

6 November 2014

Open letter to

Ms Natasha Michael, MP
Shadow Minister of Public Enterprises
Democratic Alliance

Dear Ms Michael

On 3 November 2014 you wrote a widely distributed letter addressed to me on matters related to Eskom in general and the recent incident at Majuba power station in particular.

In addressing the issues which you raise, I would like to include your general anti-Eskom communications campaign being conducted in traditional and new media.

As politicians, we all love the cut and thrust of point-scoring. Unlike you, I have been in the positions of being part of an opposition and of being part of ruling party governments at national and provincial levels. Like you, in the role of opposition, I was definitely not a shrinking violet. So what I am about to say is not about the right of the opposition to play its legitimate role in our beloved democracy.

As is the way of the Twittersphere, shrillness and hyperbole inform communication and fairly often these lead to forms of hysteria.

Eskom is an easy target and can be bullied by all and sundry, while it, as a State-Owned Company, is required to take the blows without being permitted to respond in like fashion.

While those who whip up this kind of hysteria feel very pleased with themselves, they are, inadvertently I am sure, delivering a body blow to the creation of jobs and the growth of the economy.

To explain what I mean, let me recount the story of an unnamed leader of an unnamed political party in an unnamed country.

After the conclusion of an election campaign, she went abroad seeking investment into an unnamed province which her party governed. On her journey, she addressed an audience of potential investors. Still being in election mode, she ripped into the country's ruling party and just about everything that national Government was doing.

Many of the potential investors were horrified.

What she had not appreciated was that her province was part of a larger country. Almost everything the investors would do if they invested in her province would be governed by the prevailing Acts, statutes, rules and regulations of all three spheres of government which were inextricably linked.

So, the investors concluded that, if the national government and institutions were as bad as she said, maybe it was probably better that they invest in another country and create jobs and contribute to economic growth in that other country.

The problem is not that she returned home with a bullet in her foot. The problem is that the country too had been harmed by the gunshot.

The fact is that investors are a fairly tough bunch. When they see an opportunity to make money, they evaluate it comprehensively, weighing strengths and weaknesses, opportunities and threats. They then make a decision, not on the basis of the country scoring ten out of ten on all criteria, but on the basis of the confidence which they have in the country to overcome its challenges.

The magic word is confidence.

Investors gain confidence when all parties and stakeholders are committed to overcoming challenges. They lose confidence when parties and stakeholders are hell-bent on crushing each other, even when this is likely to harm the common good – including the interests of the investors.

My position is simple. There are moments when we need to set aside point-scoring and display leadership irrespective of which side of the House we occupy. This is one of those moments in our country's history.

You were present when I delivered my department's budget vote speech in Parliament in July. At the conclusion, I made a special appeal to all the Members of the House on the subject of the electricity supply situation in the country.

I said: "I am sure that all present agree that resolving the challenge of shifting this country to a situation in which we have ample reserves of affordable and reliable electricity is a very high priority.

"As we have witnessed, both domestic and international investors and rating agencies are looking for signals that we, as a country, are serious about resolving this problem soon in everyone's interest.

"My appeal is that we NOT treat this as a partisan issue. It is just too important to our future to get wrong as a result of placing narrower interests first."

I repeat this appeal to all parties and stakeholders.

I recently met a delegation of BUSA leaders who were all very knowledgeable about Eskom's challenges. To a person, they agree with the position which I have articulated. We are scheduled to meet again soon.

I have also met representatives of two giant trade unions. Not once during our exchanges did either of them consider that they should be doing anything other than to help solve the utility's problems on the basis of serious discussions and an unflinching commitment to the common good.

During my budget vote speech, I undertook that if the Committees of Parliament concurred, I would engage them on how to make the approach which I proposed mutually meaningful.

That undertaking still stands.

Now, let me deal with your request for information and your statement that I was not "coming clean" with the country.

The committees of Parliament have been presented with so much information and so many views from Eskom and the Department and the Ministry of Public Enterprises that it is hard to see what we have left out.

If you want more information on the timeline for maintenance of power stations, I am quite happy that you receive this.

Collectively, the members of the BUSA delegation have even more information than I have and are using it to direct their energies to devise ways of overcoming the challenges in the interest of all citizens.

I urge all parties and stakeholders to adopt the approach which these representatives of Business and Labour have adopted.

The fact that Eskom has serious challenges is quite apparent to everyone.

The fact that it will take some time to reach the kind of electricity supply situation which we all desire has been stated repeatedly by Eskom and myself.

The fact that the recently announced support package for Eskom is a very serious step on the path to returning Eskom to financial sustainability is accepted by those who monitor and evaluate every move which the utility makes.

I urge you to play your legitimate role as an opposition in respect of the electricity supply matter in the spirit which I am proposing.

Ms Lynne Brown, MP

Minister of Public Enterprises