

**STRENGTHENING NATIONAL STRATEGIC PLANNING: OPTIONS OF A
MULTI-TIERED EXECUTIVE SYSTEM**

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By Temba Masilela¹ and Sihle Mthiyane²

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¹ Executive Director, Policy Analysis & Capacity Enhancement (PACE) programme at the Human Science Research Council

² Director, Policy Coordination and Advisory Service (PCAS), The Presidency, Republic of South Africa

Premise

That the construction of a developmental state in South Africa requires bold and decisive action from a core executive that has the legitimacy and the means to ensure the effective and sustained implementation of strategy. This 'core executive' consists of "all those organizations and structures which primarily serve to pull together and integrate central government policies, or act as final arbiters with the executive of conflicts between different elements of the government machinery (Dunleavy and Rhodes, 1990:4). The increased saliency of contemporary debates about a developmental state has, after essentially a ten year hiatus, again placed the issue of the functionality, efficacy and configuration of the core executive on the policy agenda. This client report begins by exploring these issues at a high level of generality and outlines various illuminating models, typographies and ideal types.

The client report takes as a premise the assertion that core executive systems like other features of human reality embody both continuity and change. Core executive systems are thus *processes* which contain their history and possible futures, and *relations* – that is as part of their essence are their ties with other relations. Thus a thorough and comprehensive consideration of core executive systems requires a consideration of what makes them different from other governance systems and what makes them identical; it requires a recognition that to a large degree how core executive systems appear and function are due to their surrounding conditions; it requires a recognition and anticipation that processes that initially take the form of quantitative change may at a certain point undergo qualitative transformation and become something else; and recognition that different elements within the core executive while remaining dependent upon one another can simultaneously undergo incompatible development.

The client report begins by examining various models, typographies and ideal types that have been used to investigate and explain the functionality, efficacy and configuration of the core executive.

The on-going process of improving the coordination capacity of the core executive in government

The White Paper on the Transformation of the Public Service (DPSA, 1995) noted that the first democratic government inherited a system with poor integration and coordination. In recognition of this, the 1996 Presidential Review Commission recommended the strengthening of the Coordination and Implementation Unit (CIU). It stated that "the CIU by itself will not be able, or course, to guarantee the necessary coordination. This will also involve a greater commitment to coordination from all departments and agencies, especially by senior managers. Nevertheless the CIU could and should play an important facilitating role" (Presidential Review Commission, 1998:34).

Based on the findings of the Presidential Review Commission and comparative studies of other countries by the then Deputy President's office, the Presidency was restructured in 1999 and a new system was put in place, including a new Cabinet cluster system and clusters of Directors General, and an integrated planning framework, including the Medium Term Strategic Framework (MTSF) and the Medium Term Expenditure Framework (MTEF) (The Presidency, 2000:p.4). Five

clusters were created: Governance and Administration; International Relations, Peace and Security; Economic; Justice, Crime Prevention and Security; and Social.

After almost a decade of operation, it became evident that the effectiveness of the cluster system needed to be reviewed. Despite many positive spin-offs derived from the current cluster system, the Fifteen Year Review pointed out serious challenges in the Cabinet cluster system around issues of integration and coordination. The review noted that there were weaknesses of coordination and integration across the three spheres of government notwithstanding the existence of coordinating and integrative structures. The review further acknowledged that even at national level the existence of Cabinet Committees and Director-General Clusters had not always resulted in better coordination.

The commitment to building a democratic developmental state

The ruling party -- the African National Congress -- has consistently reaffirmed its commitment to ensuring that the democratic state has the organisational and technical capacity to realise its objectives. These objectives are to build a developmental state shaped by the history and socio-economic dynamics of South African society. Such a state will guide national economic development and mobilise domestic and foreign capital and other social partners to achieve this goal. It will have attributes that include:

- capacity to intervene in the economy in the interest of higher rates of growth and sustainable development;
- effecting sustainable programmes that address challenges of unemployment, poverty and underdevelopment with requisite emphasis on vulnerable groups; and
- mobilising the people as a whole, especially the poor, to act as their own liberators through participatory and representative democracy.

This emphasis given to organizational and technical capacity is consistent with Linda Weiss's content that the developmental states of the kind in Northeast Asia during their high-growth period could be distinguished by at least three criteria:

1. their *priorities* (aimed at enhancing the productive powers of the nation, raising the investible surplus, and ultimately closing the technology gap between themselves and the industrialized countries);
2. their *organisational arrangements* (embodying a relatively insulated pilot agency in charge of that transformative project, which in turn presuppose both an elite bureaucracy staffed by the best managerial talent available, who are highly committed to the organization's objectives, and a supportive political system); and
3. their *institutional links with organized economic actors* (privileging cooperative rather than arm's-length relations, and sectors or industry associations rather than individual firms) as the locus of policy input, negotiation and implementation.

Transformative goals, a pilot agency and institutionalized government-business cooperation are seen as forming the three essential ingredients of any developmental state. Further, "control over key resources such as finance is also very important, but

the significance of specific policy tools should not be overstated. . . In addition to the three fundamentals outlined earlier, one should note the importance of a political system which supports a shared project of economic transformation, where there is elite cohesion over core national goals, and where the economic bureaucracy is given sufficient scope to take initiatives and act effectively” (Weiss, 2000:23-24). Along similar lines Stephen Haggard (2004: 53) argues that the “search for a single institutional “taproot’ of growth is likely to be a misguided exercise, and more attention should be given to understanding the varieties of capitalism in East Asia. Second, institutions are themselves endogenous to other political factor that appears more consequential for growth, including particularly the nature of the relationship between the state and the private sector.

