

ACTING APPOINTMENT

A gamebook about South African fiscal policy

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Press copy

A note on when this happens

This book is set in the load-shedding years.

Not in a particular year — you will not find a date anywhere in it, and every person in it is invented. But the institutions are real: the National Treasury, the Reserve Bank, Parliament, the bargaining council, the ratings agencies. And the country these people are working in is the one that existed roughly between 2022 and 2024, when the lights went off on a published schedule, the public-service wage bill was the argument everybody was having, and the state electricity utility was the largest single item of fiscal risk on the Republic's books.

That country has since changed. By early 2026 South Africa had passed three hundred consecutive days without load-shedding, gross debt had stabilised as a share of the economy, and the sovereign had received its first credit-rating upgrade in sixteen years.

None of that is in this book, and its absence is deliberate. Two reasons. A policy book set in a crisis is more useful than one set in a recovery, because in a crisis the trade-offs are visible and somebody has to choose between them in front of you. And what happened afterwards is an argument *about* the choices in here — which is better made once you have made them.

If you want that argument, it is in the debrief chapter at the back. Play first.



How to play

You are a junior analyst in the Budget Office of the National Treasury of South Africa. What happens to you over the next year depends on the choices you make — and on three numbers you will carry with you:

- **CREDIBILITY** — whether markets and institutions believe what you announce. Slow to build, fast to lose.
- **CAPITAL** — your political room to move: cabinet, party, unions. Spent when you fight, restored when you deliver.
- **FISCAL SPACE** — the headroom before the debt dynamics start running you instead of the other way round. If it ever reaches zero, you will find out what that means.

Record them on the Appointment Sheet below. When the book tests a stat, it will say so plainly: *if your CREDIBILITY is 7 or higher, turn to...* There are no dice in this book, with one exception you will meet in winter — because one thing that happens to you this year will be nobody's decision at all.

You will also gather **allies** — write them on your sheet. Each may be used exactly once; when you play one, strike it out. And occasionally the book will tell you to record a **codeword**. Do it. You will not be told why.

There is a fourth number. You do not get to see it.

The Appointment Sheet

Keep this page open as you play. Photocopy it if you intend to play twice — and you should.

	START	TRACK HERE
CREDIBILITY	6	
CAPITAL	5	
FISCAL SPACE	4	

ALLIES — *each may be used once; strike it out when you play it*

CODEWORDS

THE TWO ROLLS — *September and December*

Begin at §1.

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Episode 0 — The Crash (§1–§12)

§1

Two days before the Budget Speech, 05:55, OR Tambo, Gate A9. You are in the boarding queue behind the Deputy Director-General: Public Finance, who has mastered the art of sleeping upright, when your phone rings.

It is Ncube from the Budget Office, and he is whispering, which is never good.

“Annexure B. The consolidated government table. The provincial equitable share row doesn’t cross-cast — somebody pasted values over the formulas. It’s out by four billion.”

The Budget Review went to the printers on Friday. The errata deadline is tonight. Someone has to go back to 40 Church Square, rebuild the table from the source files, and sign off the corrected proofs — and it has to be someone who knows where the source files actually live, which after four years in the Budget Office means you, or one of two other people, both of whom are currently boarding this aircraft.

The DDG opens one eye. “Go,” he says. “It’s a spreadsheet, not a funeral. Fly down tomorrow, you’ll still beat the sound check.” He takes your boarding pass out of your hand and gives it to the gate agent himself, the way he does everything: cheerfully, irreversibly.

The last you see of the National Treasury’s senior management, they are filing down the airbridge arguing about whether the growth forecast is brave or merely optimistic.

At 09:41, while you are knee-deep in Annexure B, every phone on the third floor begins to ring at once.

Turn to §2.

§2

Flight 203 went down in clear weather over the Karoo, twenty minutes out from its descent into Cape Town. There were no survivors. The passenger manifest, which the airline releases that evening and which you will know by heart for the rest of your life, includes the Minister of Finance, the Deputy Minister, the Director-General, and every Deputy Director-General except one — the DDG: Corporate Services, who was travelling separately because she'd booked late.

There was a travel policy once — never the whole top structure on one aircraft. It had been waived, some years back, to save money. Nobody remembers signing the waiver. You will think about that clause more than once this year.

The Speech is postponed — a postponement for which nobody in the building can find a precedent. The building fills with flowers and empties of certainty. An organogram goes up in the lift lobby with a black line through name after name, and you catch yourself, in the tea room, doing what everyone is doing: arithmetic. Who is left. Who knows what. Where the files are.

On day six, the Director-General in the Presidency calls you. Not your director — you. His voice has the flatness of a man who has run out of adrenaline.

“The State President must table a Budget. The House is waiting, the market is waiting, and the acting arrangements I've been handed have three names on them. Two are on secondment abroad.” A pause. “Every other name anyone gives me was on that manifest. People keep mentioning you. They say you know where the Budget lives.”

You start to say something about seniority. He talks over you, gently.

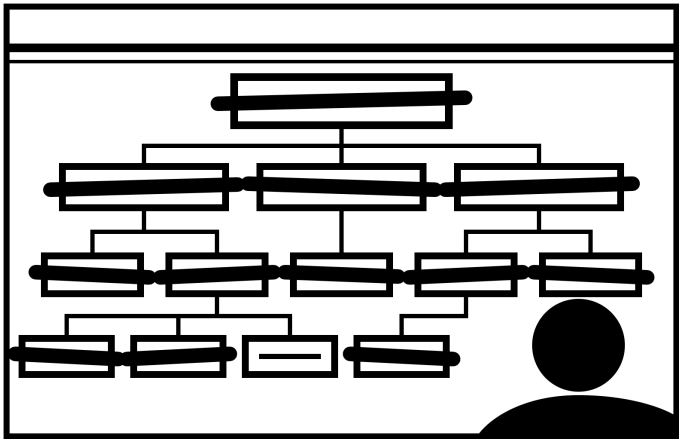
“Everyone senior to you is dead. I'm sorry to say it like that. The appointment is acting Director-General — Cabinet on Wednesday,

announced Friday — at the President’s pleasure. The permanent process will run — it will take the better part of a year.” Another pause. “Nobody will blame you for saying no.”

You do not say no.

Turn to §3.

§3



The Presidency wants a one-page CV for the Cabinet memorandum, which is how you come to be staring at the question a security-cluster form asks with unintended profundity: **PREVIOUS EXPERIENCE (BE SPECIFIC).**

Four years in the Budget Office, yes. But before that — where did you cut your teeth?

- **On the markets desk.** Asset and Liability Management: auctions, roadshows, the switch programme. You speak fluent yield curve.

