

THE PREMIER'S ECONOMIC ADVISORY COUNCIL (PEAC): A PEOPLE-CENTRED INITIATIVE

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I. INTRODUCTION

The Free State Government, with its departments, was tasked primarily with meeting the needs of its people through self-sustainable economic and development programmes. The Free State province also had the responsibility to contribute to economic growth of South Africa. Therefore, there was an urgent need for an integrated and holistic effort to promote economic growth and development in the Free State province. Although the province had made some strides in both the political and socio-economic arenas, there were many challenges which still needed attention in order for the province and its entire people to develop, grow and prosper. It was widely acknowledged that in order for the province to have a viable economy that was on a continuous basis, the mind set was to realize maximum economic growth and development. The Free State provincial government under the premiership of Winkie Direko embarked on the developmental capacity by establishing the Premier's Economic Advisory Council (PEAC) in order to give advice of the developmental process to be taken by her government.

According to P Englebert, developmental capacity refers to the capacity of governments to design and implement policies for growth and to provide good governance¹ to their societies and markets. Good governance, in turn, involves the creation and maintenance of accountable and efficient institutions (Englebert, P, 2000; Lodge, T, 2005; Nath, B, Hens, L, and Devuyt, D, 1996). Therefore, with the establishment of the PEAC, Direko wanted to achieve good governance by knowing exactly what the different Free State communities expected from her government.

As part of a broader initiative to realize the above challenges, the PEAC for the Free State was inaugurated in September 2001 as a non-statutory body consisting of 15 selected members with the necessary expertise.²

¹ It should be noted that when the African National Congress (ANC) took over as government in 1994, in the Free State province for example, the new bureaucracies were an amalgamation of old homeland governments and the new civil services established after democratization. The Free State province inherited the former Qwaqwa homeland and Thaba Nchu which fell under the Bophuthatswana homeland. The decision to establish the system of amalgamation represented an important concession during the constitutional negotiations by the traditional centrist ANC to the smaller parties representing racial or ethnic minorities, allowing them the possibility of winning office. Therefore, the province after 1994, was unevenly resourced and to a certain extent short of skills.

² The selected members were: K Mokhele (Chairperson) – President and Chief Executive Officer at the National Research Foundation; S Coetzee (Deputy Chairperson) – Vice Chancellor at the University of the Free State; L Botes – Director of the Centre for Development Support at the University of the Free State; C Choou – Director, Legal and Corporate Affairs at Microsoft South Africa (Pty) Ltd; K Ferreira – Free State Agricultural Union; D Kruger –

II. THE MANDATE OF THE PEAC

Direko was convinced that she needed an advisory council in order to broaden her mandate of consultation with Free Staters. Therefore, the establishment of the PEAC was to map out her success ventures as premier of the Free State. Since the beginning of the decline in the mining and agricultural sectors as the two main economic pillars of the Free State province about two decades ago, the trend had been gaining momentum over the past years with an increasing number of mines being shut down and a considerable number of farms getting out of business (PEAC, Annual Report 2002-2003).

Following its mandate, the PEAC decided to launch a number of cutting-edge projects to increase the rate of economic growth, which had been negative in the Free State province for a number of years, and to foster sustainable human development. With an economic growth below the national trend, the Free State needed to begin attaining level on par with the country as a whole if it was to make any meaningful impact on the lives of its people. The PEAC was expected to make every effort in ensuring that this goal was achieved in the medium to long term.

