



Event Review

Luncheon with
Dr Frans Cronje
27th of May 2014
at the Bryanston Country Club

At a Luncheon recently held at the Bryanston Country Club in Bryanston, Members of SwissCham Southern Africa – South Africa Chapter had the privilege of being addressed by **DR Frans Cronje**, CEO, Institute of Race Relations (IRR).

SwissCham President Thomas C. Hippele welcomed the guests who had come to hear Frans Cronje's scenario briefing on his book:

“A time traveller's guide to our next ten years“

After a delicious starter and main course, Thomas Hippele introduced the guest speaker, Frans Cronje



Frans Cronje is CEO of the IRR. He was educated at St Johns College in Houghton and the University of the Witwatersrand and holds a PHD in scenario planning from North West University. He served with the South African police, worked as a horse-riding instructor and later logger in the United States, and completed a year-long expedition that crossed the African continent from Cape Town to Cairo. He joined the Institute in 2004 and established its Centre For Risk Analysis which specializes in using scenarios to help business and government leaders make decisions about investment and policy in South Africa. He has presented scenarios to over 100 South African corporations and foreign investors and to a host of government departments and diplomatic missions. He is an associate of the Centre for Innovative Leadership – a leading South Africa based scenario consultancy. His work has been widely cited in the media from the *Volksblad* to the *Wall Street Journal*. He writes a column for *Rapport* newspaper and is a regular contributor to Classic Business on Classic FM.



The IRR is the leading independent policy organisation in South Africa. It was established in 1929 and stands for economic and political liberalism. The IRR uses research and public commentary to influence policy in South Africa that promotes investment led economic growth. The IRR is home to a research team that tracks trends for all major policy areas in South Africa and publishes extensively on these. It is the largest independent supplier of information and research support services to politicians, journalists, and civil society groups in South Africa. Corporate and government users purchase its reports and services via its Centre For Risk Analysis. It is funded largely via subscriber contributions and grants from the business community.

Picture South Africa in ten years: Are the angry poor rising up, seizing land and businesses? Will the ANC survive three more elections? Will the middle class still braai in suburbia or will we go the way of Zimbabwe?

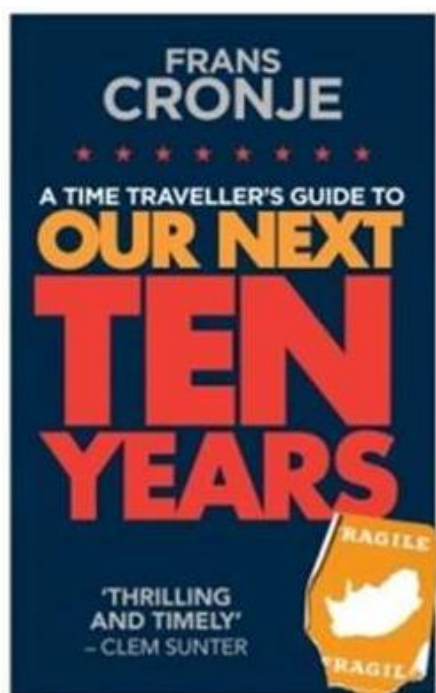
South Africa is currently at a tipping point. Unemployment, slow growth, threats to freedom of speech, and poor education can send the country in any direction.

Travelling in time with Frans Cronje, CEO of one of the country's leading think-tanks is a truly educational experience. He journeys through the next ten years in South Africa using scenario planning as a vehicle to visualize the possibilities we may encounter as citizens.

This method assumes that the future is too complex to reduce a single prediction, particularly as you go further into it – and ten years is a long trip. Cronje also describes the “butterfly effect”, which is “the notion that, when a butterfly flaps its wings on one side of the world, it could cause a storm on the other side”. He gives an example of how a monstrous traffic jam is often caused by the breakdown of a single vehicle. Likewise a small event can change the complete outcome of a complex system.

Hence as this book beautifully demonstrates, looking at the future is all about reducing the complexity inherent in it, but at the same time travelling the wide range of different paths it can take. This, Cronje does by using a ten-step approach, which starts by deciding what you want to achieve. In this case it is to give readers a feel for what it will be like to live in South Africa in 2024.

To kick off the actual process he describes the current environment we inhabit – political, social and economic. He then moves on analysing the major role players and various policy frameworks developed over recent years. Next he makes a list of significant trends that are consolidated into a number of highways, each with its own road signs. Then based on impact and uncertainty, then he selects the two major driving forces that can be used to create a matrix. This matrix is used to develop four scenarios in the final section of the book. Crucially, for each scenario he paints a vivid picture of how you get from here to the 2024 world there, fulfilling the aim of giving people a taste of what they will experience in every one of them. The two key variables chosen by the author are on the one hand whether we remain an open, democratic society, or whether we turn into a more authoritarian state with restricted liberties; and on the other whether our economy is largely deregulated against the background of an improving education system, or whether it becomes centrally directed while education remains poor. The interaction between these two variables produces four scenarios: a “Wide Road”, a “Narrow Road”, a “Rocky Road” and a “Toll Road”.



Interestingly, when the Anglo American team did the High Road/Low Road scenario exercise in the mid-1980s, they maintained there were two crossroads ahead. The first was a political crossroad where South Africa either became a proper democracy or experienced rising levels of conflict, culminating in a wasteland. The second was an economic crossroad where we either developed an open, free and inclusive economy to match the democracy we had achieved, or continued with a closed, exclusive, and highly regulated economy that ran the risk of undoing all the good work resulting from taking the high road politically.

By drawing on his extensive experience at the South African Institute of Race Relations, Frans Cronje has ensured that South Africa will remain at the forefront in the field of scenario planning. More importantly his scenarios may tip the odds in favour of the country, fulfilling the great potential that it currently possesses.

The book is a thrilling read!

Available at Exclusive Books.

