



INNOVATIONS FOR SUCCESSFUL SOCIETIES

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BENNET: Today is March 24th and I am here, this is an interview with Jeremy Cronin, he is the Deputy Minister of Transport for South Africa. Thank you so much for your time, sir. Perhaps we can just get started by getting a bit of your background and some of the background, the steps that you took along your career before becoming deputy minister.

CRONIN: *Well, I am an English-speaking white South African and my parents advised me not to get involved in politics. They said leave that to the Afrikaners and the blacks in South Africa, which was wise advice probably, which I was pursuing as a first-year student in 1968 at the University of Cape Town. Then the distant echoes of the 1968 student rebellions in California, in Germany and France, and so on reached what was a rather all-white university, at that stage—the University of Cape Town. I got politicized in 1968. I got recruited into the deep underground of the South African Communist Party in 1968, I couldn't join the ANC (African National Congress) as a white person at that stage; it wasn't open to white membership then.*

I studied at the Sorbonne in 1972-73. My area of specialization was political philosophy. I lectured briefly at the University of Cape Town. I was arrested and spent seven years as a political prisoner during the apartheid period. Then, on my release in 1983 and as the judge had predicted, I returned to my political underground activity, but also to what was then the mass democratic movement of the mid '80s.

I was briefly in exile with the ANC in its exile headquarters in Lusaka. I took part in the negotiations process in the early 1990s and came to parliament in 1999. Prior to that I had served full time in the Communist Party, basically from 1990 to 1999. Then in '99, the second democratic elections in SA, I was elected as an MP and became chairperson of the parliamentary portfolio for transport. I served in that position through two terms and then more recently with the 2009 elections, was elected again and became the Deputy Minister of Transport. So, that's basically it.

BENNET: Perhaps you can provide just a little bit of a background to your—what you see as the challenges of transport in South Africa. I know that there are various different modes of transport and they all have to interact with each other. Later I'd like to talk a little bit about how we work on getting that interaction. But just to give a picture of the challenge, as you see it.

CRONIN: *I think South Africa, whether one is talking transport or pretty much anything else, is sharply marked still by duality. The strange combination of a relatively advanced first world side-by-side with a very significant third world (to use metaphoric language). That creates tough challenges across a range of areas, not the least in transport in South Africa.*

So on the one hand we have a relatively efficient national logistics grid, which was put in place in the early 20th century really on the back of the mining revolution, which began in the late 1890s. One of the good fortunes and bad fortunes of South Africa is that our mineral endowment is deep in the hinterland and that is what created South Africa in the first place. Prior to 1910, South Africa consisted of two British colonies, two independent Boer Republics, and several independent tribal chieftainships. Spurred by the discovery of gold and diamonds in the deep hinterland, the Anglo-Boer War (at the turn of the century), and a range of other things, created the conditions in which the Union of South Africa

was formed in 1910. It was built around a freight logistics network, which was really about connecting the mining centers in the hinterland with the old colonial ports.

That reality, now both in terms of freeways and road networks and rail networks, remains pretty much still today the key arteries of the freight logistics system. In the latter years of apartheid, particularly rail and to some extent ports, suffered from a lack of recapitalization as huge amounts of budget were increasingly diverted to military operations throughout the sub-continent and to policing within SA. Generally, however, we've got a pretty modern network of freeways, key road freight and rail systems, and a relatively efficient port system. We also have some significant modern airports in our major centers. So, that is the one side of the story.

The other side of the story is massive challenges in terms of basic access and mobility for a great majority of South Africans. The area of my particular involvement and passion is in public transport. The geography that apartheid put in place remains a persisting reality still in South Africa in many respects.

Part of this geographical legacy is to be found in the former Bantustans, which prior to that had been Native Reserves, which were basically some 13% of the land surface of South Africa. These were basically labor reserves exporting not cotton or cocoa, but their principal crop was migrant labor for the mines.