Following from the above, the goal, objectives, functions for the PEAC were set out as follows:

What could the Free State Provincial Government do to promote the knowledge economy, to foster cooperation between government and other role players, for example, institutions of higher learning;

How could issues for local development in the knowledge economy be linked to the increasing importance of the service industry in the cities of Bloemfontein, Kroonstad, Welkom and other major towns;

To critically review the Free State Provincial Government's economic policies and development strategies, within the National Trade and Economic Policy, and advise accordingly;

Critically analyse and review national and global economic trends, critically assess their impact on the economic position of the Free State, and advise accordingly;

Assistant Advisor, Techno Economics from the Chamber of Mines; K Laubscher – Principal Officer at My Health Medical Scheme; B Molefe – President of NAFCO in the Free State; I Mosala – Director General of the National Department of Arts and Culture; J Moses – Lecturer in the Department of Economics at the University of the Free State; C Nolte – Executive Director of the Bloemfontein Chamber of Business; E Ratshikhopa – Executive X Strata Coal; T Scott – Lead Economist at the Development Bank of Southern Africa; M Sisulu – General Manager at Sasol; and R van Wyk – Managing Director at Schuman Sasol. At the later stage M Mafela was appointed to coordinate the Council's activities and liaise with the Premier's Office.

Critically review, evaluate and advise on innovative people-centred and community based empowerment strategies.

To the advancement of the local development projects, L Marais and L Botes argued that there was a need to establish project teams. These teams were to address the question of the creation of sustainable local economies by proactively addressing problems in respect of economic decline and dependency on single sectors and by taking advantage of economic opportunities; ensuring that local economic growth and activity benefit the poor; ensuring women's participation in project planning and implementation and ensuring that women benefit directly and indirectly from projects (L Marais and L Botes, 2007).

A. Commissioned work and the targeted areas for research by the PEAC

▪ *Compiling the economic profile of the Free State*

The commissioning of an economic and development profile for the province originated from the need of the PEAC for a definitive and up-to-date survey of conditions and trends on which to base its advice to the Free State provincial government. Premier Direko was convinced that such a profile would provide the basis for evaluating and revising the goals, objectives and targets of the Free State Development Plan (FSDP). This would also be helpful in the support, development and refinement of an Economic Development Strategy for the Free State province (Nel, E, *et. al.*, 2004).

▪ *Knowledge economy*

L Abrahams, Director of Link Centre in the Graduate School of Public and Development Management at the University of the Witwatersrand furnished arguments as to how the Free State provincial government could capture the momentum of local and global change to promote the participation of the province in the emerging South African knowledge economy. The research by Abrahams provided the following recommendations to the PEAC with the aim of presenting perspective on: the global context and its implications for the Free State; a strategic framework for knowledge-based economic development and growth; an institutional framework for promoting the knowledge economy of the Free State (Abrahams, L, 2004).

▪ *Enhancing livelihood security and self-reliance*

The PEAC enhanced livelihood security and self-reliance by starting poverty-alleviation projects and making them more business oriented. For example, in Wesselsbron, Monyakeng Township, a poultry and food project was launched. Vegetables were grown on 15 hectares of arable land on the municipality commonage as part of the food project (Marais, L, *et. al.*, 2002).

III. THE DISBANDMENT OF THE PEAC

Although the PEAC under Direko's premiership recorded the above mentioned successes, it ceased to operate when she left office after the 2004 election. It was, however, not officially disbanded, but when the new premier Beatrice Marshoff came into office, it became clear that she wanted

another structure and people or team to advise her.³ This was indicated in a letter dated 5 September 2005 written by Dr JM (Kobus) Laubscher to all other PEAC members on the status of the Council.

IV. CONCLUSION

The Premier's Economic Advisory Council (PEAC) served as a resource for which the Free State provincial governments had to get growth and development information from. Established during Direko's premiership, it had played an important role over the years as a platform for debate on strategic economic issues. Policy-makers need information from many sources for their decision-making. For issues related to sustainable economic development, the PEAC provided essential background information. The PEAC regularly invited researchers and other experts to give inputs on the different themes addressed. On may occasion it invited members of the scientific community to draw up synthesis reports on some of the themes addressed.

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³ On 26 November 2005, Marshoff announced the following people as new members of the PEAC: CM Nwaila; B Njobe; V Mahlati-Fukama; S Danzinger; M Gule; M Mosola; F Fourie; T Tlelai; J Matlala; E McKlein; and V Rantsoareng.

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