The time-traveller scenarios

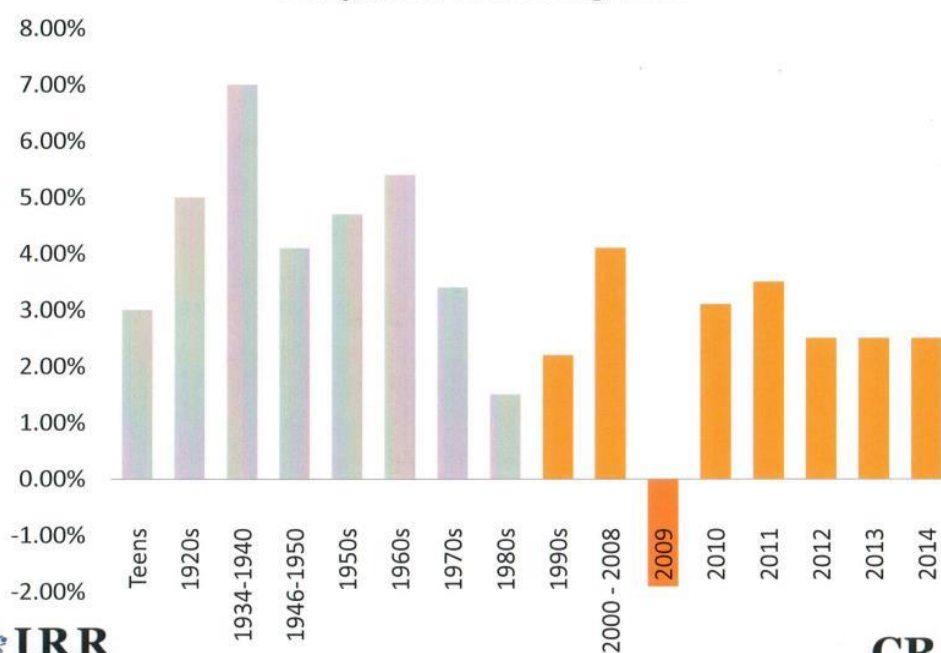
OUR NEXT TEN YEARS

SOON THE BASIS OF A NEW BOOK

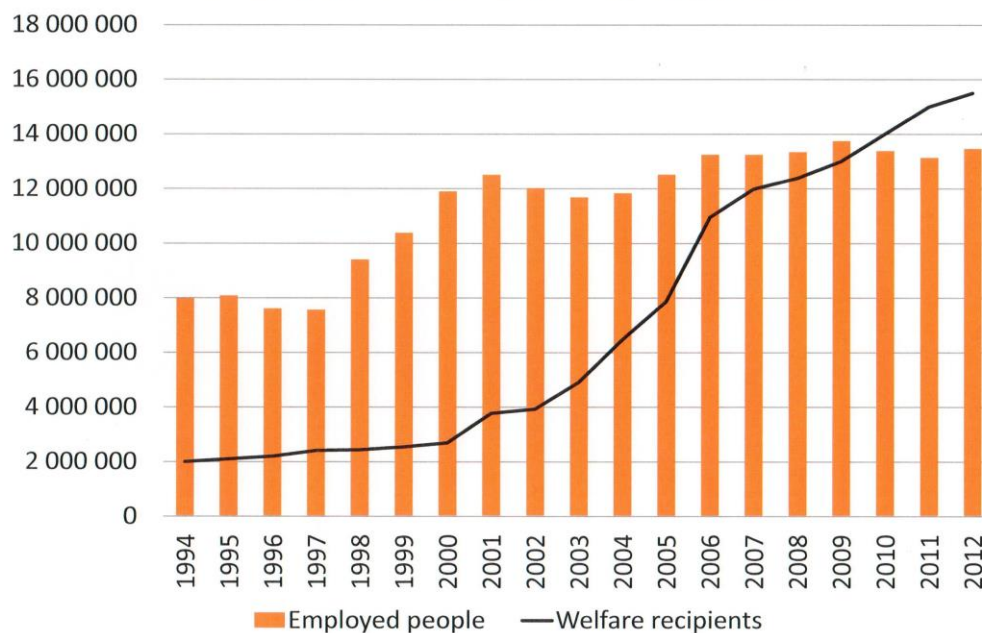
A BRIEFING BY FRANS CRONJE
OF THE IRR



100 years of economic growth

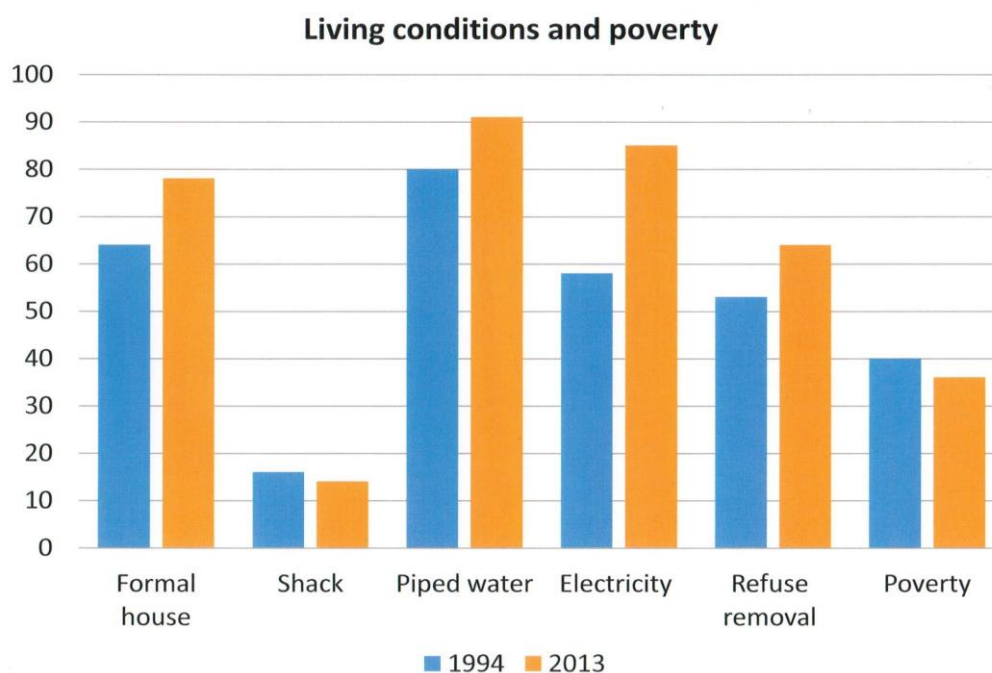
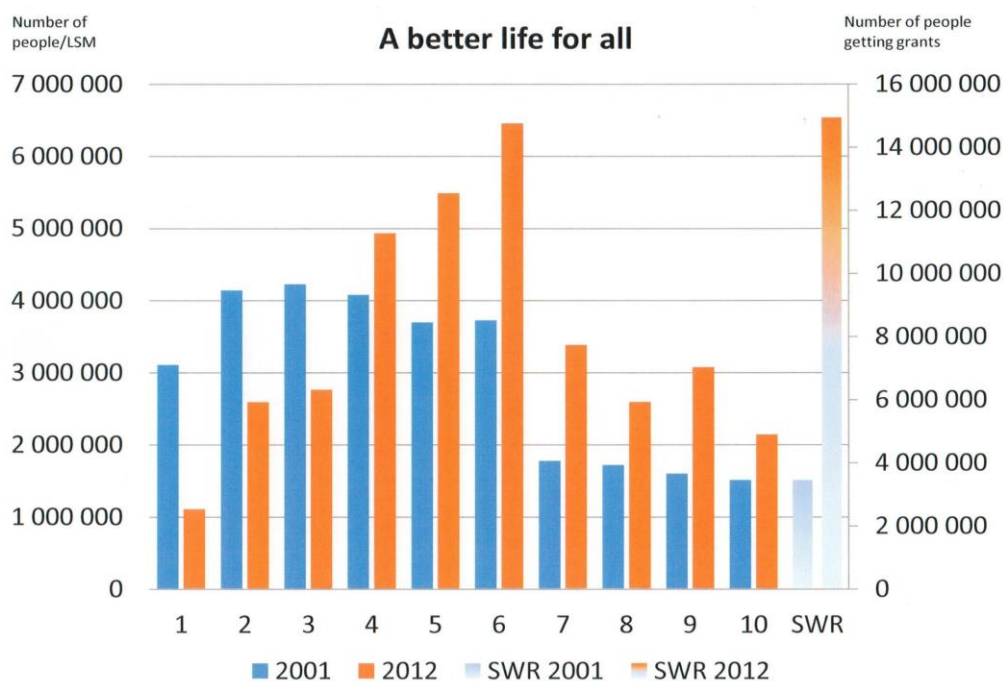