With increasing urbanization of the African majority in South Africa, particularly during the Second World War with industrialization leaping ahead and also the collapse of the native reserve subsistence economies, there was a massive influx of black people into the cities. That's what apartheid in its first decade (of the 1950s) was really about, it was dealing with this reality. The way it dealt with the reality of significant black urbanization was to forcibly remove blacks into distant peri-urban dormitory townships (of which Soweto is emblematic). So, you had a replication of native reserves but now within an urban setting.

Unfortunately, since 1994 we have often unintentionally reinforced these settlement patterns. Since the democratic breakthrough in 1994, there have been many well-intentioned policies. For instance, the massive rollout of low-cost housing (we've built some 3.1 million so-called RDP, Reconstruction and Development Program, houses), which is a significant achievement. But in order to maximize the number of these houses, low-cost houses or mostly free houses for poor people within budget, what we've done is we've built them in the same distant locations. They are not communities so much as rows and rows and rows of houses. As the people living in them describe them: "matchbox houses". Unfortunately, they look exactly like the matchbox houses that were built in Soweto and many other townships in South Africa during the apartheid period of the '50s and '60s.

So, we've compounded the spatial exclusion of large numbers of working class and poor people and therefore we've compounded the challenges of transport and mobility, particularly in the case of public transport. Only 33% of South African households have access to a car, a great majority don't. The majority of poor people in South Africa are captive users of what are extremely poor public transport services. And we can't solve these challenges simply from a narrow transport perspective unless we also think about spatial transformation, the built-in environment, proper urban planning and a range of things like that. So, that's a

broad brushstroke perspective on some of the issues we're confronting on transport.

BENNET: I'd like to go to the period in the late 1990s. There is a push in the democratic era to look for different models of how to run some of the departments, these ministries. One of the main pushes is to look to the private sector for lessons of how to run it. So, the agency model is something that comes out of this. Could you maybe describe a little bit of what that transition period was like and what some of the driving forces of that transition were?

CRONIN: *I wasn't up close on that process, not being in government or in parliament between '94 and '99 and that is when much of it happened. Certainly the action happened in the Department of Transport. There was a very active transformation of much of the department into a series of stand-alone but related agencies, public entities, falling under the Department of Transport. Obviously one significant one was SANRAL (South African National Roads Agency Limited), but there were a range of others. Some eleven entities fall under the Department of Transport currently, many of them created at this time. Essentially they were spun out of subdivisions within the existing Department of Transport.*

What was spurring that, I think, would have been a number of things. One would have been the need to transform the public sector itself—very white dominated—the need to reorient the mandate of the state itself. Secondly I think there were also considerable budgetary pressures on departments, not least a department like transport, which was seen as very large and bloated, but also initially as not operating in one of the key strategic priorities of the post-apartheid period. I think we have succeeded in the last five years, perhaps, positioning the department as being a little bit more central—more important, to achieving many other things. But understandably things like housing, education and health were accorded great priority and significant budget was allocated there in the decade or so after 1994. Other departments, like transport, were told to find other ways of managing. So, the transport department, for instance, was encouraged to think of itself less as an operational implementing department and more as a policy and regulatory department. There were a number of buzzwords that floated around at the time (“steer rather than row”, etc.),

Clearly the new public management theory was also, at this time, a major influence. It was never entirely part of the Washington Consensus but it was not unrelated. Remember, South Africa achieved its democratic breakthrough, and the ANC and its alliance partners came into government at a curious time. I am speaking here as a left-winger. The mid-1990s were a time in which various left-leaning projects were on the back foot. Whether we are thinking of the social democratic project in Scandinavia or Britain, or the more radical national movements in southern Africa, or Vietnam, or somewhere else, not to mention the big one for us, the old Soviet communist bloc. All of those, I think, meant that basically there was one show in town, which was Washington Consensus when it came to macroeconomic and economic policy. I think aligned with that, was also a set of beliefs around governments—that they should be leaner and meaner, should focus more on “steering rather than rowing,” and a range of things like that.