Turn to §4.

- **In the engine room of the Budget Office itself.** Baselines, function shifts, the medium-term framework. You know where every rand is buried, and who buried it. *Turn to §5.*
- **In the parliamentary office.** Questions for written reply, standing committee briefings, the care and feeding of politicians. You know how the building across the road actually works. *Turn to §6.*

§4

You spent three years dialling into the 07:15 markets call before most of the building was awake, and you carry the education it gave you: that the Republic borrows money every single week, from people who are under no obligation to lend it, and that everything else — every programme, every promise — stands downstream of that unglamorous Tuesday auction.

You were in the room, as the joke goes, during the dollar squeeze two years back, when a settlement mismatch nobody else had noticed threatened to make South Africa accidentally, technically, late on a payment. You flagged it at 06:40. By 07:10 it was fixed. At 07:30 the Governor of the Reserve Bank, Lesedi Mokgatle, asked for the name of the analyst who'd caught it, and wrote it down.

Governors forget nothing. It is practically the job description.

RAISE YOUR CREDIBILITY BY 1, to 7. RECORD YOUR FIRST ALLY: THE GOVERNOR.
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Turn to §7.

§5

You are, by training and temperament, a baseline person. You know that the Budget is not a speech but a database; that the real decisions live three annexure-levels down; that every department pads its baseline and every padding has a signature. When the building wants to know whether a number is real, the building asks you.

Two years ago they put you on the technical task team into Umlilo Power — six weeks inside the utility's finances, which resembled a crime scene that had been tidied by someone with good intentions and a leaf blower. The only person there who gave you numbers that reconciled was the head of generation engineering, Elsabé van Wyk, who kept her own set of honest spreadsheets in a drawer, “for when someone finally asks.”

You asked. She has answered your calls ever since.

**RAISE YOUR FISCAL SPACE BY 1, to 5. RECORD YOUR FIRST ALLY:
THE ENGINEER.**

Turn to §7.

§6

You spent your first years drafting answers to parliamentary questions — a genre, you came to understand, in which the truth must be complete, accurate, and arranged so that it lands like a cushion rather than a piano. You briefed the standing committee so often that its members started phoning you directly, which is against protocol and how everything actually works.

And once — only once, and never discussed — you stayed until 02:00 rewriting a reply that would have put a careless minister's signature

under an untrue sentence. The minister never knew. But Joe Mahlangu, the President's economic advisor, who had spotted the problem at 23:00 and despaired of fixing it, knows exactly what you did. "The Presidency remembers its debts," he said. "It's the only thing we reliably remember."

RAISE YOUR CAPITAL BY 1, to 6. RECORD YOUR FIRST ALLY: THE PRESIDENT'S EAR.

Turn to §7.

§7

The east wing of the Union Buildings, Friday, 17:20. Your letter of appointment is forty minutes old and already creased from your pocket. You are here to meet the other half of the acting arrangement: the new Minister of Finance, sworn in this morning.

T.K. Mabena. Former premier — two full terms, which in provincial politics is a geological era. She has run a treasury the way premiers do, which is to say she has run the people who ran it. The market commentary this afternoon used the word "unknown" four times and "political deployment" twice, and the rand gave back thirty cents against the dollar while the commentators were still talking.

She receives you standing, in an office still smelling of the previous occupant's books being boxed. She is shorter than the news photographs suggest and considerably faster. For a long moment she simply looks at you — the way, you will learn, she looks at everything she is about to either use or discard.

"Acting Director-General." She lets the first word sit there. "They tell me you're the last person alive who knows where the Budget is."

"That's overstated, Minister."

“Everything in this city is overstated. It’s the local currency.” She dismisses her aides with a movement of two fingers, waits for the door, and sits down opposite you — not behind the desk. “I have my first cabinet meeting on Thursday. Twenty-eight colleagues, eleven of whom wanted this job, several of whom expect me to fail in it, and one of whom will ask me — because he asks everyone — whether the country’s finances are under control.” She folds her hands. “So. Before Thursday. You will tell me: how bad is it, actually?”

Turn to §8.

§8

The honest answer is on a single page in your bag. Gross debt drifting toward levels the country has not seen in its democratic history once you count Umlilo’s guarantees, which everyone counts except officially. A debt-service line that has quietly become the fastest-growing item in the Budget — growing faster than health, faster than police, faster than anything you could name in a speech without causing the very problem you’d be describing. A wage agreement expiring in winter. A postponed Budget written by people who are no longer alive to defend it.

You look at the new Minister of Finance, who is watching you decide.

- **Give her the page.** All of it — the guarantee arithmetic, the debt-service line, the winter that’s coming. She cannot be a partner to numbers she has never seen. She also cannot unsee them, and she is a politician: everything she knows is, eventually, ammunition — for someone. *Turn to §9.*

- **Give her the confident summary.** The rehearsed version: serious but manageable, consolidation on track, ratings engaged. Ministers come and go; the file endures; the fewer hands on the file, the fewer leaks, and the more the building — meaning you — controls the story. *Turn to §10.*

§9

You slide the page across the low table, and then — since she should not face Thursday with a page she cannot pronounce — you walk her through it. All of it. Where the guarantees hide. What the debt-service line is eating. What winter will ask of her.

She reads slowly. Premiers, you realise, read documents the way analysts read faces. When she finally looks up, something in her manner has recalibrated — not softened; adjusted, like an instrument finding its range.

“Eleven years in provincial government,” she says, “and this is the first time a Treasury official has handed me the actual number instead of a briefing about the number.” She folds the page in half, and it disappears into her jacket like a card into a magician’s sleeve. “Understand what you’ve done, Acting DG. Now I know what you know. I will never again believe you when you tell me a thing is fine — and I will know precisely what it costs you when you tell me it isn’t.”

At the door she pauses. “Thursday, when Sibanyoni asks his question — I will not pretend things are wonderful. I’ll say we know exactly how bad it is and exactly what we’re doing about it. The second half of that sentence,” and here she looks at you the way she looked at the page, “is your department.”

RECORD THE CODEWORD: CANDOUR.

Turn to §11.

§10

You give the version the building has given new ministers for thirty years: challenges, yes; trajectory, managed; consolidation, on track; the agencies, engaged. It is not untrue. It is a photograph taken from the angle that flatters, and you deliver it well — you have heard it delivered often enough.

Minister Mabena listens without a single interruption, which you will later learn is her most dangerous register.