Coordination capacity, risk and long term planning

This client report focuses exclusively on the protracted process of improving the coordination capacity of the core executive in government and is not a search for a single institutional “taproot’ of social and economic transformation. In the context of the specificity and dynamism of capitalism in South Africa it focuses on the organizational (coordination) capacity of the core executive and the implications of this for long term planning and the construction of a developmental state.

The document acknowledges the importance of responding to Ha-Joon Chang’s (2008:11) contention that South Africa has good capabilities but is paralysed by caution. “Having been to the country close to ten times over a 17-year period, I get so angry when I come here. Because this is a country with so much potential, so much natural resources, so much human capabilities, so many well constructed institutions and so many capable organisations. I think the people here are – ‘cautious’ is an understatement –they are somehow paralysed and do not want to do anything than even runs *this* much risk. . . I really urge this country to be more bold, more enterprising, more challenging.”

This document presumes that long term planning is being introduced into the core executive in government in order to increase risk tolerance. Government has proposed and agreed that since successful planning requires strong central leadership and coordination, the planning processes will be led and driven by the Presidency as part of its current role of exercising leadership in government. The President or a political principal so designated will act as a political champion.

Core executive models, typographies and ideal types

A convenient starting point is to consider what makes core executive systems different from other governance systems and what makes them identical. This requires an interrogation of power relations and politics in South Africa that is beyond the scope of this client report. A summary of general typology of executive power relations and politics is, however, presented to enable a preliminary specification of the type of executive government in South Africa.

Models of executive power relations and politics³

<i>Type</i>	<i>Characteristics</i>
Monocratic government	A generalized ability by the President to decide policy across all issue areas in which s/he takes an interest, by deciding key issues which subsequently determine most remaining areas of government policy, or by defining a government ethos, atmosphere or operating ideology.
Collective (cabinet) government	The operation of a set of continuing political leadership structures and practices through which significant decisions are taken in common by a small, face-to-face body with no single member dominating their initiation or determination.
Ministerial government	Where individual ministers, by virtue of their positions as the political heads of the major departments of state, are able to have a significant impact on policy in areas that fall under their jurisdiction (legal responsibility and accountability) without significant reference to other institutions.
Bureaucratic government	Public servants in government departments or agencies are responsible not just for implementing but also for making most policy decisions. Democratically elected representatives in the executive are 'policy amateurs' and occupy positions for a relatively short period of time, while bureaucrats are 'policy experts' and occupy their positions for considerable periods of time.
Shared government	When a highly restricted number of people, usually a 'trioika' consist of the President, Minister of Finance, and Minister of Foreign Affairs; share formally, effectively, and in a continuous manner in the general affairs of government and take all significant policy decisions.
Segmented government	In which there is a sectoral division of labour (power) amongst actors in the executive and little or no cross-sectional interaction between them.

In the context of a commitment to building a developmental state and establishing a planning function in the core executive does a “dialectic combination of continuity and change” in governance signal a shift from ‘segmented government’ to ‘shared government’ or a shift from ‘monocratic government’ to ‘collective government’? Although there is value in interrogating these stylized models of executive power relations and politics, they also serve to underline the possibility of entrenching ‘institutional dynamism’. As contended by Peter Hall (1992:107) “while we are used to thinking of institutions as factors of inertia tending to produce regularities in politics, some kinds of institutional configurations may be systematically biased in favour of change”.

Another heuristic way to explore the issue of building a developmental state and establishing a planning function in the core executive is to think in terms of the varied systems of executive control that are required and the associated executive roles.

³ Robert Elgie (1997) “Models of Executive Politics: A framework for the study of executive power relations in parliamentary and semi-presidential regimes” *Political Studies* (1997), XLV, 217-231.

Systems of control and a typology of Executive role differentiation⁴

<i>Who</i>	<i>Task</i>	<i>Systems of control/adaptation</i>	<i>Strategic leadership requirements</i>	<i>Times when the system is a critical success factor</i>
Presidency	To provide strategic guidance and momentum to opportunity-seeking	Belief systems – explicit sets of beliefs that define basic values, purpose and direction, including how value is created; level of desired performance; and human relations.	Sufficient socio-economic and political intelligence to formulate mission and vision statements that resonate, ability to communicate mobilizing statements of purpose, popularizing of compelling credos	Changes in strategic direction or leadership style, changes in opportunity structures, during revitalization initiatives
Inner Cabinet	To enable organizational creativity	Boundary systems – formally stated rules, limits, and proscriptions tied to defined sanctions and credible threat of punishment.	Ability to entrench adequate strategic planning systems, formulate workable operational guidelines, plan appropriate asset acquisition.	During and after periods of excessive policy and programme experimentation, when reputational (political) costs are high.
Outer Cabinet	To enable effective resource allocation, motivation establish guidelines for corrective action.	Diagnostic control systems – feedback systems that monitor organizational outcomes and correct deviations from preset standards of performance.	Appropriate norm and standard setting, rigorous monitoring, evaluation and learning (MEL) processes, linking of incentives to goal achievement.	When processes (legitimacy) or outputs (jobs) have high saliency.
FOSAD/DG's	To focus organizational attention on strategic uncertainties.	Interactive control systems – systems that managers use to involve themselves regularly and personally in the decisions activities of subordinates.	Continually challenge and debate assumptions, action plans and data.	When strategic uncertainties require search for disruptive change and opportunities.

⁴ Adopted from Robert Simons (1995:178) Levers of control: How managers use innovative control systems to drive strategic renewal. Boston: Harvard Business School Press.

Based upon this typography a number of questions can be usefully perused. Does the ascription of responsibility for specific ‘systems of control’ to particular organizational actors in the typology mirror the essential features of the South African case? What kinds of accountability and coordinating structures need to be put into place to make this categorization useful for the purposes of engendering the creation a developmental state? These questions of accountability and coordination cannot be divorced from questions of configuration – which we also first broach at a relatively high (meso) level of generality.

