

**A Collaborative Approach to the Application of Economy Wide Techniques: A Case of
the Gauteng Provincial Government**

**Presentation summary submitted for participation in the Public Sector Economist
Forum (PSEF) Annual Conference, 28 – 30 November 2017**

**Xolani Sibande
and
Mapule Mofokeng**

Macroeconomic Analysis Unit (MEA)
Gauteng Provincial Treasury
South Africa

SUMMARY

The global economic downturn of 2008 has brought a sharper focus on inequality as an increasing large share of the global population is faced with limited means. In developing countries such as South Africa, although delayed, this focus is also omnipresent. This is as, in particular, poverty and unemployment persist with the downturn.

In South Africa, this has brought an emphasis on the distributional impact of public policies and therefore public services. As such, provincial governments have had to improve policy evaluation efforts. Economy-wide techniques as one of the many policy evaluation techniques has gained popularity due to both their ability to quantify policy impacts, including those of a social nature, and their proven track record predominately on national economies. However, this popularity has not necessarily resulted in increased use of these techniques in provincial government.

This is as no coherent approach to application of economy-wide techniques exists in provincial governments within South Africa. Using a case study of the Gauteng Provincial Government, this paper argues that this in fact has resulted in a narrow approach to the application of economy-wide techniques. This has led to inefficiencies in both how these techniques are applied which in part explains the limited application of these techniques, and in how resources allocated to build and implement economy-wide techniques are utilised.

This paper proposes a collaborative approach to the application of economy wide techniques which aims to broaden the understanding of economy-wide techniques to incorporate multiple policy areas. This approach also advocates for the implementation of these techniques on a cross policy area basis by multiple policy implementing agents. This can ensure that resources are shared and aggregated in order to ensure enhanced utilisation of these techniques.

Keywords: Economy-wide techniques, Coherent Approach, Inequality