“Good,” she says at last. “Very smooth. They said Treasury was smooth.” She stands, straightens her jacket, and looks out the window toward the amphitheatre lawns. “In the provinces, when the HOD gave me the smooth version, it usually meant one of two things. Either he thought I couldn’t handle the rough version” — she turns — “or he wanted to be the only one holding it. I never minded much. Every marriage settles its own division of labour. You handle the numbers, Acting DG. I’ll handle the politics. We’ll see how long the fence between those two holds.”

She offers her hand; the handshake is brief and exactly as warm as a receipt.

“Thursday I’ll tell cabinet the finances are under control. You’ve just assured me they are.”

RECORD THE CODEWORD: GATEKEEPER.

Turn to §11.

§11

The state memorial fills the Pretoria City Hall and spills onto the square, where they have put up screens and the flags stand at half-mast in a flat Highveld light. You sit in the third row, behind the families, in the black suit you bought on Tuesday because your other one was a colour you now know is wrong for this year.

Afterwards, on the steps, the Republic's whole uneasy family stands about in small clusters, holding programmes, not leaving. And one by one, because of the letter in your pocket, they find you.

Governor Lesedi Mokgatle, grey coat, no entourage, a handshake like a signature: precise and quickly over. "The Bank and the Treasury have buried colleagues before," she says quietly. "The relationship holds if the people do. My door works both ways, Acting DG — but understand, it is a door, not a corridor."

Nomvula Dlamini, General Secretary, who lost eleven members of her own union's staff association on that flight and speaks first about them, at length, by name — and only then says: "Winter is coming and I'll be across a table from you, and I will not be kind, because that isn't my job. But today I'm telling you the number on my own cell. That's not for negotiating. That's for the night before things break."

Anil Reddy, chair of the Business Leadership Council, grief and calculation managing an honest coexistence in his face: "Every CEO I represent flew down for that Speech a hundred times. It could have been any of us; this year we mean it. There is investment sitting on the sidelines of this country waiting for one credible reason. One. If you ever have it in your hand, call me before you announce it, not after."

Elsabé van Wyk, the Umlilo engineer, out of place in the political crowd and entirely unbothered by it: “I drove up. Four hundred kilometres is thinking time.” She looks at the flags. “The grid held today because I have two units running that officially don’t exist. That’s the country you’ve inherited, Acting DG. When somebody finally decides to fix it instead of announcing it, I still keep the honest spreadsheets.”

Joe Mahlangu, the President’s economic advisor, who materialises beside you without appearing to cross the intervening space: “The old man watched your memo go through Cabinet personally, you know. He watches everything this year; it’s an elective conference year, which means everything is about succession, which means everything is about everything.” He follows your gaze across the crowd to where Minister Mabena is holding court. “Interesting appointment, that one. Be careful which of you ends up working for the other.”

The crowd begins, at last, to thin. One of these hands, you understand — in the unsentimental arithmetic this year is teaching you — you should hold a moment longer than condolence requires.

Choose your second ally. You may not choose the ally you already hold.

- **THE GOVERNOR** — *record and turn to §12.*
- **THE GENERAL SECRETARY** — *record and turn to §12.*
- **THE BUSINESS COUNCIL** — *record and turn to §12.*
- **THE ENGINEER** — *record and turn to §12.*
- **THE PRESIDENT’S EAR** — *record and turn to §12.*

§12

Friday night, ten days after the crash. The Director-General's office is yours now, in the sense that a borrowed coat is yours: it keeps the weather off and fits nowhere.

You have not moved his things. His copy of the Budget Review proof is still on the desk, and late at night you have taken to reading his margin notes — a dead man's argument with a document that must now go to the House regardless, under your signature, in nine days. Beside the growth forecast he has written, in pencil, *brave?* Beside the debt chapter, nothing at all — which from him was always the loudest comment available.

On the wall, the previous DGs of the National Treasury look down from their frames with expressions suggesting they had, on the whole, seen worse — though you doubt any of them saw it all in one February.

Nine days. The House is waiting. The auction is Tuesday. The Minister has cabinet on Thursday. And somewhere out in the dark beyond the window, in Sandton and London and New York, the people who lend this Republic its money every week are waiting to discover whether the Treasury of South Africa is an institution or was merely, all along, two hundred people who knew each other — most of whom are gone.

You put the proof down, turn off the desk lamp, and discover that you have already begun, in your head, to redraft the speech.

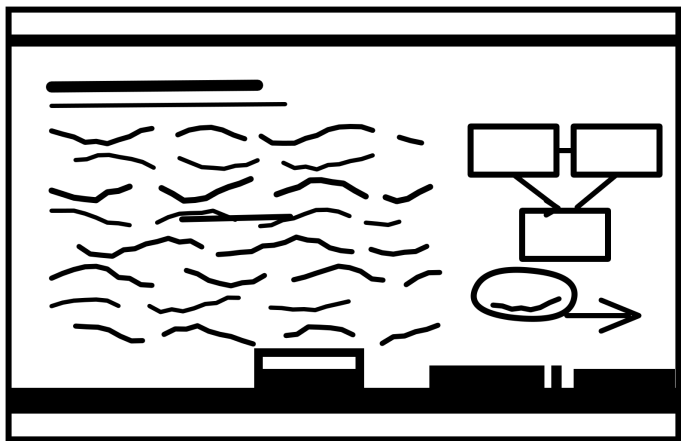
Before you go on, check your Appointment Sheet. You should have: one stat raised by 1; two allies recorded; one codeword — CANDOUR or GATEKEEPER. Whatever you carry now, you carry into the year.

Now turn to §13, and table a Budget.

Episode 1 — The Inherited Budget (§13-§35)

§13

The Budget Office war room is officially Committee Room 4, and on Monday morning it contains: one whiteboard that nobody has been willing to wipe, because the handwriting on it belongs to people who are dead; one stack of printer’s proofs with your predecessor’s pencil still in the margins; Ncube, who has stopped whispering because there is no longer anyone senior enough to whisper about; and Zanele Sithole, DDG: Corporate Services, sole survivor of the top structure, currently doing three jobs with the expression of a woman doing five.



Nine days to the tabling. On the table, the question nobody will say aloud, so you say it.

“This Budget was written by the people we buried. What do we do with it?”

Before anyone can answer, your phone lights up. The Minister. Her voice, as ever, at conversational pitch and maximum consequence: “Acting DG. I’ve been reading the thing. It is a competent document and it is not *mine* — and my colleagues will notice both. A new government tables a new Budget. Think about it. That is not an instruction.” A pause you could park a car in. “Yet.”