Ministerial roles, strategic thinking and the challenges of departmentalism

The distinctions in the above typology between ministers in the inner cabinet (cabinet ministers) and those in the outer cabinet (junior ministers) is primarily based upon the extent of their accountability for the management of government departments that report directly and exclusively to them. In other words this is a distinction based upon differences in executive or managerial roles. Ministers also have policy, political and public relations roles and the relative importance given to these various roles is one way of distinguishing various core executive systems. Marsh et. al. (2000:306) specify the following classification:

<i>Policy</i>	<i>Political</i>	<i>Executive or managerial</i>	<i>Public relations</i>
<ul style="list-style-type: none"> • Agenda setting • Policy initiation • Policy selection • Policy legitimization 	<ul style="list-style-type: none"> • Advocacy of department’s position in cabinet • Parliamentary responsibilities • Party policy responsibilities 	<ul style="list-style-type: none"> • Departmental management • Executive decision taker 	<ul style="list-style-type: none"> • Overseeing the departments relations with 1. interest groups 2. public 3. media

Core executive systems and policy networks

Davis (1997) in a development of Rhodes and Dunleavy’s work on core executives in Britain contends that the core executive is a network, a web of ministers, institutions, committees, networks and government agencies, identified by its proximity to the centre, changing according to the issue at hand and the particular interests of the prime minister.

Because of this *a key difficulty in cross national comparisons of core executive system is deciding upon an appropriate unit of analysis.*

Holiday (2000) in arguing against Rhodes’ contention of the ‘hollowing out’ (diminished central capacity) of the state and the existence of a minimal state in Britain identifies eleven policy networks that overlay the core executive and sometimes encompass a number of ministerial committees. These networks are categorized as (1) domestic policy, (2) overseas policy, (3) European policy, (4) constitutional reform policy, (5) national security and information policy, (6)

government legislation, (7) government's political support base, (8) civil service and machinery of government, (9) government presentation, (10) tax budget, and (11) public expenditure.

While there are varying degrees of correspondence between the parameters of these networks and the configuration of the core executive in terms of Cabinet Office secretariats and standing Cabinet committees; the policy network categorization defined for Britain makes clear that some categories derive from particular legacies of history. They thus underscore the context specificity and path dependent nature of these configurations of the core executive and associated policy networks. A number of authors have conducted national comparisons of the context specificity of various waves of governance reforms and national comparisons of contemporary 'whole of government planning and reporting' initiatives. See Ling (2002); Perri 6 (2004); Verhoest et al (2007).

The path dependency and context specificity of core executive systems

Accounts that stress path dependency as the rationale for peculiarities in the functionality, capacity and configuration of core executives generally focus on constitutional imperatives, the level of adherence to new public management reforms, trajectories of specialization and coordination, negative feedback from prior experimentation, bureaucratic resistance to major structural change, national politico-administrative cultures, and the impact of particular political conflicts among elites as explanatory factors.

One example of such a national peculiarity or tendency is the fact that the United States has since the 1980's "experimented with the appointment of high profile individual leaders or 'tsars' charged with bringing coordination to policy fields that are diagnosed as suffering from acute fragmentation in policy formulation and implementation. Some of these tsars have been given budgets and departments, others have been freed from the burden of managing budgets in order to allow them to concentrate on coordinating of others who have money to burn. The best known examples have been those who, since the 1980's, have been appointed to coordinate programs to combat the supply and demand for illicit drugs. However, there have been tsars to coordinate policy on crime, energy, faith-based initiatives, and homeland security (Perri 6, 2004:123)."

The appointment of policy tsars in the US since the 1980's is just one example of a revitalization effort in a core executive system intended to assign appropriate authority, change lines of accountability, ensure policy coherence, improve the coordination of programme implementation, and enable adaptation to changing circumstances. Davis and colleagues in a study of changes in the machinery of government between 1950 and 1997 in Australia, Canada and the UK note that:

"Some prime ministers prefer a small, coherent group at the centre, and consolidate portfolios around a few individuals, investing each minister with significant span and discretion. Others favour a more compartmentalized government with many ministers, each responsible for a relatively narrow slice of government activity. . . From a comparative perspective, the

long-term significance of a particular institutional arrangement is less clear. . . . Indeed the variety of machinery of government arrangements, and the constant shuffling of agencies within jurisdictions, indicate that few firm principles are acceptable as a guide to administrative arrangements. **The programmes of government can be arranged around tradition, function, client, region, broad policy coherence, cabinet size, government strategy or prime minister convenience.** Change can be motivated by political need, administrative necessity or policy logic.” (Davis et. al. 1999:8; emphasis added)

In the decades preceding the 1980’s the most renowned revitalization efforts in core executive systems were the arrangements put in place in the development states of Southeast Asia. These changes in the machinery of government arrangements were informed by a specific economic policy logic and in response to particular political needs.

There are of course instances where changes in the core executive system are driven by and privilege more technocratic approaches. Manning and Parson (2004:7) in a comparative study on the use of program and function reviews to determine the structure and functions of government contend that the South African Presidential Review Commission in 1998 was an example of what they call an *upstream program and efficiency review*. “This type of review envisages comprehensive policy reforms, including shifting from low to high priority programs, together with the restructuring of government-wide processes including large scale restructuring of the machinery of government.” Further, that typically upstream program and efficiency reviews tend to be markedly top-down, centralized and expert-driven. Buy-in from the wider public sector comes later and there are relatively few attempts at broad participation during the process.

Given that this client report is being written ten years after the Presidential Review Commission it is interesting to note March and Olsen’s (1989) argument that the cyclical nature of institutional reforms are caused by sequential attention to the insoluble dilemmas resulting from the clash between demands of governmental efficiency, accountability and popular sovereignty.