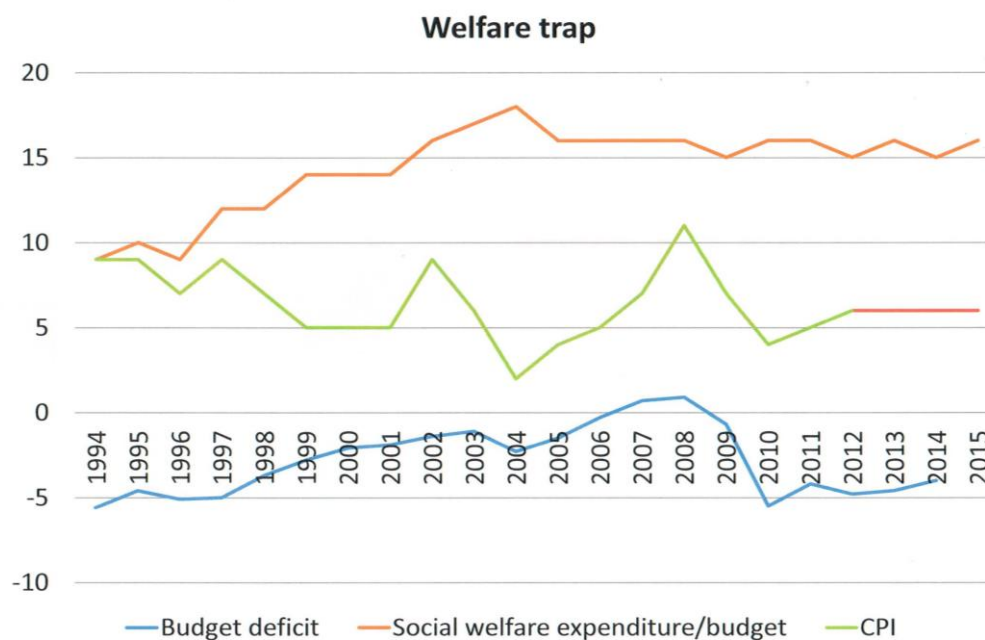
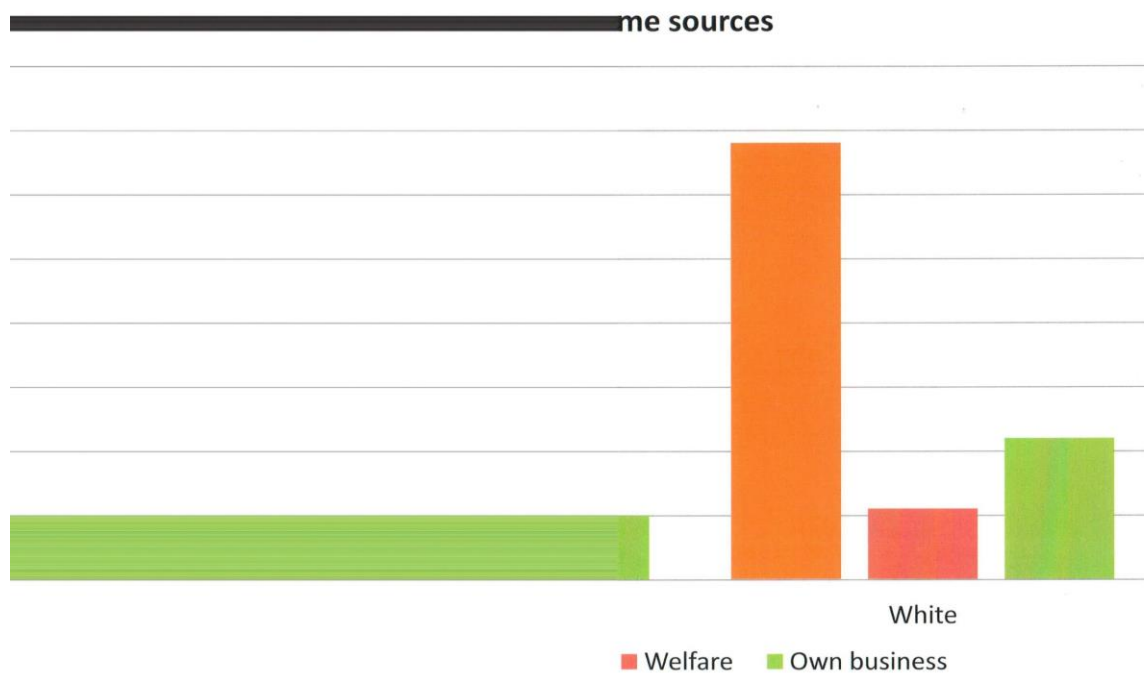
South Africa's developmental policy model