The room waits. Three roads out of Committee Room 4:

- **Table it exactly as they wrote it.** The signal *is* the continuity: the institution outlived its people. Every number they chose — including the growth forecast with the pencilled *brave?* beside it — goes to the House under your signature. *Turn to §14.*
- **Amend at the margins.** Keep the architecture, mend what you know is broken. Quiet, defensible, nobody’s trophy. *Turn to §15.*
- **Rewrite it under emergency procedure.** Nine days, a decimated staff, and a Budget that is actually yours — and the Minister’s. *Turn to §16.*

§14

“Institutions,” you tell the room, “are the things that don’t die with their people. We table their Budget. Sign here means sign here.”

Sithole exhales as if she’s been holding that breath since the memorial. Ncube starts reassembling the proofs with something close to tenderness. By afternoon the statement is out — *the fiscal framework*

tabled in February stands; the Budget will be presented unamended — and by close of trade the strategists' notes are using words the Treasury has not earned in years: *orderly. Institutional. Adult.* One bank's note ends simply: "The building held."

The pencilled *brave?* stays where it is, next to a growth forecast you privately rate somewhere between hopeful and devotional. Their forecast, their Budget, their memorial. You initial the page and do not let yourself linger on it.

**RAISE YOUR CREDIBILITY BY 1. RECORD THE CODEWORD:
BRAVE.**

The Minister calls at 19:40. "So my first Budget," she says, pleasantly, "will be a dead man's Budget, and my contribution will be to read it aloud." You start to explain the signalling argument. "I *understand* the signalling argument, Acting DG. Markets get a message. I get a eulogy." She lets that sit. "I hope your signal is worth what it costs you. One of us is keeping a ledger."

LOSE 1 CAPITAL.

Turn to §21.

§15

Mend, don't rebuild. You go through the proofs line by line with Ncube and a pot of coffee that dies in the second hour: a contingency provision that was quietly double-counted, a conditional grant with no condition

attached, an infrastructure line that says *projects to be confirmed*, which is Budget dialect for *we ran out of week*. All fixable. All fixed.

Which leaves the last page you turn to on purpose: the growth forecast, and the pencilled *brave?* in a dead man's hand.

You have run the numbers three ways and they keep coming out the same: the forecast is half a point too kind. Half a point of growth is invisible in a speech and enormous in a revenue line — carry it, and the money it promises will fail to arrive by spring, with the MTBPS standing there waiting for an explanation.

But mark it down, and the deficit worsens on paper *this week*, in your first document, in a country that has just watched its Treasury fall out of the sky.

Ncube watches you hold the pencil. “He never answered his own question,” he says.

- ▶ **Mark the forecast down.** Honest now, ugly now. *Turn to §18.*
- ▶ **Keep the forecast.** Kind now, and spring will come anyway. *Turn to §19.*

§16

“We rewrite,” you say, and Committee Room 4 goes very quiet.

Sithole speaks first, evenly, as befits a woman doing five jobs: “With what staff, Acting DG?” It is not sarcasm. It is a resourcing question, and it deserves the honest answer: with her, with Ncube, with nine days, and with whatever the building has left.

The Speaker's office, consulted, unearths the emergency procedure with the air of a family finding the good silver: it exists, it is legal, it has been used in living memory exactly once. The afternoon statement —

the Treasury will present a revised framework reflecting the new administration's priorities — lands in the market like a dropped tray. The same strategists who spent last week mourning institutional memory now write the phrase *policy discontinuity risk*, and the ten-year weakens four points by the close, which is the bond market's way of raising one eyebrow.

LOSE 1 CREDIBILITY.

Turn to §17.

§17

The next seventy-two hours acquire the texture of a field hospital. The building sleeps in shifts; catering discovers a wartime register; Ncube produces reconciliations at 03:00 with the dead-eyed competence of a man who has stopped asking whether things are possible. You rebuild the framework around what you can defend — and, in passing, you quietly retire the growth forecast with the pencilled *brave?* beside it, marking it down to a number you can say under oath. Whatever else this document is, it will not lie about spring.

On the third morning Sithole puts the new spine of the Budget on the table — thinner than its predecessor, *honest*, *yours* — and says, “It’s a real document. I want that noted, because I intend to complain about the process for the rest of my career.”

Turn to §20.

§18

You mark it down.

The revised table goes into the proofs at 22:00, and the arithmetic does what arithmetic does: half a point off growth, a fatter deficit ratio, and a Wednesday headline — **TREASURY’S FIRST MOVE: THINGS ARE WORSE THAN THEY TOLD YOU** — that is unfair in every detail and accurate in every number. A columnist calls it “an odd instinct, marking your own homework down.” A different columnist, the one the asset managers actually read, writes one sentence you clip and keep: “For the first time in years, the forecast and the outcome have a chance of meeting.”

Ncube takes the pencil — his dead director’s pencil — and next to *brave?* writes, small and neat: *no. honest.*

Nobody wipes the whiteboard.

Turn to §22.

§19

You keep the forecast.

You have your reasons and they are not stupid: the country has buried its Treasury this month; the document is a memorial as much as a plan; and the forecast is, as Ncube observes without quite endorsing, “the only optimistic thing left in this building.” Half a point of hope, carried at cost.

But you know the revenue arithmetic that hangs off that half point, and you know what month it comes due: the money will fail to arrive by spring, and the MTBPS will stand there waiting for someone to explain where it went.

Ncube looks at the pencilled *brave?* for a long moment, and then at you, and files the proofs without a word — which is, from him, a

paragraph.

RECORD THE CODEWORD: BRAVE.

Turn to §22.

§20

The Minister arrives unannounced on the third evening, surveys the field-hospital state of Committee Room 4, and sends her protection officer out for pies — an act that buys her more goodwill on the third floor than any speech could.

“A government that cannot write its own Budget,” she says, reading the new spine with a highlighter she has produced from somewhere, “is a caretaker. I did not take this job to take care.” She caps the highlighter and looks at you with what you are learning to recognise as her version of warmth: undivided attention. “My colleagues wanted this portfolio to fail quietly under a technocrat. Instead it is going to succeed loudly under two people they underestimated. I’ve told the top six as much this afternoon.”

She has, too — you will hear three versions of the phone calls by Friday. Whatever this document costs you in Sandton, it is buying you something in Luthuli House.

RAISE YOUR CAPITAL BY 1.

Turn to §23.

§21

Monday evening, auction eve. The primary dealers' preview notes arrive after the close, and for once they read like a weather report promising weather you can live with: *framework continuity confirmed... issuance profile unchanged... we expect the auction to serve as a confidence referendum, and see no reason for clients to abstain*. One desk has appended, with the gallows humour of the profession, a chart titled "Institutional survival, priced."