Structural and procedural techniques for coordination

How coordination as a process is actually pursued within central government is basically a question of the techniques used. For example, these techniques have been discussed with a focus on cabinet (cf. Blondel/Müller-Rommel 1998), cabinet committees or inter-ministerial working groups (Siedentopf 1976, Mackie/Hogwood 1985, Knudsen 2000).

Hustedt and Tiessen (2006) define two basic types of techniques for coordination: (a) structural or (b) procedural techniques. Structural coordination techniques refer to organisational structures that are established in central government in order to generate coherent government policies. The relevant actors meet under the headings of these organisational structures. Conflicts between different government organisations are to be solved here, contradictions are to be eliminated and decisions

on policy proposals, bills, etc. are to be made. These structural coordination techniques are supposed to be relatively stable with well-defined ways of decision-making, and are thus held to be the most apparent and institutionalized techniques of coordination. Bodies practising these techniques include cabinet as the highest (in terms of internal governmental hierarchy) organisational structure, cabinet committees and inter-ministerial working groups on a civil service level.

Procedural coordination techniques structure the ways and means established in central government in order to create coherent government policies. Information about policy proposals (and so on) of other government organisations is ordered by these procedural techniques, which therefore represent the way this information is provided for the other organisational units within government. By the same token they not only inform but allow actors to signal agreement and likewise disagreement on the proposal or bill.

Modes of coordination in the public sector

The cyclical nature of institutional reforms in the public sector noted by March and Olsen (1989) often times manifest themselves as recurrent episodes of specialization and the corrective introduction of coordination mechanisms. Essentially there are three fundamental modes of coordination in the public sector (Verhoest et. al. 2007:332).

1. Coordination by hierarch-type mechanisms based on authority and dominance. They involve objective- and rule-setting, allocation of tasks and responsibilities and establishing lines of direct control and accountability. Both management instruments (like procedural rules, top-down planning systems or traditional input oriented financial management systems) and structural instruments (e.g. organizational mergers, coordinating function, direct lines of control and accountability) can be used.
2. Coordination by network-type mechanisms based on mutual interdependence and trust. These mechanisms seek to establish common knowledge, common values and common strategies between partners. While most cooperative networks grow 'spontaneously' between organizations, government may create, take over and sustain network-like structures between organizations, e.g. the creation of common information systems, collective-decision making structures, or even common partnership organizations. Inter-organisational learning instruments like job rotation between organizations foster common knowledge and values.
3. Coordination by market-type mechanisms which aim to create performance incentives by fostering competition and exchange between organizations. Although markets establish 'spontaneous' coordination among market participants, governments can create and nurture internal and quasi markets to foster coordination by competition among organizations.

In the South African context, the ministerial and Director-General cluster system is an example of coordination using a network-type mechanism, while the proposal to create a two-tier cabinet is an example of a hierarchy type mechanism.

Rationale for the structuring of cabinet systems

As noted above in the section on the path dependency and context specificity of core executive systems, most of the contemporary literature on the ‘machinery of government’ concurs that the variety arrangements, and the relatively frequent changes and adjustments in the structure of the cabinet are due to the fact that different jurisdictions at different periods in their political history give differential importance to “tradition, function, client, region, broad policy coherence, cabinet size, government strategy or prime minister convenience” (see Davis et. al. 1999:8) as the basis for the structuring of the cabinet system. As Davis et. al. note periodic adjustments are “motivated by **political need, administrative necessity or policy logic**. All these influences might be present simultaneously (and) a sensible government avoids giving organizational neatness primacy when deciding structures.” (Davis et. al. 1999:8; emphasis added).

The axiom that form follows function can therefore be said to be insufficient to the extent that it privileges administrative necessity at the expense of policy logic and political need. In this regard the State Services Commission of New Zealand (2007:6) concludes that “while at a high level the axiom ‘form follows function’ is correct, ‘form follows function and governance’ is more accurate and ‘form is based on governance of functions and powers’ is even more accurate.”

Despite this the size and configuration of the portfolios in most government cabinets are relatively similarly. A review by the OECD (2004:2-3) found that “today, most OECD countries have a cabinet or council of ministers of between 15 and 20 ministers. While the core cabinet has been kept quite small, most OECD countries have adopted a model where cabinet ministers are supported in some areas by junior ministers or secretaries of state. . . . As well as an increasing similarity in cabinet size, OECD countries have also converged in the overall governance structures of their cabinets. With the exception of New Zealand, for example, individual ministries have only one representative in cabinet, and generally there are strong similarities in decision-making processes.”

The broad similarities in the configuration of portfolios and clustering of ministries is because all governments have to address a similar set of “broadly defined policy areas – finance, trade and industry; law, justice and public order; social services; external affairs; defense; scientific research; regional development; labour, employment and immigration; marketplace regulation; common services; and central co-ordination” (Davies et. al. 1999:11-12). The OECD review notes that the re-organization in the structure of the machinery of government after elections seldom affects core ministries in charge of ‘sovereign functions of government’ such as defense, finance and foreign affairs. “on the other hand, the areas more likely to undergo institutional re-organization include those that deal with the principle interests of the community, such as farming, fishing, mining, tourism, industry and social welfare” (OECD, 2004:3). The OECD review concurs with the conclusion of the New Zealand States Services Commission that “population” ministries (ministries for women, young people, indigenous people) – often created in response to pressures from lobby groups -- tend to have an uneven influence on the direction of policy decisions; and the existence of these ‘population ministries’ varies significantly across various jurisdictions.

Davies et. al. (1999:37) conclude that when it comes to the configuration of portfolios in cabinet and the clustering of ministries, “there are no reliable principles to which governments can turn, only judgments about the best response given the pressures of the moment. The machinery of government is a product of prime ministerial interests, pressing policy issues and administrative convenience.”