Not all of that was necessarily wrong, but I think a lot of it was imbibed rather uncritically in South Africa because, so it seemed, there was nothing else that seemed to have worked particularly well. So, we were also obviously confronted

with the task of major transformation of the state. It is also important to remember that the anti-apartheid struggle had not ended with the abolition of the apartheid state. We had weakened it and then we had compelled it into a negotiated settlement. This means, by the way, that we're still in the midst of a profound negotiation process with the former incumbents who are now less entrenched politically, but who remain very powerful in other centers of power—the economy, civil society, the media, etc. So, the transition is still very much underway which makes it an interesting place, South Africa.

So, shall we move more specifically to look at SANRAL?

BENNET: Yes, please. If you could just maybe introduce, I mean what you think, we're very interested in the implementation aspects of what SANRAL does and how that model affects their ability to implement. Perhaps you could just provide—?

CRONIN: *I am sure that you have already got a great deal more detail than I could provide from SANRAL people themselves and particularly the CEO, Nazir Alli. But just to generalize, I was saying earlier that in the mid-1990s a number of entities were created that were spun out of the National Department of Transport. Someone like Nazir Alli had been, I think, a Chief Director in the road division of the department. SANRAL wasn't the only entity created at this time. A variety of them were created. There was the Cross Border Road Traffic Authority (the CBRTA), the Rail Safety Regulator, the National Port Regulator, the Civil Aviation Authority, the Airports Company of SA, and so on.*

Some (not all) have proved to be pretty successful, notably SANRAL and the Airports Company of South Africa. They have been well-run entities, which have been able to leverage funding and resources to do things off budget. We've built airports, renovated airports, and built or maintained an impressive 16,000 kilometers of national road.

Why have some entities been successful? The first thing is leadership. I think that in both cases, SANRAL and ACSA, this applies. Someone like Nazir Alli is obviously a very effective leader, and the same applies also to the CEO of the Airports Company of South Africa, Monhla Hlahla. Both belong to a new generation of black South Africans. Nazir is very technically competent as well, and is not just a political appointee managing an agency with a CEO title and its own independent office, a nice salary, and so forth. He has actually brought professional skills to bear on the challenge of constructing and maintaining our national road network. With the engineering expertise located within SANRAL, they have been able to introduce interesting technological innovations into a developing country situation. I know Nazir and SANRAL are in demand in Afghanistan and places like this as well because of the ability to do interesting things in a third-world developing country-type situation. Many of these adaptations have been of a technical engineering kind, but we have also pushed SANRAL to look at more labor-intensive methods where feasible. Of course, dealing largely with a national road network these methods are not always appropriate.

I think some of our provinces and their roads departments have done better on that front in terms of employing poor households, for instance, along stretches of roads to maintain a section of road for a small stipend with some training, and so forth. That's a very nice and interesting experiment in the context of high levels of

unemployment and poverty and inability for the state in its bureaucratic form to actually maintain roads effectively particularly when dealing with rural roads.

SANRAL has been a little bit involved in that. We've always politically put pressure on them, too, to not necessarily go with the most capital-intensive ways of building roads and repairing them. But clearly when you're getting to the high end of road engineering, it is a little bit more challenging than with a gravel rural road.

I think an absolutely critical skill and one that is so lacking in government very often is the ability to enter into contracts and to manage projects. That absolutely is the big thing. So, whether it is an agency like SANRAL or a line department at the provincial level or national level, we're all doing this. There is lots of stuff, at least on roads that are contracted out to civil engineers, by and large. Therefore, this interface between the public sector, whether it is an agency or a line department, and the private sector, and competence in that area is so absolutely essential. I think it is the great strength of not only a personality like Nazir, but the team that he has built—the entity that he has built.

We have another relatively good example with the Gautrain, which is a Public Private Partnership involving the province of Gauteng through an agency the Gautrain Management Agency. There again, is an engineer (Jack van der Merwe) who is CEO of the GMA, managing the PPP (Public Private Partnerships) process in its contractual phase but also in its project management phase. Here again, we have seen effective public sector tendering and project management implemented through an agency-type structure.