A referendum, then. You have spent your first fortnight arranging for the question on the ballot to be as boring as possible. Tomorrow at 11:00 you find out if boring worked.

Turn to §24.

§22

Monday evening, auction eve. The primary dealers' preview notes arrive after the close, and they are the colour of fence-sitting: *credible housekeeping... framework substantially intact... but the market awaits clarity on whether Treasury's commitments survived the Karoo*. That last phrase, sourced to a dealer "speaking candidly," leads the Bloomberg piece by 21:00.

Clarity. You have mended what you could and signed what you mended. Tomorrow at 11:00 the market tells you whether careful counted.

Turn to §24.

§23

Monday evening, auction eve. The primary dealers' preview notes arrive after the close, and they read like doctors discussing a patient in the third person: *an unprecedented mid-cycle rewrite... document quality better than feared... but process risk is elevated, and we advise clients that tomorrow's auction will price the new team, not the new text.* The Bloomberg piece runs under a photograph of the Treasury's front door and the single-word headline: **UNTESTED.**

The new team. That is you. Tomorrow at 11:00 you find out what you cost.

Turn to §24.

§24

Tuesday, 11:00. The weekly bond auction — the first since the crash, the first under your name. R4.6 billion on offer across three maturities, and an ops room full of people pretending to look at their own screens.

There is nothing more you can announce. The statement went out Monday; the tabling is next week; the dealers' notes have said what they will say. All that bids now is everything you have done since the funerals — and whether anyone believed it. You cannot talk your way through an auction. You arrive at it carrying exactly what you carry.

☐ *If you hold THE GOVERNOR and choose to spend her now: a well-timed remark on reserve adequacy in this morning's MPC communiqué steadies the screens before the bidding window opens. Add 3 to your CREDIBILITY for this test only. [STRIKE THE ALLY FROM YOUR SHEET.]*

Test your CREDIBILITY. If it is **7 or higher**, turn to §29. If it is **6 or lower**, turn to §31.

§29

The bid book opens like a good harvest: two-and-a-half times covered inside twenty minutes, clearing within a basis point or two of yesterday's screens, the long bond taken up by exactly the pension-fund names you'd want holding it. In the ops room somebody's held breath comes out as a laugh, and then everyone is talking at once.

At 11:34 a text arrives from a dealer who has known the Treasury longer than you've worked in it: *"Welcome back."*

That is all an auction ever says when it goes well — the market's fullest sentence of approval is the absence of an event. You will learn to live on that sentence. Tape the day's clearing yields to the whiteboard nobody wipes: proof, in twelve-point font, that the institution outlived its people.

Turn to §25.

§31

The bid book is thin and gets thinner. The auction covers — the Republic is not refused, this is not that story, not yet — but the clearing yield prints forty points above yesterday's screens, and forty points is not a number, it is a verdict with a decimal.

By evening the analysts have done the arithmetic you did at 11:31: forty basis points, carried across a year of issuance, is a little over two billion rand a year — close to two days of everything the Republic already spends servicing its debt, spent on nothing, purchasing nothing, existing purely because the market is not yet sure of you. And it does not stop at a year; it is paid again on every coupon until the paper matures.

LOSE 1 CREDIBILITY.

Turn to §30.

§30

Wednesday's front page does not bother with subtlety: **THE PRICE OF DOUBT**, over a graphic of the yield spike rendered like a heart monitor. The inside pages are worse, because they are fair.

At 08:10 the Governor telephones. She does not commiserate; commiseration is not a monetary-policy instrument. "Auctions are weather, Acting DG," she says. "Climate is what you do next. The Bank's own view, for what it is worth, is that one data point has never yet constituted a trend — and that people who panic about weather tend to cause climate." A dry pause. "That last observation is offered free of charge."

In Committee Room 4 you tape the clearing yields to the whiteboard anyway — next to the dead handwriting, where the building can see them. "We don't hide numbers here," you tell Ncube, loudly enough to carry. "Not even ours."

Turn to §25.

§25

Thursday. Cabinet.

You do not attend cabinet — Acting DGs wait in the anteroom of history with the other officials, watching ministers' phones being handed in like weapons at a frontier saloon. Minister Mabena pauses at the door, portfolio under one arm.

What she carries in with her depends on what you gave her in that office at the Union Buildings.

If you have the codeword CANDOUR, turn to §26. If you have the codeword GATEKEEPER, turn to §27.

§26

You get the account afterwards from three sources, and for once in this city the versions agree.

She did not wait for Sibanyoni's question. Sixth item, finances: she stood up and put the real number on the table herself — the guarantee arithmetic, the debt-service line, the winter coming — in the flat, unhurried voice of a premier who has closed provincial hospitals and does not require a seminar on hard news. "I will not insult this cabinet with comfort," she said. "Here is what is true, and here is what my department is doing about it, and the second half of that sentence is why you will support the first."

Sibanyoni, deprived of his ambush, asked his question anyway and was handed his own answer, gift-wrapped. The Presidency's readout that evening uses the word "command."

She phones you from the car. "Your page," she says. "It held the room. Kindly ensure it keeps being true." And rings off — but you have learned to hear her ledger turning, and a credit has been entered on your side.

RAISE YOUR CAPITAL BY 1.
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Turn to §28.

§27

You get the account afterwards from three sources, and assemble it like a collision from skid marks.

She performed confidence, and performed it well — *under control, consolidation on track, the agencies engaged* — your smooth version, delivered smoother. And then Sibanyoni, who asks everyone, asked his follow-up: a guarantee number, close enough to real that somebody, somewhere, has been talking. Three sources agree she did not blink; she improvised something about “consolidated figures being finalised for the tabling” and moved the room along by main force.

She summons you that evening. She is not angry, which is worse. She stands at the window for a while before she turns around.

“I held the line you gave me,” she says. “It held. This time.” She sits, and looks at you the way she looked at the page she never got. “Understand something, Acting DG. If there is ever a number you have and I don’t — and I meet it for the first time in *that room*, in front of *those colleagues* — that is the day this arrangement ends. Whatever the Cabinet minute says about it.”

She lets you go without another word. Nothing has happened. You take the stairs instead of the lift, and notice your hands.

Turn to §28.

§28

The last days before the tabling belong to the speech.

You draft; she edits. It is, you discover, a genuinely humbling experience. She strikes out a paragraph of fiscal metrics with one line of ink: “Too many numbers. Numbers are what they check, Acting DG. Sentences are what they remember.” Where you wrote *fiscal consolidation*, she writes *we will not spend the grandchildren’s money on*

the grandparents' arguments — and then, catching your expression: “You may have that one. I have others.”