Examples of different kinds of government cabinet systems

For illustrative purposes this client report provides snapshots of the cabinet systems in seven different countries -- namely, New Zealand, Australia; Germany, Canada, United Kingdom, Malaysia and South Korea – before considering the South African case and discussing some of the options being considered for the South African cabinet system. In most of the countries examined the cabinet system is inclined towards a multi-tier system, and a common tendency is to organise ministries along sectoral bases. There are also major differences in how each government applies the multi-tier system.

Composition of the Cabinet in New Zealand

In New Zealand the Prime Minister determines the size and membership of Cabinet. Although all Ministers are members of Parliament and Executive Council they are not usually all members of Cabinet. All Ministers must be appointed as Executive Councillors before they are appointed as Ministers. The Executive Council is the constitutional structure chaired by the Governor-General who is the representative of the Queen.

Ministers who are members of Cabinet attend Cabinet meetings. They are members of one or more Cabinet committees and may attend others when relevant. Each Minister generally holds more than one position and may, for example, be the Minister in one portfolio and an Associate Minister in another. Associate Ministers are appointed to provide portfolio Ministers ("principal" Ministers) with assistance in carrying out their portfolio responsibilities.

Ministers outside Cabinet have full legal powers as Ministers, and may be appointed to full portfolios. They have the same role, duties, and responsibilities as Ministers inside Cabinet. They do not attend Cabinet, but, with the agreement of the Prime Minister, may attend for particular items relating to their portfolio interests. They are usually members of one or more committees, attending other committees where relevant.

Cabinet Coordination Mechanism in New Zealand

- New Zealand follows a two tier Cabinet system in that it has Cabinet Ministers and Ministers outside Cabinet and Cabinet committees.
- There are no Deputy Ministers instead a principal minister for one department may deputise in another department as an Associate Minister. The control of the portfolio always rests with the portfolio Minister.
- Only Cabinet Ministers attend Cabinet meetings and are part of Cabinet committees. Ministers outside Cabinet only attend on invitation. Though they

are not Cabinet members, they have full legal powers as Senior Cabinet Ministers. Cabinet may invite them to its meetings if a matter being discussed at Cabinet requires their attendance. Attend Cabinet committee meetings where relevant.

Functioning of the Cabinet Committees in New Zealand

- The Prime Minister determines the structure of Cabinet committees and the membership, chair, and terms of reference of each Cabinet committee.
- Cabinet committees provide the forum for detailed consideration and discussion of issues before reference to Cabinet,
- Cabinet committees are usually established either around a subject area, such as social policy, or around a function across the broad front of government activity, such as expenditure and administration.
- Cabinet committees derive their powers from Cabinet. All Cabinet committee decisions are reported to Cabinet for confirmation, and Cabinet retains the ultimate power of decision. Cabinet committee decisions may not be acted on until they have been confirmed (or amended) by Cabinet. Cabinet considers all committee decisions and frequently amends a committee decision or asks a committee to consider a matter further.
- Occasionally, Cabinet will authorise a Cabinet committee or specified Ministers to have "power to act" (that is, power to take a final decision) on a clearly defined item. Where a committee or specified Ministers take a decision under "power to act", that decision can be acted on immediately.
- Decisions taken by a Cabinet committee under power to act are reported to Cabinet in the usual way. When authorising decisions to be taken by a specified group of Ministers under power to act, Cabinet may request that the Ministers report back to Cabinet.

Composition of the Cabinet in Australia

In Australia the Cabinet is a product of convention and practice and its establishment and procedures are not the subject of any legislation. It is for the government of the day, and in particular the Prime Minister, to determine the shape and structure of the Cabinet system and how it is to operate. Cabinet is comprised of the Prime Minister and few Senior Ministers. Currently (2008), only the 18 most senior ministers are members of Cabinet. Cabinet meetings are chaired by the Prime Minister.

The Cabinet (Inner Cabinet system – "inner group" of Ministers) is the engine room of the executive government. It is collectively responsible for managing the policy directions and business of the government. The remaining ministers, described as the outer ministry, and the parliamentary secretaries only attend Cabinet meetings when invited. Unlike New Zealand, Ministers outside Cabinet in Australia do not report directly to Cabinet. They are responsible for particular areas of administration within a major department, or may be in charge of a small department, or have responsibility for an area of government which involves more than one department.

All ministers and parliamentary secretaries are members of the Federal Executive Council (FEC). The FEC is the constitutional governance structure chaired by the Governor-General who is the representative of the Queen. Largely, it performs

ceremonial functions including the appointment of the Ministers at the advice of the Prime Minister.

Cabinet Coordination Mechanism in Australia

Australia follows a two-tier Cabinet system in that the Cabinet is supported by its committees in fulfilling its role. Cabinet Committees are chaired by Cabinet Ministers and report directly to Cabinet. Committees; however, do not have powers of their own - they possess only the authority delegated to them by the Cabinet. They streamline the Cabinet processes, and first deal with some business before they get to Cabinet.

Composition of the Cabinet in Canada

The Prime Minister of Canada is head of the executive branch (Cabinet) of the Canadian federal government. The Cabinet is composed of the Prime Minister, Ministers of the Crown and Secretaries of State (equivalent to UK's Ministers of State).

Ministers of the Crown are usually the formal heads of a corresponding federal department or agency and are the Cabinet Minister. The second layer of ministers consists of the Secretaries of State who are assigned specific responsibilities on a more ad hoc basis, which they fulfill from within a department under a full minister. Unlike many other Westminster-model governments, Secretaries of state in Canada are full members of Cabinet.

The last group of ministers is comprised of the Parliamentary Secretaries, who are members of Parliament and are responsible for Parliamentary work, such as moving legislation through Parliament and Parliamentary committees. These are members of Parliament but not members of Cabinet nor of Cabinet committees.