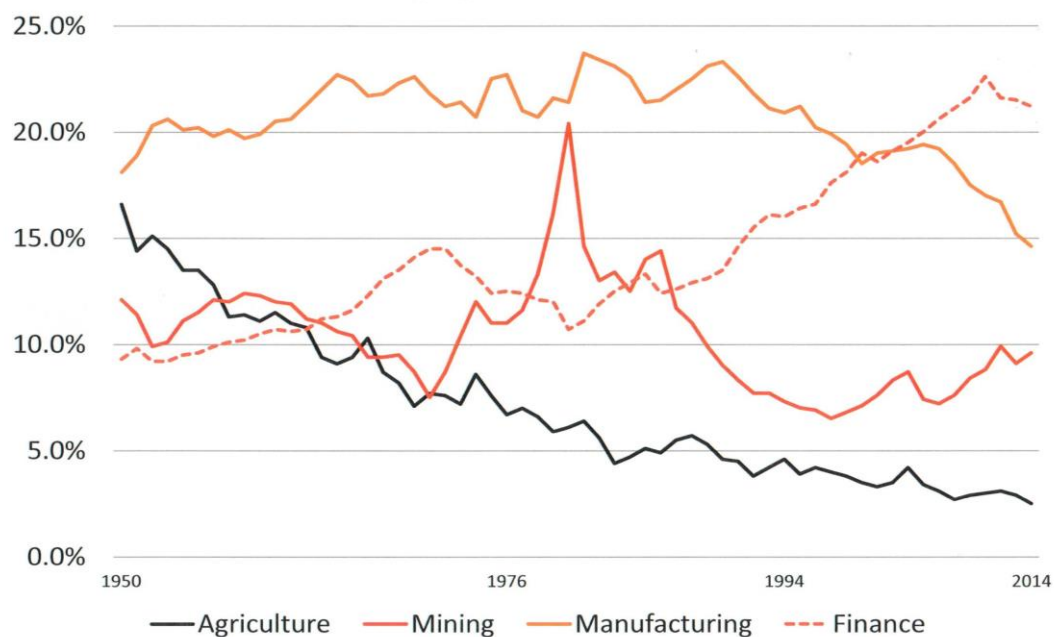
Labour market and economic growth



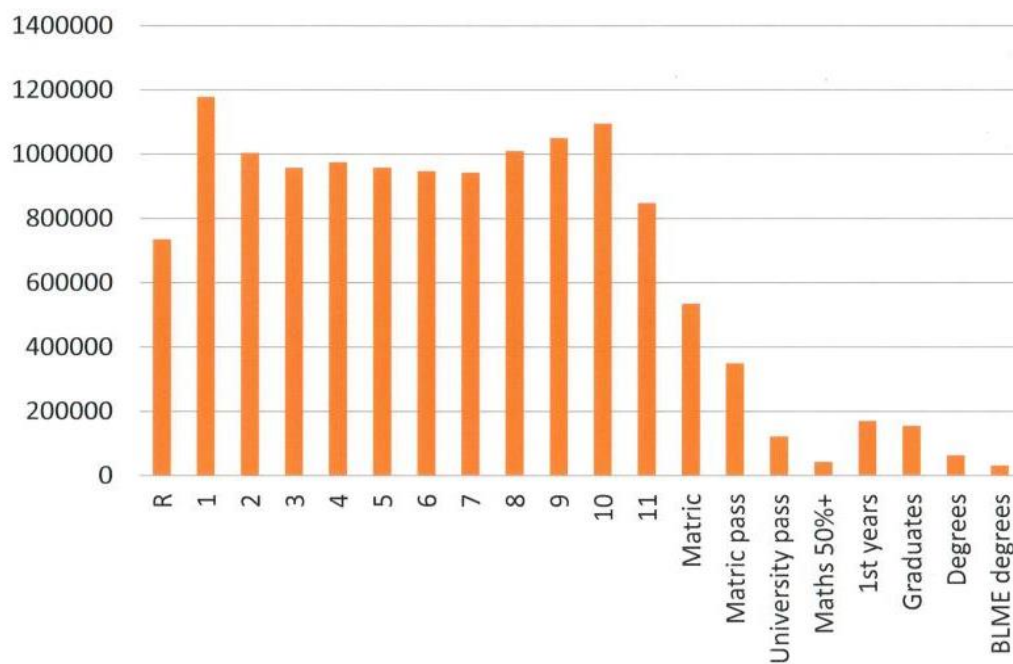




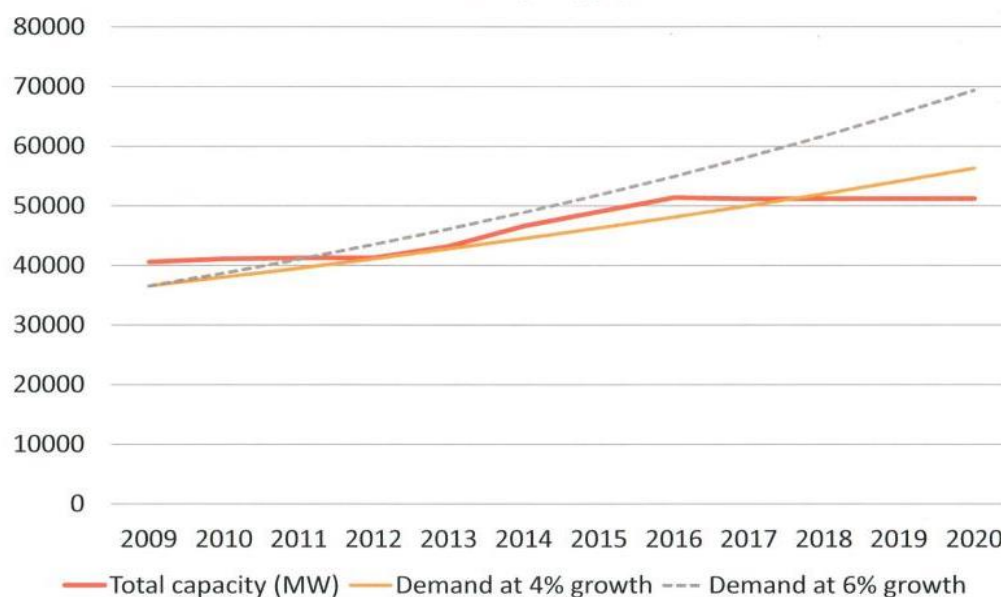