At 23:00 on the final night she reads the ending aloud, once, to an office empty except for you, testing the weight of every sentence like a woman crossing a river on stones. Then she nods — to the speech, to herself, possibly to the portraits — and goes home.

You stand a while in the corridor. Whatever else is true of this arrangement, the two of you have built a thing this week where there was a hole in the world.

Turn to §32.

§32

The National Assembly, 14:00. From the officials' box the chamber looks smaller than television makes it, and louder — the benches greet the Minister of Finance with the full orchestral range of South African parliamentary opinion, from ovation to invitation to resign, sometimes from the same bench.

She tables the Budget of a government that buried its Treasury a month ago — theirs, mended, or yours, depending on the road you took out of Committee Room 4 — and she delivers it the way premiers deliver: to the gallery, to the cameras, over the heckling as if it were birdsong. *If you have the codeword BRAVE*: when she reads the growth forecast, one opposition bench emits a single barked laugh, and you watch her decide, mid-sentence, not to hear it.

At the final line — hers, not yours: “*This House has buried better economists than the ones it is currently shouting at, and the Republic's bills got paid regardless*” — even the hecklers briefly lose their place.

She sits. It is done. The Budget of the year of the crash is before the House, and your name is in the small print where your predecessors'

names used to be.

Turn to §33.

§33

The verdicts arrive in their usual order: fastest from the market, loudest from the party, latest from the ratings agencies.

The currency ends the week roughly where it started, which after this fortnight constitutes a standing ovation. The agencies issue holding statements noting “the maintenance of a published fiscal framework under exceptional circumstances” — agency dialect for *we are watching, but not reaching for the lever*. The commentariat splits along its usual seam: half see continuity, half see caretaking, and one columnist notes that both camps will reconvene at the MTBPS “when the revenue numbers referee the argument.”

From Luthuli House, silence — the attentive kind. Joe Mahlangu’s reading, delivered over a coffee he pays for with the air of a man expensing it to history: “Conference year, Acting DG. Every clap in that chamber was counted twice — once for the Budget, once for December. You did well this week. Try to notice *who else* thinks so.”

Turn to §34.

§34

It arrives on the Friday after the tabling, hand-delivered, because Nomvula Dlamini is of the generation that believes some documents should weigh something.

The federation’s formal notice to the Public Service Co-ordinating Bargaining Council: wage negotiations to open within thirty days. The

demand, tabled in advance as a courtesy — her word, in a covering letter of impeccable warmth — is inflation plus three, guaranteed for three years, backdated to April.

You read it twice, put it down, and look at the whiteboard with the dead handwriting, where somebody has now taped auction yields and a clipped headline. Ncube follows your eyes. “Should I finally wipe it?” he asks. “We’ll need the space. For winter.”

“Not yet,” you say. “We’ll need the reminder more.”

Turn to §35.

§35

A month in the acting chair, and the fiscal year of the crash is formally under way — the Budget tabled, the auction survived or paid for, the Minister’s ledger open, and winter’s first letter on your desk.

Check your Appointment Sheet. Depending on your road, your CREDIBILITY should stand between 4 and 8, your CAPITAL between 4 and 8, your FISCAL SPACE at 4 or 5. You hold two allies unless you spent the Governor at the auction, one codeword from the Union Buildings — and possibly the codeword BRAVE, which does nothing at all, for now.

If your CAPITAL is 4 or lower, raise it by 1 — word reaches you, through the usual unattributable channels, that the party has noticed you survived your first fortnight, and that noticing, in an elective-conference year, is itself a currency.

Somewhere south of you, Nomvula Dlamini is preparing a mandate. *Now turn to §36, and take your seat at the wage table.*

*
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Episode 2 — The Wage Table (§36–§60)



§36

April, and the country turns its attention from mourning to money.

The Public Service Co-ordinating Bargaining Council convenes in six weeks. Nomvula Dlamini’s demand — inflation plus three, three years, backdated — sits in your in-tray under a covering letter so courteous it could be framed. Ncube has done what Ncube does, which is to reduce a national argument to one page of arithmetic, and the page is not comforting.

The public-service wage bill is about a third of everything the consolidated government spends. Not a third of a department: a third of *everything* — every road, every grant, every textbook, every bullet, every bed. It is the single largest line item in the Republic’s accounts, and it is also 1.3 million people who teach, nurse, police, and administer the country, most of whom have watched their real earnings go sideways for three years while the price of maize meal did not.

“One percentage point on the settlement,” Ncube says, “is about eight billion rand a year. That’s the entire early childhood development grant — subsidy, buildings, all of it — four times over. That’s the trade you’re making. Not in principle. That’s the actual trade.”³

Zanele Sithole, who as DDG: Corporate Services is the only person in the room who has ever had to *employ* anybody, does not look up from her notes. “Say the second half of it too,” she says. “One percentage point below inflation, three years running, is why Gauteng health can’t fill

vacancies. We are not negotiating with a cost line. We are negotiating with the people who *are* the state.”

Both of them are right. That is what makes it a wage bill and not a spreadsheet.

Turn to §40.

§40

The costing session runs from Tuesday to Thursday and produces three scenarios, each with a name Ncube regrets by the second day.

GENEROUS. Inflation plus one, multi-year. Buys three years of labour peace and forecloses roughly two percentage points of everything else. Affordable if growth arrives. Growth has been asked to arrive before.

FIRM. Inflation flat, single year. Holds the framework. Draws a strike with a probability the team declines to put a number on, in the way people decline to name a disease.

RESTRUCTURED. More for the people the state cannot replace — nurses, teachers, police below salary level 8 — and nothing at all above them, with the administrative headcount frozen. Costs less than **GENEROUS** and delivers more where it counts. It requires every director-general in government to accept that their own senior staff get zero while their juniors get above inflation, and it requires Dlamini to sell a divided package to a divided federation.

“On paper it’s the best option by a distance,” Sithole says. “On paper. There is no line in the model for whether you can actually make twenty-eight departments do something they hate.”

There is not. That line is your **CAPITAL**, and you already know roughly what it says.

Turn to §37.

§37

The Minister reads the three scenarios in eleven minutes and puts them down with the air of a woman who has read worse in worse type.

“Here is my difficulty,” she says. “In six weeks a room of cameras will watch this government negotiate with a million and a half of its own people. Somebody’s face will be on that. If it is yours” — she taps GENEROUS — “then whatever comes out is a technical settlement by an acting official, and cabinet will treat it the way cabinet treats technical things, which is as somebody else’s problem until it goes wrong. If it is mine, I own it. Including the parts I’ll hate.”

She lets that sit. It is, you realise, a genuine offer and a genuine ask at once — which is her whole method.