BENNET: Just as a quick follow up before we get to some of the challenges of the model. What are some of the things that you can do, that your ministry can do, when you're interacting? I'd love to talk a little bit about that interaction, but to encourage things like the development of best practices on working with contracts. I mean how do you—because presumably certain agencies do it better than other agencies. So, how do you work with the agencies or do you work with the agencies to try to encourage them because this is a critical aspect of all parts of the process.

CRONIN: Yes, I think the short answer is. Certainly in the experience that we've got, the good agencies or entities are the ones that are good at this, and our ability to assist them is weak. We don't have too many engineers in the department. What we do rely on is the Treasury Department, particularly on some of the bigger contracts. There is a PPP unit in Treasury and there is a considerable level of skill there in Treasury. But personally, I find that the skills from the line department side of things, in our Department of Transport, are not that much. In fact, there is typically more capacity in the better entities. So, whether it is the Gautrain effort or now with the challenge we've got around tolling with the GFIP (Gauteng Freeway Improvement Project) process in which there is considerable public unhappiness around tolls, we tend as a department to draw on the skills located in the respective entities as well as in Treasury. Our job in Transport is rather more to coordinate those efforts between entities that fall under us. So, it is more coordinating role than our ability as it were to help SANRAL, or a Gautrain project, or an Airports Company of South Africa project, to do a better contract and so on. We simply don't have that skill partly because it's gone out of the department into these entities, and for other reasons as well.

BENNET: That provides a good sort of entrance to the topic of some of the challenges of the model, I guess. Sort of having this—I won't say privatize, but using the private lessons to run some of these agencies—.

CRONIN: *It is a corporatization, more than privatizing.*

BENNET: Corporatization, that's a great word for it. You do lose a lot of your control over the operations. How do those challenges present themselves in sort of the day-to-day and what are some of the other challenges and maybe drawbacks to the model?

CRONIN: *I think the other big issue that we run into a great deal is indeed the structure of the entity. So, all of these entities have boards and I think there is a big challenge here in South Africa around these boards generally. I'm not alone in thinking this. In fact, yesterday in a cabinet committee there was this discussion unrelated to transport but a number of other line departments were raising the matter as well.*

You have—I mean, the structures vary but typically you have an agency of some kind, which may be more regulatory, many of them are that primarily, but others are more like SANRAL, or the Airports Company of South Africa, or Transnet, which is the big one or Eskom, which is another big one—which are actually operators of one kind or another, doing things, building things, operating airports or whatever. But they all tend to have the same broad structure. That is to say an entity that has been spun out of a line department, standing on its own now with an ability to leverage funding in a variety of ways. The big ones like SANRAL issue bonds and interesting things like that, or alternatively, they get into PPPs of one kind or another. So, they're able to resource funding. That is the attraction for us of it.

In the case of regulators, they tend to also be self-funding but out of regulatory charges, levies of one kind or another. So, we like that. It kind of relieves our budget. But then they all have boards. Now the justification of these boards in the case of entities that, for instance, issue bonds and so forth is that—well, it is a requirement very often in terms of global lending, that financial governance issues are not under a government department but under an independent board. However, in our experience across sectors, these boards tend to be quite problematic. Sometimes they seek to engage directly in management operations or, they have been populated by aspirant business people who abuse their positions to secure tenders from the entity for associates. And at other times, there is confusion as to who is providing overall strategic direction: the board or the relevant line department Minister.

Now we've not particularly had the set problems with SANRAL, for instance, but the problems lurk around in all of these entities. So, typically you would have a department, which is regarded as the policy department for a sector. Then you might even have another department that is more directly responsible for key entities in that sector. This is very much the case in the transport sector where the major freight logistics SOE, Transnet, reports to the Department of Public Enterprises, which is looking after some of the SOEs but not all of them. Yet broad freight logistics, ports and rail policy, are the mandate of the Department of Transport. On the other hand, SANRAL, which is also a significant SOE falls directly under the DoT. So the logic of why some are sitting with public enterprises and some are sitting with a line department like ourselves, is not entirely clear. The history of that is that in the last years of the apartheid regime

they were looking to privatize some of the key SOEs of the apartheid-era, and that set up a new Public Enterprises department to drive that. We are still sitting partly with that legacy. The apartheid regime ran a quite significant public sector, an SOE sector. They were getting ready in the late '80s, under budgetary pressures and a variety of other new developments, to privatize. They were never quite able to carry through their privatization program (thanks partly to Trade Union opposition) although there were some cases of privatization – notably with the iron and steel SOE, Iscor.