Changing structure of GDP



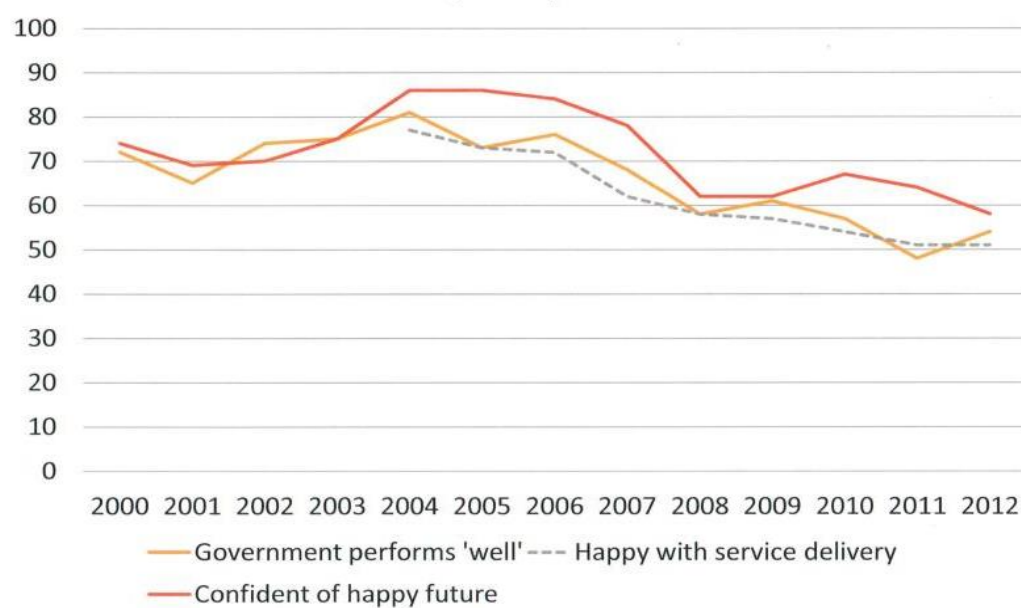
Pre-school to post graduate



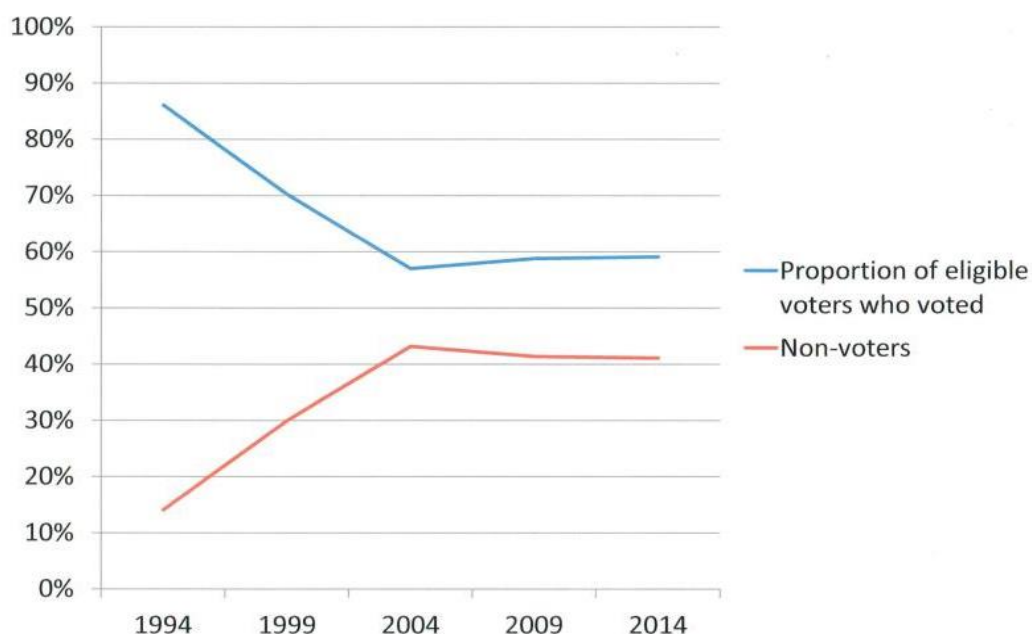