- ▶ **Front the negotiation yourself.** Keep it technical, keep it in Treasury’s hands, keep the mandate exactly as costed. Ministers who own wage talks give things away; that is what ownership does at 2 a.m. in week six. *Turn to §57 — no, first: turn to §39. [RECORD NOTHING.]*
- ▶ **Put her in the chair.** She fronts it, you sit at her shoulder with the model. She gets the cameras, the credit and the blame; you get a principal in the room who can actually bind cabinet — and a Minister who owes you a visible win in an elective-conference year. **[RAISE YOUR CAPITAL BY 1. RECORD THE CODEWORD: LAURELS.]** *Turn to §39.*

§39

The call comes at 21:40 on the Sunday before the council convenes, from a number you were given on the steps of the Pretoria City Hall and have never used.

“You haven’t phoned it,” Dlamini says. “I noticed. Most officials phone it in the first week to prove they can.”

She is not negotiating; she is calibrating, and she says so. “Thirty days from now we sit across a table and I will take you apart in front of my members, because that is my job and they have earned somebody doing it properly. Tonight is not that.” A pause; somewhere behind her, a kettle. “So. One thing, off the record, and then I go to bed.

“My members have read the papers. They know you found forty basis points for the bond market’s nerves.” (*If you passed the auction at \$29, she says instead: “They know the bond market got its answer inside a fortnight.”*) “They will ask me why the market’s doubt gets paid inside a month and their groceries wait three years. I don’t have a good answer. If you have one, bring it to the table — not a lecture about the wage bill share. We can all read the Budget Review. Bring me the *why*.”

She rings off before you can answer, which you suspect was the point.

Turn to §41.

§41

You sit with her question for most of Sunday night, and what makes it difficult is that you know the honest answer and the honest answer is not a defence.

Why does the market’s doubt get paid inside a month and their groceries wait three years?

Because the market can decline to lend on Tuesday and a nurse cannot decline to nurse. That is the whole of it. Bond markets are paid promptly

because they are the only creditor in this arrangement with the ability to withdraw at short notice and at scale; public servants are the state's most patient creditor and are treated accordingly, and the patience is not virtue, it is a lack of alternatives. Every finance ministry on earth works this way. Nobody says it out loud, because saying it out loud makes explicit a hierarchy that is more comfortable left implicit.

You draft three versions of an answer and discard two.

The first is the framework argument — affordability, the medium-term ceiling, the arithmetic of the wage bill — and you discard it because it is what she specifically asked you not to bring and because she can read the Budget Review.

The second is an apology, and you discard it faster, because an apology from the Treasury is worth precisely nothing at a bargaining table and both of you know it.

What survives is shorter and worse for you: that the forty basis points bought nothing, that it was a price paid for the state's own instability rather than a benefit anyone received, and that the honest comparison is not *market versus workers* but *what the country pays for being unpredictable versus what it could have spent instead*. It puts you and her on the same side of a sentence for the first time. It also concedes something no Treasury official concedes in a negotiation, which is that the other party's grievance is arithmetically correct.

Ncube reads it at 23:00 and hands it back. "That'll cost you something at the table."

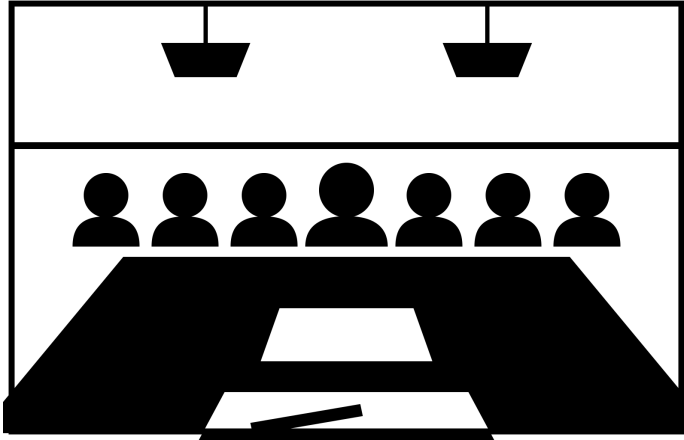
"Is it true?"

"Yes," he says. "Those aren't the same question and you know it."

Turn to §38.

§38

The bargaining council chamber smells of old carpet and new tension. Across the table sits Nomvula Dlamini, flanked by six negotiators who have done this every three years for twenty years. You have done it never.



She slides a single page across. The demand, formally tabled: inflation plus three, guaranteed for three years, backdated to April.

You have read the file. You know what she knows: that the last multi-year agreement was signed in a boom and honoured into a bust — until it wasn't, and the reneging is the reason six pairs of eyes across this table do not blink when you talk about affordability.¹ Your predecessor's notes, recovered from his drive, end mid-sentence: *"the problem is not this year's number, it is the promise about year three—"*

If you hold the codeword LAURELS, the Minister answers; you slide her the numbers and she puts them in her own words, which are better. The choice is still yours to guide.

Dlamini folds her hands. "Acting Director-General. What is Treasury's offer?"

Choose:

- **GENEROUS — the multi-year deal at inflation plus one.** Peace, predictability, a signature by Friday. The unions walk out with a win; the medium-term framework walks out with a hole. [**LOSE 2 FISCAL SPACE. RAISE YOUR CAPITAL BY 1.**] *Turn to §44.*
- **FIRM — inflation flat, single year.** The framework holds. The picket lines form by month-end, and the alliance will remember this in December. [**LOSE 2 CAPITAL. RAISE YOUR CREDIBILITY BY 1.**] *Turn to §47.*
- **RESTRUCTURED — above inflation below level 8, zero and a headcount freeze above it.** Cheaper than it looks, fairer than it sounds, and an implementation nightmare. *If your CAPITAL is 6 or higher, turn to §51. If it is 5 or lower, turn to §53.*
- ☐ **Spend THE GENERAL SECRETARY.** Dlamini has taken your calls since the funeral, and there is exactly one favour in that account. Play it and the restructured offer lands regardless of your CAPITAL. [**STRIKE THE ALLY FROM YOUR SHEET.**] *Turn to §51.*

§44

You table inflation plus one, three years, and watch a room of professionals fail to hide relief.

The signature comes on the Friday, nine days ahead of anyone's forecast. Dlamini gives a press conference in which she describes the agreement as "a beginning, not a victory," which is what a general secretary says when she has won and does not wish to gloat in front of the members who wanted more. The photographs are of handshakes. Nobody's children miss school.

That evening Ncube brings you the revised medium-term table without comment, because the table does not require any. Three years of peace, purchased with roughly two percentage points of everything else, on a growth forecast that has to hold for the arithmetic to work.