Cabinet Coordination Mechanism in Canada

- While the Cabinet meets as a whole, much government business is also handled in specialised Cabinet committees.
- Prime Ministers have over the years established key Cabinet committees in order to deal with government priorities. The most influential committee being the Priorities and Planning Committee, often dubbed as the 'Central' or 'Inner' Cabinet committee. It is responsible for setting the general priorities and policies of government. This cabinet committee is chaired by the Prime Minister and generally includes only the most senior Cabinet Ministers.
- Other key Cabinet committees include Operations, Treasury Board, Social Affairs, Economic Growth and Long-Term Prosperity, Foreign Affairs and Security and Environment and Energy Security. They all have a dedicated minister who ensures that the committee delivers on its mandate.

Composition of the Cabinet in the United Kingdom

In the United Kingdom, the Cabinet is a formal body composed of the most senior government Ministers chosen by the Prime Minister. In formal constitutional terms, the Cabinet is a committee of the Privy Council. All Cabinet members are created

Privy Councillors on appointment. Most members are heads of government departments with the title "Secretary of State, often dubbed as the Ministers of the Crown". Formal members of the Cabinet are drawn exclusively from the House of Commons and the House of Lords. The next level is that of Minister of State, followed by Parliamentary Secretary. These positions, however, may not be of Cabinet level.

Cabinet Coordination Mechanism in the UK

The Cabinet has numerous sub-committees which focus on particular policy areas, particularly ones which cut across several ministerial responsibilities, and therefore need coordination. These may be permanent committees or set up for a short duration to look at particular issues ("ad hoc committees").

Composition of the Cabinet in Germany

Cabinet is comprised of the Chancellor and all Ministers; it is the most high-ranking body in the German executive with decision-making competencies. All in all, the cabinet is rather a "final political check on the general lines of governmental policy" (Müller-Rommel 1997, p. 191) than a decision-making body involved in horizontal coordination in German federal government. Therefore, "the cabinet should be understood primarily as an assembly of heads of departments which must formally ratify important policy proposals originating from the departments" (Mayntz/Scharpf 1975, p. 43).

The Chancellor is in charge of the appointment and dismissal of Ministers, and of the allocation of the numbers and portfolios of ministries. However, the Ministries of Finance, Justice and Defence are constitutionally protected. Within these general policies, every minister conducts his or her ministry and policy domain independently, the so-called departmental principle (*Ressortprinzip*). Ministers are thus not subordinate to the Chancellor and she can not instruct them on single issues within their ministries' affairs, but sets out the general policy guidelines.

Since single ministers possess substantial autonomy, German ministries are clearly hierarchical line organisations, with the politically appointed state secretary as the top civil servant directly beneath the minister.

Cabinet Coordination Mechanism in Germany

Inter-ministerial committees are mainly established on an *ad hoc* basis (even though some seem to be permanent) and appear on different echelons of ministerial hierarchy. Among observers there is widespread agreement that cabinet committees in Germany do not have a serious decision-making function in German federal government.

To sum up, the institutional context of federal government coordination in Germany establishes a strong Chancellor and a collegially deciding cabinet, which encourages centripetal coordination. However, by the same token, this creates strong ministerial organisations fully focused on their own minister and organisation, from which a centrifugal effect on coordination arises.

Composition of the Cabinet (State Council) in South Korea

The democratically elected President of the Republic of Korea stands at the apex of the executive branch of government as a head of State. The President serves a single five-year term, with no additional terms being allowed. This single-term provision is a safeguard for preventing any individual from holding the reins of government power for a protracted period of time.

Under Korea's presidential system, the President performs his executive functions through the Cabinet made up of 15 to 30 members and presided over by the President, who is solely responsible for deciding all important government policies.

The Prime Minister is appointed by the President and approved by the National Assembly. Members of the Cabinet are appointed by the President upon recommendation by the Prime Minister. They have the right to lead and supervise their administrative ministries, deliberate major state affairs, act on behalf of the President and appear at the National Assembly and express their opinions. Members of the Cabinet are collectively and individually responsible to the President only.

There are three types of Ministers; Cabinet Ministers who are the heads of departments are the most senior. The next layer of Ministers consists of Vice Ministers who are responsible for certain parts of the department but report to the Cabinet Ministers. The most junior Ministers are the Deputy Ministers who are responsible for managing strategic programmes within government departments. Vice and Deputy Ministers do not attend Cabinet meetings.

Cabinet Coordination Mechanism in South Korea

Given that the current government is comprised of 15 ministries who are headed by Cabinet Ministers, a need for Cabinet committees has not arisen.

Composition of the Cabinet in Malaysia

The Cabinet of Malaysia is the executive branch of Malaysia's government. It is led by the Prime Minister; the cabinet is a council of ministers that are accountable to Parliament. The composition of the Cabinet and the number of portfolios depends mainly on the wishes of the Prime Minister at the time. Members of the Cabinet can only be selected from members of Parliament. Although Deputy Ministers and/or Parliamentary Secretaries may be appointed to each portfolio, they are not included in the Cabinet.