Electricity supply



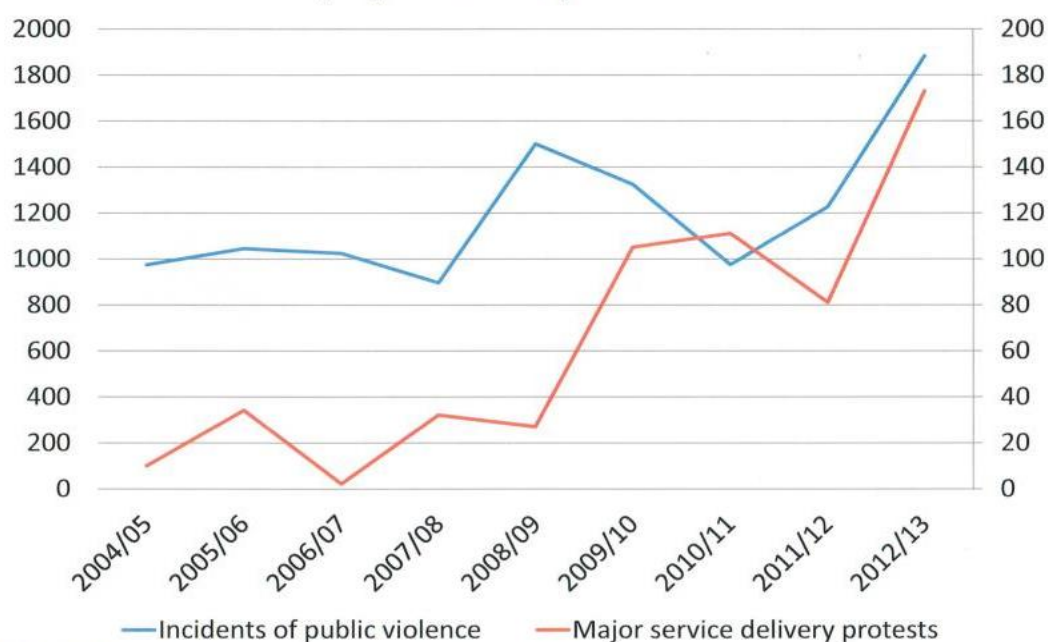
Opinion polls

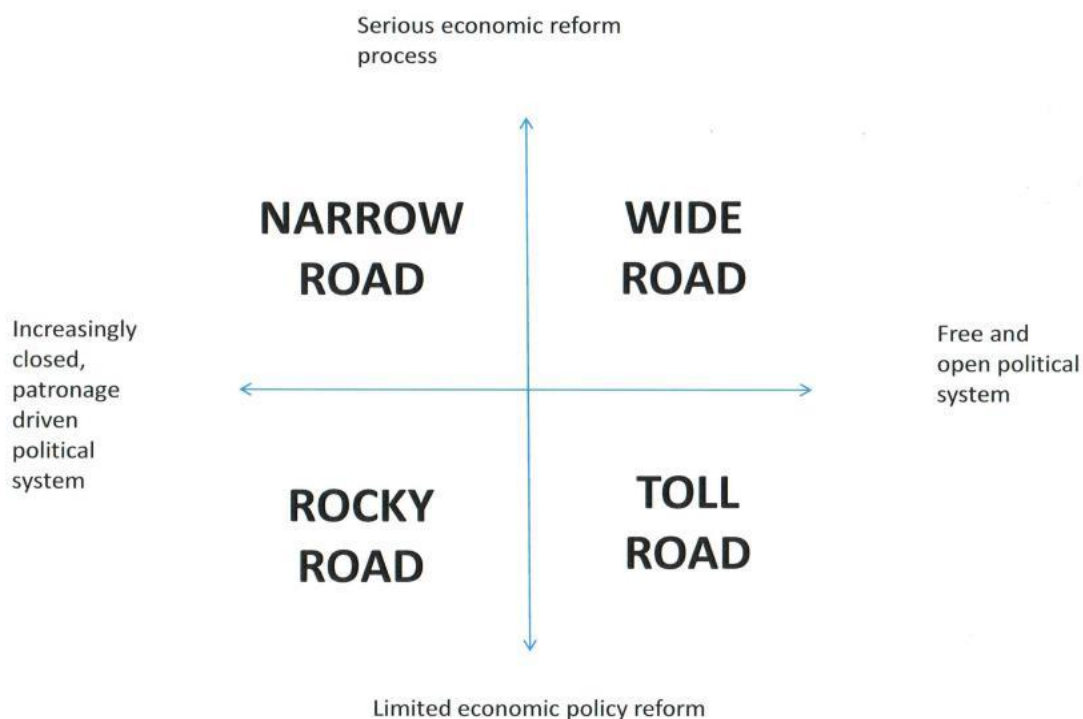
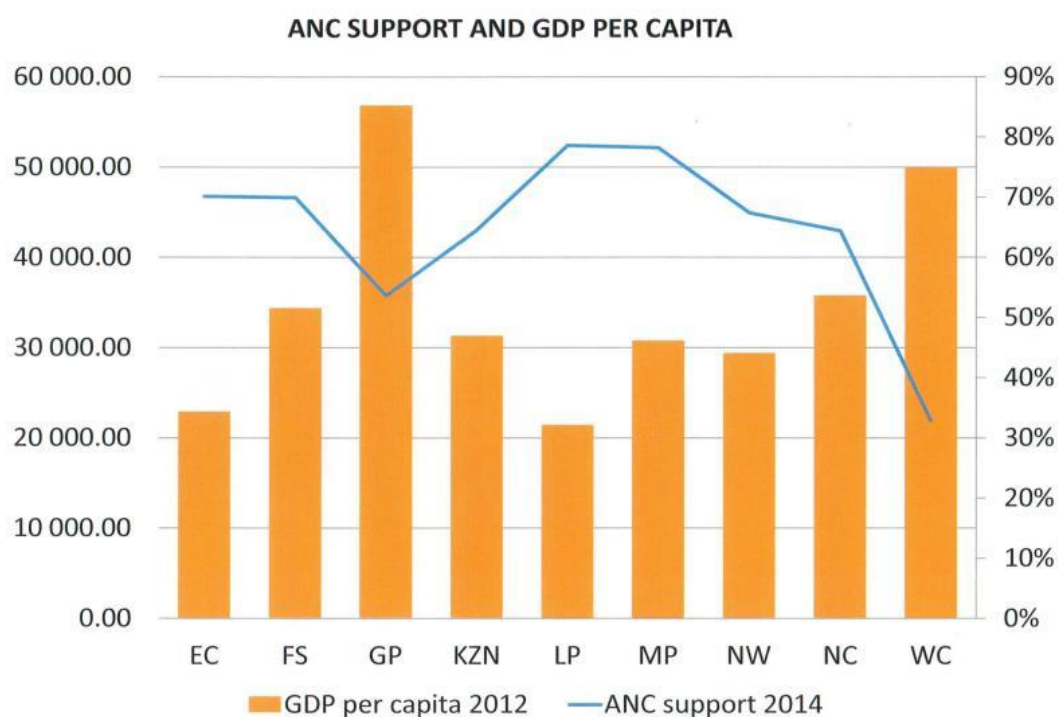