So, we inherited a Department of Public Enterprises, which was really a privatization department. Privatization was to become the agenda of the DPE again, particularly from around 1998 through to around 2001. Since then, the focus has been on consolidating the key SOEs as effective publicly owned corporate entities capable of spearheading government's major infrastructure build program.

BENNET: As I understand it the Roads Department within the Department of Transport, before the transition, had a board. Some of these structures were sort of transitioning.

CRONIN: *I didn't know that, but okay.*

BENNET: I'll check that. It was explained to me that there was sort of this process; it was more of an evolution rather than a revolution.

CRONIN: *I'm sure that's so. It makes sense.*

BENNET: But these boards are problematic in the sense that they—I mean, because the Minister of Transport is the sole shareholder in the sense that he does appoint seven of the eight board members.

CRONIN: Yes.

BENNET: So they say—

CRONIN: *In the case of SANRAL, that's the case. It varies.*

BENNET: But still the control issue, or maybe just the issue of sort of who is giving the marching orders or what the strategies are—

CRONIN: *As between, exactly, the broad policy, which is clearly in legislation—I haven't looked at the SANRAL legislation recently. I wasn't responsible for it. It was just before me, before I got chaired the Transport Portfolio committee in parliament. But yes, the minister typically appoints the board members. But they often acquire then, and should acquire, a life of their own. But as between their financial governance oversight prescribed in law, and the department and therefore the minister's function, there is often some tension. Not so much at SANRAL, I think partly because there is a strong CEO.*

So quite a lot of what we call "tenderpreneurship" and corruption, and so on, seems to circulate around a number of these boards. Certainly we've run into some problems in some of the other entities very often linked to BEE (Black Economic Empowerment) emergent business interests that rely on access to the state to set up in business. Spotting tenders that are coming up in the entity that

you are a board member of, and throwing it to friends and family, and so forth. So that is an issue, although not a problem with SANRAL that I'm aware of particularly.

Which is not to say that I do not think that there are challenges (of a different order) in regard to SANRAL. To go right back to the beginning of what I was saying—the danger is that we reproduce the dualities of our situation, that we perpetuate this first world-third world duality. You see through the better part of the 1990s and even until quite recently, until we started talking about a new growth path, the assumption was that growth in the formal economy would be the tide that would lift all ships or boats, or whatever the saying is. That hasn't proven to be the case. We had growth until the global crisis hit us in 2008. It wasn't spectacular growth but it was 3%, getting up to 4%, touching 5% towards the end. But the huge problems of unemployment, poverty and inequality have persisted and been reproduced. And we've increasingly flagged the spatial issue, the displacement of people into distant dormitory townships as being something that we've actually strengthened and deepened as a result of the well-intentioned housing program, for instance.

The same question applies to our road networks system. We've got a very efficient first world operation in SANRAL, which has ensured that we retained and even extended this wonderful first world freeway network system we've got. There have been other developments like the Maputo corridor, which is an interesting regional road system. But even there, there are interesting questions to ask. When you talk to Mozambicans, has the Maputo corridor really helped development in Mozambique as it was intended to do, or has it proved to be little more than a digestive tube for South African exports and imports? One of the fastest growing cities in South Africa is Nelspruit, and I could never work out why until I had a close look at the Maputo corridor and realized that the elite of Maputo—diplomats, but also the local elite of Maputo—are now just one and a half hours away from Pick and Pay and Checkers and Woolworths in Nelspruit across the South African border. And so, they all shop there on a weekend. They use the nice new Maputo Corridor to shop in South Africa.