Cabinet Coordination Mechanism in South Africa

- As mentioned earlier, it is the manner or extent to which the Presidential authority is delegated within the Cabinet system and not the number of structures within the Cabinet system that indicate whether the Cabinet is modelled on a one or multiple tier system.
- The current system, irrespective of the existence of the Cabinet Committees, is a one tier system since the Presidential prerogative of providing strategic

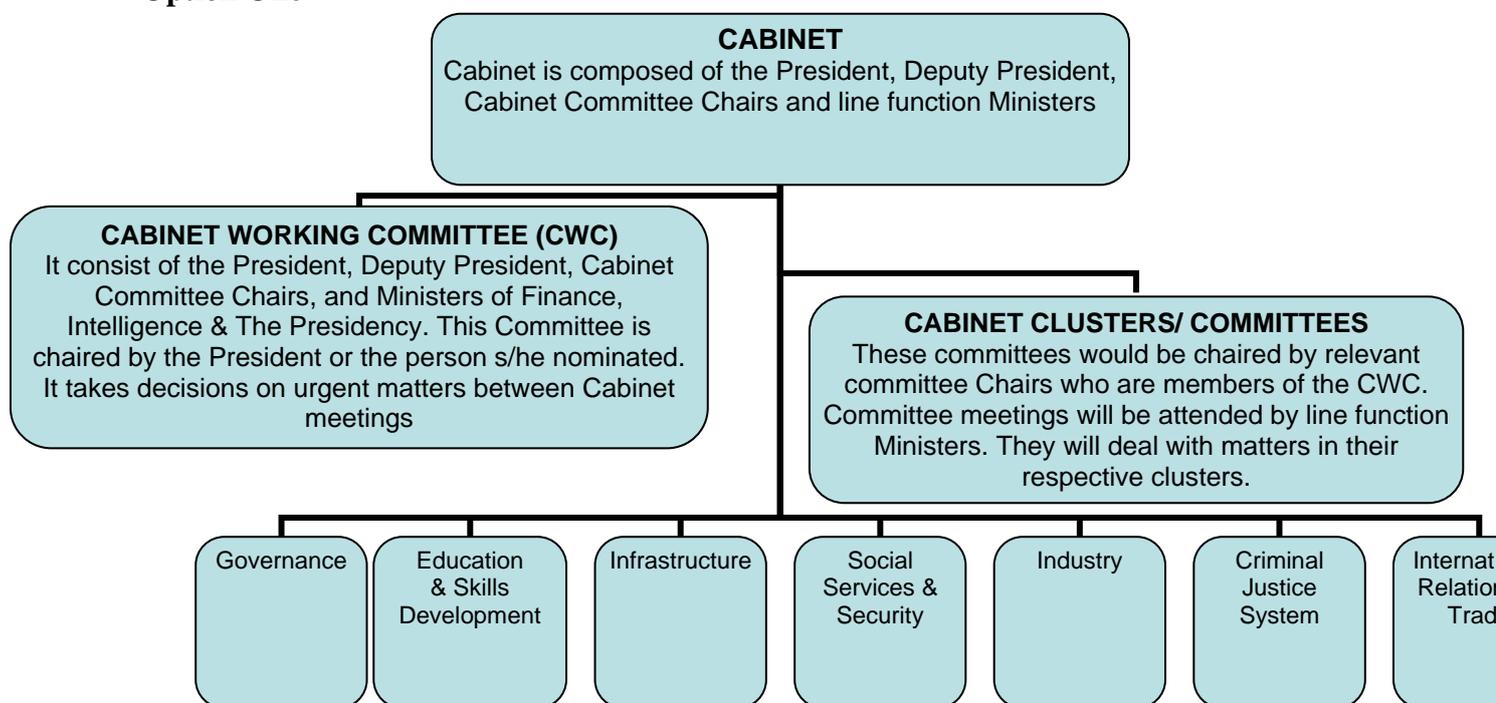
leadership within the Cabinet is not formally delegated to Cabinet Committee Co-Chairs.

- Currently the President chairs all the Cabinet as well as Cabinet committee meeting
- Cluster co-chairs, beyond convening cluster meetings, have no other role that gives them leverage over other line function Ministers; the same can be argued for the FOSAD Clusters
- Cabinet Clusters/ Committees have no cluster specific strategic priorities that mobilise them to rally behind a common goal
- As a result Cluster co-chairs are not able to provide strategic leadership, rather than being at the mercy of what individual departments have prioritised. Hence what get reported in the POA is a mixed bag of what the line departments are doing or want to do instead of reporting on the achievement of the cluster strategy e.g. progress made towards the implementation of a poverty alleviation strategy by the Social Cluster .

Options being considered to improve cabinet coordination in South Africa

The following section discusses three options of the tiered executive systems. What differentiates these options is the varying degree in the delegation of authority within the executive structures as well as the dominance of one coordination mechanism over the other (network-type mechanism vs. a hierarch-type mechanism of coordination).

Option One



The first option being considered is a two-tier cabinet system. What is new in such an option?

