-92, the World Bank struck up a particular and quite unusual relationship with us. This was actually the first time in the history of the Bank where it was dealing with a political movement that was not in government. When they came to this country, they didn't necessarily meet with the government, but they met with the ANC. To all intents and purposes, they recognised the ANC as the government of the day.

The ANC's education department had a relationship with the World Bank that was based on an agreement between the Bank and the ANC for us to access their technical expertise. The Bank was staffed by some really outstanding young academics, intellectuals and policy-makers, and we didn't necessarily have the expertise, particularly in financial planning and model construction. The Bank played quite an important role in helping us think through many of these issues.

In 1993, a group of us from the ANC – mainly the social cluster of health, science and education, and the economics people – was invited to spend a couple of weeks at the Bank. The delegation was headed by Trevor Manuel, who was the head of the ANC's department of economic planning. We spent this period at workshops, discussions and general meetings with Bank officials.

BT: Was this training or negotiations or briefings?

JS: It was a mix, partly to expose the people who were likely to be in government to the Bank: to its thinking, history, development and policies. Larry Summers was chief economist at the Bank and he participated in a lot of the discussions. The other part was to look at other ways we could collaborate with the Bank. I found it very instructive.

I had worked in Zambia in the 1970s, when the Zambian government was heavily involved with the Bank, so I had some first-hand lessons. Certainly,

the thing that impressed me most there was the manner in which the Bank came into a country and took over the running of education. They would appear and they would have a blueprint, so to speak, in their back pocket. When they came into South Africa, they were surprised because we already had very well-developed policy initiatives and plans and costings. I think they had not encountered this in other countries, where one couldn't help but get the sense that they laid down the law.

BT: They did not try that with you?

JS: Whenever they go into a country, the Bank traditionally develops what is called a "country plan". So they had developed their ideas of what was best for us in terms of education. Certainly, our experience led us in a different direction. Theirs was much more a piecemeal approach: get so many teachers trained, get textbooks, and so on. Not that these were not important, but, given South Africa's experience and racial history, the single most important lesson we had learned was that, if we didn't set up one educational system right from the beginning, we would run into a whole range of problems later on. Ours was a deeper, more systemic approach than theirs, which was much more project-based.

A CAUTIONARY TALE

BT: Was the IMF [International Monetary Fund] part of this?

JS: During our Washington trip, we also met with the IMF – and it is a meeting I will never forget. We, the South African delegation, were standing in the foyer waiting to go in to the IMF manager's office, and the man who was showing us around said: "Gentlemen, enjoy this moment, because you are standing on your own feet. Next time you come here, you will be crawling on your knees." I never forgot that image. In fact, when people visited the IMF, they were on their knees.

BT: Including our people?

JS: No, I am talking generally, because the only time you go to meet with the IMF is when you are in serious trouble.



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BT: In your experience, what was the nature of communications between the IMF and the World Bank and the ANC in this period?

JS: In the discussions that I participated in, there were two very significant strands. One was a cautionary tale of a popular new government coming into power and engaging in extensive social spending: this had to be curbed.

BT: That was the message from both the Bank and the Fund?

JS: Yes. Because the expectations were so great in South Africa that an ANC-led government would deliver on everything, this had to be curbed. The temptation to succumb had to be restrained very carefully.

BT: Was that in the name of “austerity” or “prudence”, in your view?

JS: I think it was austerity; it pointed to the need not to over-promise and, at the same time, not to overspend. And this was associated with the second message: if we went down the path of extensive social spending, we would have to deal with structural adjustment. Our economy would be subject to structural adjustment. So, in the first years of government, we only had the choice of behaving in a way that was conservative, where we did not succumb to the temptation of trying to meet all the social needs, and where the signal we sent to the outside world would bring comfort.

BT: That we were a “responsible” government. But we did in fact adopt a structural programme.

JS: Yes, but without admitting it. Certainly in the first five years of government, in effect we were adopting the structural adjustment programme. At one stage, I argued that we should have a very slight increase in the education budget to enable us to do some catching up – but Finance would hear nothing of that.

BT: So the minister of finance, on behalf of the Treasury, was laying down the rule about spending?

JS: Yes. While many of us accepted the notion that we had to be responsible, we felt that one could find a way of balancing that. None of us was advocating irresponsible spending, but rather to carefully address particular issues, which would require a certain flexibility in the budget amounts. It wasn't extravagant. It was not like we were asking for double.

BT: Do you think that period has a bearing on our present problems in education?

JS: I think so, to some extent. There is a complex set of reasons why we are in a difficult educational situation at the moment, but I have no doubt that, had we the courage to take this on in a more vigorous fashion... But there is no excuse for toilets not being built, or water not being available. There is no excuse for that.

This relates to the absence of sufficient understanding of the modest needs of people at that stage, and the need for us to address a really complex and significant apartheid legacy, something that perhaps we did not pay enough attention to in the first government.

BT: In an interview in *New Agenda*, Chris Liebenberg [minister of finance in the national unity government, 1994–96] said he promised Mandela that South Africa's reputation would not suffer under his rule. You seem to be saying that the government of '94 was so sensitive about its international reputation that even the necessary spending was cut back.

JS: I think so. I think that we probably played up too much the need to maintain confidence. I think that the desire to be respectable in the eyes of the international community was an extremely powerful motivating force. In the '90s, we recognised this as a very important factor in policy thinking. But there was never a sense that this should dominate us in the manner that occurred post-'94. One would sit and listen to officials talk as if they'd lived in the Bank for the whole of their life. We so quickly took on that discourse. For me, certainly, it was alarming.

CULTURE SHOCK

BT: You are interested in a number of other aspects of the transition: the way the public service conducted itself, the way we did not change things, the way we just slipped into the old order. Did we have to? Were we are too cautious?

JS: We came into government on the basis of negotiation, so there were some constraints, which I think all of us recognised. Retaining a certain amount of the bureaucracy was part of that. But those were things that we could work around. I don't think they were significant enough to prevent us demonstrating leadership – and that is what we failed to do.

We failed to demonstrate moral leadership on a number of issues. Nothing would have prevented us from instituting a different culture, a culture that was based on our experience of a struggle where the values of equality and modesty drove us. There we were, people who had worked in tiny little offices with a desk and nothing else. When I moved into government, they could not understand why I refused huge desks, a big table, six chairs, a carpet.

BT: We have a group of people, some of whom were MK, some had been in prison, committed revolutionaries. They go into government and begin to behave like ordinary bureaucrats. How do you account for that?

JS: I think in part it was because we had not done enough work, as the ANC, to talk about the culture of government. We had no position. So what do you do? You take on what is there. It is far easier.