So, that's nice for Nelspruit but I'm not sure of its developmental impact for Mozambique.

BENNET: It is a challenge to think about strategically, with sensitivity to a lot of these special issues?

CRONIN: *How do we begin to have a developmental and transformative approach to our South African social geography? For instance, the average public transport trip distance in London is of the order of 8-1/2 km. In Moscow I think it is something like 7.7 km. In Tshwane it is 25-1/2 km. Tshwane is probably about the worst of our cities, but most of our cities are characterized by high levels of urban sprawl in which the poor, in particular, are located at the periphery. So, poor people are made poorer in terms of just the expense and the time spent on basic mobility, and of course that impacts them on productivity levels. That's a whole other thing. So, we've got a big spatial problem.*

Our transport infrastructure planning, but also built environment, urban planning—planning in general, especially spatial planning. All of those things, we need to think about that. We need to be careful that well-intentioned interventions don't compound the problems rather than help to change them—begin to be

transformative. The transformation is going to take a lot of time. It's not ten days that shake the world. It is going to be complicated. We need to make sure, particularly with infrastructure, when you put down infrastructure you're putting down something that lasts for fifty years and locks you into space.

So, I think this really relates then to the tolling issues that we're confronting because Nazir, and therefore us—we are currently confronting two major toll issues. Tolls are not popular worldwide and why would they be, I understand. But when you toll in South Africa, you've got to think about what you're doing. The two toll problem spots currently before us are the N2 Wild Coast SANRAL project in the Eastern Cape and part of KwaZulu Natal, and the Gauteng Freeway Improvement Project. The first of these, the N2, is part of the coastal road that goes from Cape Town all the way up to the Mozambique border along the coast, basically. There is a major refurbishment and realignment, actually, of sections along the wonderful Wild Coast if you've been there. It is in much of the former Transkei. There are deep rural areas of wonderful coast that is basically, very wild. It would open it up therefore. You need to be careful of that, but it would open it up to tourism and therefore to livelihoods, and so on, for people living there. You can't toll that stretch because it is a poor community and therefore the tolling would have to happen in KwaZulu-Natal. KwaZulu-Natal, thanks to Nazir Alli, is the most tolled province of all by far in South Africa. So, there is massive opposition in KwaZulu-Natal to tolling an improvement to the N-2 where the beneficiaries will be the rural poor in the former Transkei.

So, once more, we are getting this endemic dualism in our society cropping up. It is the same with GFIP because what we've got there is a revolt against the proposed tolling from two distinct but equally spatially dispersed social strata. On the one hand, white middle classes living their Santa Barbara lifestyles, in dispersed green suburbs, in townhouse developments in the middle of nowhere. So-called Midrand, for instance, between Johannesburg and Pretoria. On the other hand, those who will be affected by the tolling are not only relatively well-heeled, suburban middle-strata, but also the working class poor dispersed into dormitory townships.

BENNET: And having to commute 25 km to work.

CRONIN: *Yes. They are also now going to get caught in this urban toll system. So, you get both the rural/urban duality in the case of the N2 project, and here you're getting urban duality.*

I don't have a problem with tolling if people have choices. If they want their 4x4s and their shopping malls, and their commutes to work in order to live in a relatively green suburb, fine. They should pay for it because we're supporting their lifestyle, helping decongest their commute temporarily because we know that freeway expansions in the US and everywhere else solve congestion for a couple of years, and then you get more townhouses and more shopping malls. But it is a huge problem when you're hitting the poor as well, who have been displaced far out. That's now the dilemma.

So we have first world toys there now, and these electronic tolling systems. Incidentally, I have big questions around compliance and the ability to track down those who fail to pay their electronic tolls.

BENNET: There are going to be a lot of issues. Anytime you do something like this there are all sorts of other side industries—.

CRONIN: *So in short, you've got a very well run SANRAL.*

BENNET: Right.