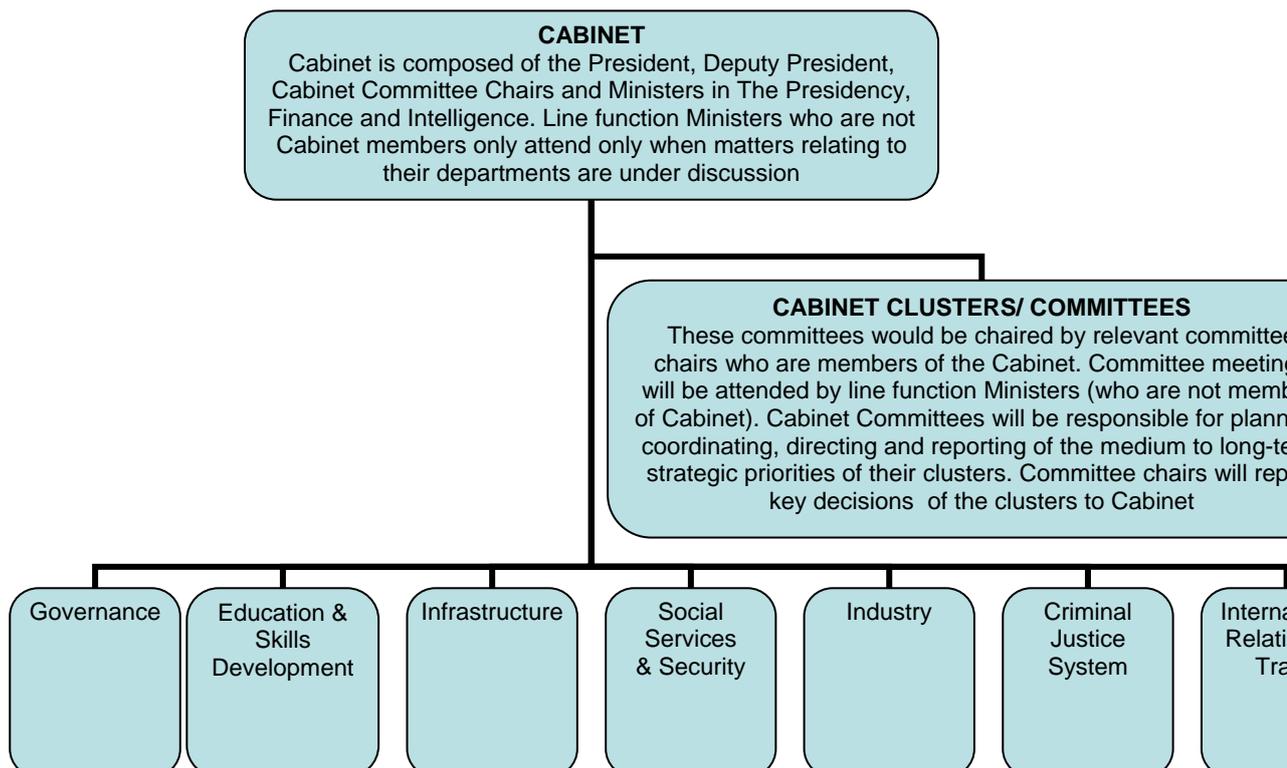
- This is a two tier system with limited delegated Presidential (executive) authority.

- The Cabinet still has a collective responsibility to supervise all line functions rather than through co-ordinating mediators (Cabinet Committees).
- **BUT** the chairing of the Cabinet Committee meetings by Cluster Coordinators not by the President is a new innovation
- Reconfiguration of the Committees/Clusters around new strategic priorities; and
- The introduction of the Cabinet Working Committee which, amongst other things, is responsible for taking decision on urgent matters between the Cabinet meetings
- Though the composition of this Cabinet resembles the current system; however, it shares some of its authority (functions) with the Cabinet Working Committee.

This first option has a number of pitfalls:

- Though this is a two-tier system in that chairing of the Cabinet Committee meetings has been delegated to committee Chairs, committee Chairs still do not have any leverage over other line function departments. It is based on a Ministerial government model and reinforces a network-type mechanism vs. a hierarchy-type mechanism of coordination. Without leverage, committee Chairs are still unable to direct the strategic agenda of a cluster
- Except for taking urgent decisions between the Cabinet meetings, it is not clear how the introduction of the CWC improves the capacity of the State in
 - Determining national strategic priorities
 - Aligning policy planning and resource mobilisation to national strategic priorities
 - Coordinating of key government policy initiatives
- Despite the above mentioned shortfalls, option one provides a smooth transition to a tiered system – without major shock to the system

Option Two



The second option being considered is also a two-tier cabinet system. What is new in the second option?

- This is a two tier system with more delegated Presidential (executive) authority.
- To some extent the Cabinet delegates its collective responsibility of supervising line functions departments to Cabinet Committees.
- This is largely due to the fact that the Cabinet is made up of fewer Ministers (Presidency & committee Chairs)
- Other line function Ministers only attend Cabinet meeting when matters pertaining to their department is on the Cabinet agenda
- The second option borrows a lot from the New Zealand and Australian system which divide Ministers to “Ministers inside and Ministers outside Cabinet”
- The devolved power to committee Chairs gives Chairs more leverage in directing the agenda of the cluster. This has a potential of improving both the planning and coordination role of the clusters; moreover, since cluster have their specific strategic agendas that they are driving

This second option has a number of pitfalls:

- Option two excludes other line function Ministers from Cabinet
- This gives Committee Chairs an unfair advantage over other line function Ministers
- By merely inviting non Cabinet Ministers only when dealing with issues relevant to their department may not be a sufficient counterbalance to the unfair advantage of the committee Chairs.
- Unlike option one, this option introduces major changes which may shock the system
- Nevertheless, in time, option two may improve State’s capacity in:
 - Determining national strategic priorities
 - Aligning policy planning and resource mobilisation to national strategic priorities
 - Coordinating of key government policy initiatives

The third option being considered is also a two-tier cabinet system. What is new in the third option?

- Option three is a slight variation of both option one and two
- The only difference is that the Chairs of the Committee do not head any department
- Their role is to plan, coordinate, direct and report on the achievement of the cluster strategic priorities
- The shortfall of option three is that it adds another layer of bureaucracy which may defeat the purpose of improving co-ordination
- The other innovation that can be introduced to the above three options, is to emulate the Canadian Committee system, which use independent committee Chairs who have not interest on the affairs of the cluster. For instance, the Minister of Foreign Affairs may chair the Industry Committee
- The advantage of this option is that it improves credibility of the Chair since he can not be biased towards his department

Conclusion

One of the tasks assigned to the National Strategic Planning Task Team was to investigate and make recommendations on the strengthening of the planning competency of government. This report makes recommendations on the structuring of the core executive system in South Africa in ways that would enhance the strengthening of the planning competency of government.

A Cabinet Lekgotla of the national government of the Republic of South Africa is scheduled to be held in July 2009 and this report buttresses a main report on the proposed creation of a National Planning Commission which will be discussed at this Lekgotla.

It is proposed that Cabinet consider the options detailed in this report and make appropriate recommendations on the structuring of the core executive of the republic of South Africa after the national elections of 22nd April 2009.

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