VOTER TURNOUT AS A PROPORTION OF ELIGIBLE VOTERS

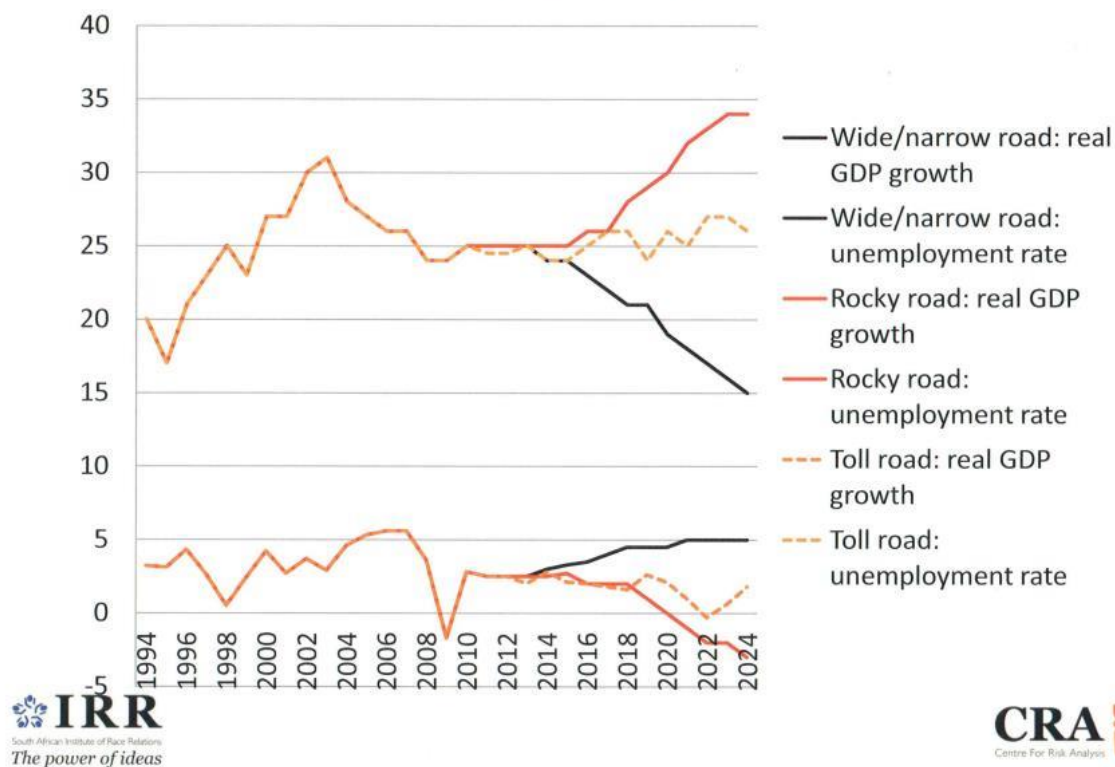


Major protests and public violence

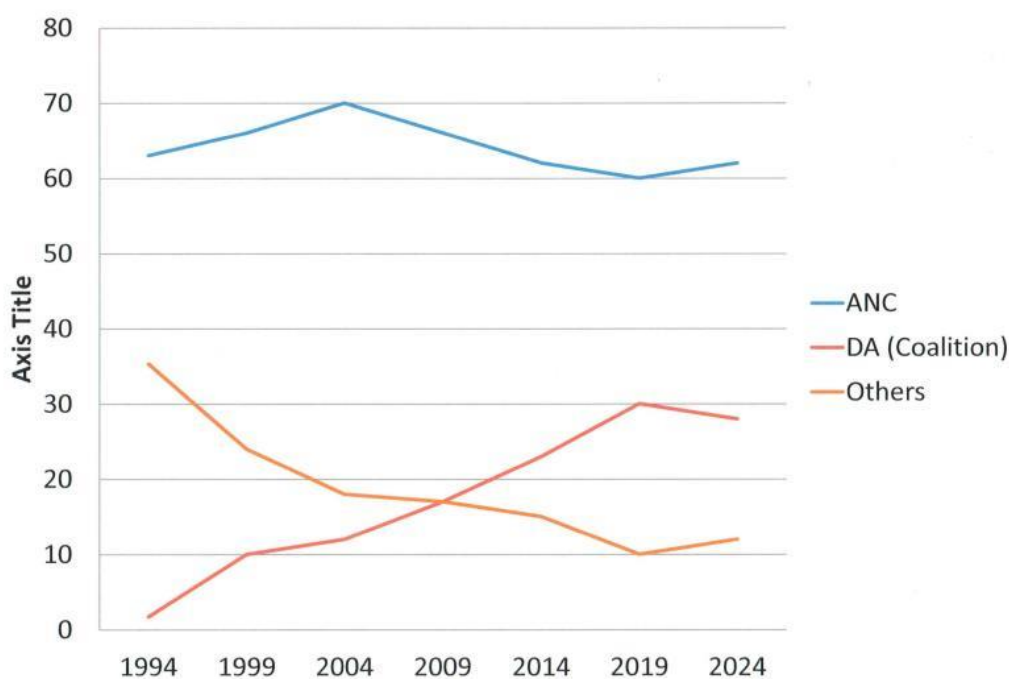




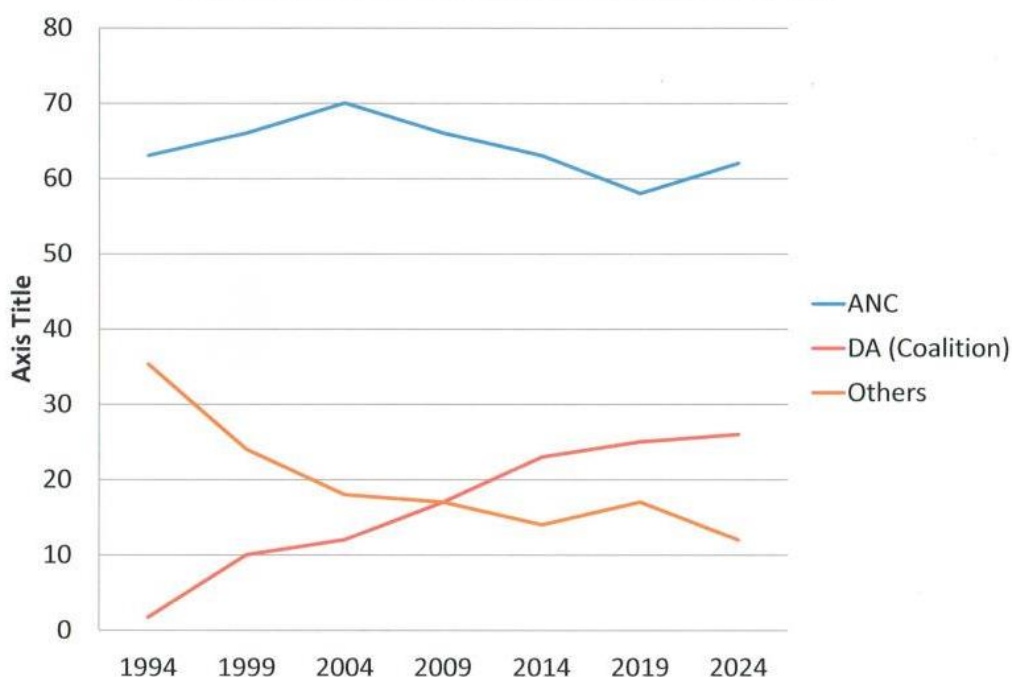
Economic futures



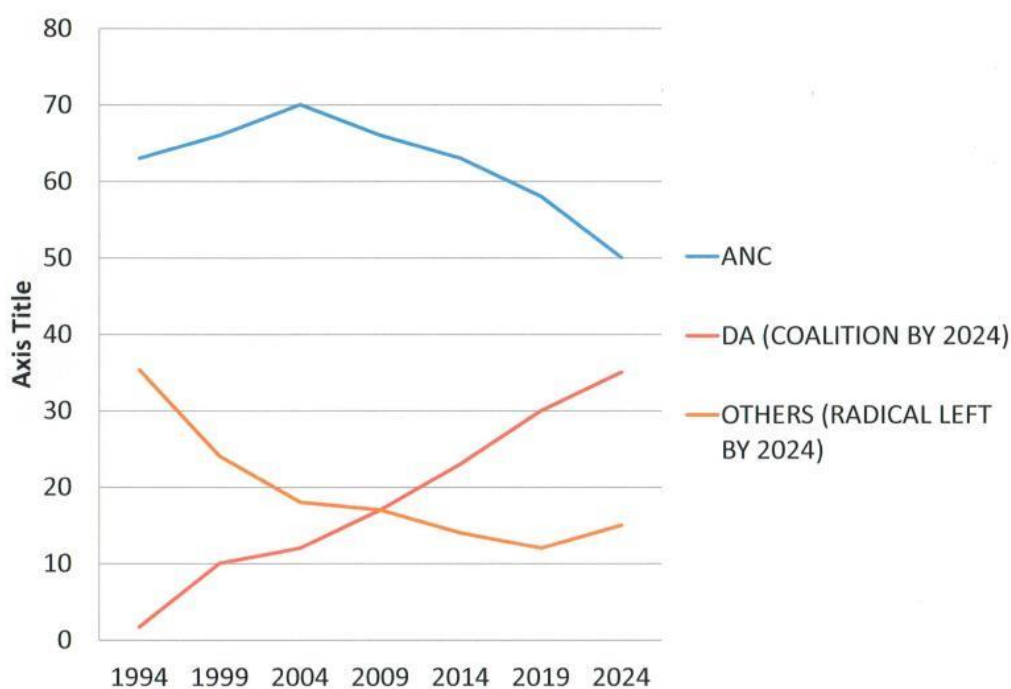
THE POLITICS IN SCENARIO 1: WIDE ROAD



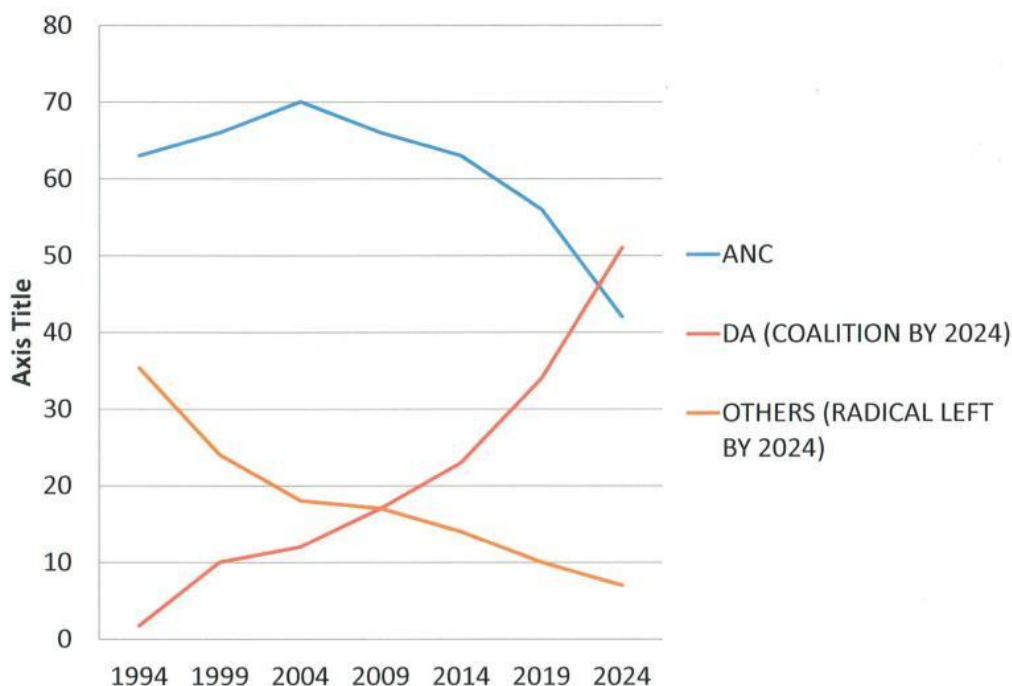
THE POLITICS OF SCENARIO 2: NARROW ROAD



THE POLITICS IN SCENARIO 3: ROCKY ROAD



THE POLITICS OF SCENARIO 4: TOLL ROAD



Policy direction of past 12 months:

- Employment Equity Amendment Act (removes defences)
- Gender Equality Bill (50/50)
- BBBEE Act (Super BEE law - criminalises)
- MPRDA Bill
- Cancellation of BITs
- Protection of Investment Bill
- Restitution of Land Rights Bill etc...
- Property Valuation Bill
- Expropriation Bill (all property below market value)
- Private Security Regulation Amendment Bill



Daniela Maurer for
SwissCham Southern Africa – South Africa Chapter

Please view and download
event pictures on our website:
www.swisscham.co.za