CRONIN: *Doing interesting first-world things almost, but not quite, in a first-world setting. It is not their fault because at the end of the day, Nazir will tell you that all of this has been signed off by the likes of us in government. It wasn't quite me because I wasn't there then, but the Gauteng provincial government and the National department all agreed to all of this. It was very much driven by them and they knew what they were doing. And obviously the politicians signed off on that without quite working out what it was going to mean in terms of cost, tolling costs, and so on.*

I'm giving you a glimpse of what I think is the great asset that we've got in SANRAL, but the potential problem that we have in SANRAL as well. Essentially, it is looking after the sexy part of the road system and not the hugely problematic portion. It does so with a great deal of competence to be sure, and then occasionally runs into the duality problem I just alluded to.

What I'm hoping to do, where I'm hoping to steer SANRAL into, is to use its technical skills and competence not to just to run the 17,000 km and eventually the planned 20,000 km of national road. Of course, it will need to continue to play an active role on this network because we need to hold on to what we've got. But I would like to see SANRAL much more as an entity that works very closely with provinces and municipalities as well—transferring skills, helping them to contract, helping them to project manage, and so forth. In short, to act as an agency that facilitates that kind of thing. Because that's where the huge problems are that we've got.

I've engaged Nazir on this. He is quite excited about that. They have entered into some MOUs, memoranda of understandings, with provinces to begin to do some of this. And part of the GFIP tolling, the R21, I think was a provincial road and it has been handed over in an MOU. I'd like to see MOUs to identify areas where there is real underdevelopment, and a real need for professional skills to enable effective road construction and maintenance.

BENNET: In the non-national roads, on the provincial level?

CRONIN: *Yes, there are huge problems. I need to watch the time.*

BENNET: As we finish up is there anything else that we've left out that you think might be pertinent to the discussion?

CRONIN: *I've probably stretched beyond—.*

BENNET: The last brief question that I have then is this turnover of ministers. Roads are something that you have a long-term perspective on, what your infrastructure plans are going to be. How do you deal with the fact that there are going to be turnovers in the minister and people who sign off on one project? The next person coming in may not think that is a priority. Is that a challenge and how do you deal with that?

CRONIN: *It is a huge challenge. I suppose that is one of the advantages of having agencies and entities. They have a lifespan beyond electoral terms of politicians, although the bureaucracy within line departments should also have a degree of*

permanence. But certainly in the last period, that has not been the case because there is high turnover, not just of ministers and political heads, but also of senior staff in departments—in all departments. Our department is a case in point. Since '94, I think there has been something like six Director-Generals. Which is not to say that there isn't sometimes turnover in some entities, but, for instance, another interesting thing about SANRAL is, you're reminding me, is that there has been this permanence of the CEO who has been there through numbers of ministers and lots of DGs. That is really important.

I mean obviously you need to shift people who are not doing their job and so on, but I mean rotation that happens politically is problematic, compounded in the South African reality by a number of other things. I mean there is a high level of turnover at a senior department level. If we look at our department, what happens, first of all, is we shifted a lot of people out because they were white incumbents, sometimes unfairly. Sometimes they needed to go because they were just not up to the new reality. A whole new cadre of young, typically young black senior managers in line departments came in. But then also we're at the same time putting pressure on the private sector to introduce BEE partners, and things like this. So, there is a huge drainage from the public to the private sector. Basically, the public sector employees are young post-graduates, very skilled often and very bright. They spend a few years in a department acquiring skills—they come with a generic skill, but then will acquire a specific skill. Then they quite quickly will go out to the private sector. So, we encounter them all the time in some of the engineering companies and a range of other entities that we're dealing with.

We're training them and then losing them. So, the turnover is partly political turnover, elections and so forth, but it is also problematically in this transitional type of reality that South Africa is. There is a very high level of turnover of staff.

BENNET: They get poached.

CRONIN: *Because we put pressure on the private sector, too, to grab these people. Then they pay salaries, which we can't manage.*

BENNET: I know you have to go. Thank you so much for your time, I appreciate it.