You have bought calm. You have bought it on credit.

Turn to §45.

§45

The reaction splits exactly along the seam you expected, and one you didn't.

Labour and the alliance are warm — the general secretary of the largest affiliate calls it “the first time in a decade that Treasury negotiated like it employs human beings.” Two premiers phone the Minister to say so. In an elective-conference year, that is not nothing, and Joe Mahlangu makes sure you know it isn't: “You just made friends in rooms you have never been in. Keep the receipt.”

The market is cooler than you'd like but calmer than you feared: the ratings commentary notes “a durable settlement” in one paragraph and “reduced flexibility in the outer years” in the next, and the currency does nothing at all, which is the highest compliment currencies pay.

The unexpected seam is internal. Sithole puts it plainly at Monday's management meeting: “We have just guaranteed three years of increases on a headcount we haven't touched. Which means every department that wants a new nurse in year two now has to fund her out of the same envelope that just got promised to the nurses it already has.” She lets that land. “You didn't buy peace, Acting DG. You bought quiet. There's a difference, and it shows up in vacancy rates.”

LOWER YOUR FISCAL SPACE BY... nothing further. But note the sentence. It returns.

Turn to §46.

§46

The Minister is content, in the specific way of a politician holding a signed agreement in April.

“Understand what you have given me,” she says. “In October I will stand in that House and read out a consolidation path, and the largest number in it will be a promise I cannot break without a court telling me I may.” She is not complaining. She is inventorying. “That is a real constraint and I accept it, because the alternative was six weeks of burning clinics. But when the MTBPS comes and the money is short, do not bring me a memorandum about the wage bill.” A pause. “I was there. I signed it.”

If you hold LAURELS: she adds, at the door: “And it was my signature, in my photographs, which you arranged. I have not forgotten that either.”

Turn to §57.

§47

You table inflation flat, one year, and the temperature in the chamber drops by degrees you can feel on your forearms.

Dlamini does not raise her voice. She reads the offer twice, sets it down, and says, for the record and the cameras that will be let in shortly: “The Treasury has offered the workers of this country a real-terms cut in the third consecutive year. We will consult our members.” She stands.

Her negotiators stand. It takes them eleven seconds to leave a room they arrived in expecting to spend six weeks.

At the door she stops, and says the quiet part to you alone, without heat: “I asked you for a *why*. You brought me a number.”

The strike ballot passes with 78% four days later.

Turn to §48.

§48

Week one of a national public-service strike is a slow-motion education in what the state actually is.

It is not, it turns out, mainly an argument about money. It is Tembisa Hospital running an emergency department on a skeleton crew and a court order. It is 12,000 schools where nobody has taken the register. It is Home Affairs offices with queues around the block and nobody behind the counter, and a national grid of small human catastrophes — a passport not renewed, a grant not processed, a chemotherapy appointment quietly slipping by two weeks — that no strike report will ever aggregate.

It is also, in the arithmetic that is now your job, roughly two billion rand a day in unpaid wages *not* spent, against economic losses that are larger and harder to count. The state saves money during a strike. This is one of the ugliest facts in your profession and you decline to say it aloud, though Ncube, who is twenty-nine and honest, writes it on the whiteboard and then, after a while, wipes it off himself.

By day eight there are two roads.

- **Hold.** The framework was the point; abandoning it in week two teaches every future negotiator exactly what you’re made of. *Turn to §42.*

- **Move — quietly.** Not in the chamber; through the back channel, before this becomes a national emergency and someone above you settles it on worse terms. *Turn to §43.*

§42

You hold.

Days nine through fourteen are the worst of your year, and you will not, in later life, be able to describe them in order. What you retain are fragments: the Sunday-paper photograph of a woman who walked eleven kilometres to a clinic that was closed; the Minister of Health’s face in a corridor; the alliance statement calling for your removal by name, in an elective-conference year, which Mahlangu translates over the phone in six words — “They’re not aiming at you, Acting DG” — and then, after a pause, “which is worse, because you’re closer.”

And out in the country, four hundred thousand children are not at school, which is a cost nobody will invoice you for and the economy will collect in about fifteen years. **[SOMETHING SHIFTS, and not in your favour.]**

Then, on day fourteen, the hospitals.

Tembisa has been running on a court order and goodwill for a week and the goodwill has gone. Two deaths are reported in the Thursday papers that may or may not be attributable and will certainly be attributed. The Minister of Health wants the Treasury to do the thing the Treasury has been carefully not doing, and by Friday morning it is the only item on your desk.

Turn to §49.

§43

You move through the back channel — a Wednesday-night meeting in a Centurion guesthouse arranged by two people who are not in either delegation, which is how these things are always arranged.

□ *If you still hold THE GENERAL SECRETARY, you may spend her now: Dlamini comes to the meeting with a mandate rather than a message, and the strike ends inside seventy-two hours at inflation plus one, one year — no backdating, no outer-year promises. [STRIKE THE ALLY. LOSE 1 FISCAL SPACE. RAISE YOUR CAPITAL BY 1.] Turn to §54.*

Otherwise the meeting is honest and insufficient. Dlamini, grey with fatigue, tells you what she can and cannot carry: “I can sell one year. I cannot sell *flat*. Find me a number with a one in front of it and a reason I can repeat.” You find it — inflation plus one, one year, no backdating — and the strike ends on day fifteen.

[LOSE 1 FISCAL SPACE.] The framework bends without breaking. Nobody calls it a victory, which is the correct assessment.

Turn to §54.

§49

The essential services designation is the one instrument in this dispute that does not require Nomvula Dlamini’s agreement, and that is precisely what makes it the most legally straightforward and morally complicated thing available to you.

The law is not in doubt. Workers in essential services may not strike; the machinery for designating them exists and has been used. What is in doubt — what has been in doubt for two decades — is the boundary. Which categories in a hospital. Which grades. Whether the porter who moves the oxygen cylinders is essential, and whether the clerk who

admits the patient is, and whether a system in which neither has been formally designated is a legal oversight or a deliberate accommodation nobody has wanted to disturb.

Your legal team can be in court inside forty-eight hours with an urgent application to enforce and extend the designation. They are confident. They are also, you notice, careful to say that confidence is about the law rather than about anything else.

- ▶ **File the application.** The hospitals get skeleton staffing back inside a week, by order, and the deaths stop being reported. You will have used the courts against the people you are negotiating with, in the middle of negotiating with them. [**LOWER YOUR CAPITAL BY 1.**] *Turn to §50.*
- ▶ **Do not file.** Handle it as Dlamini has been handling it since day one — through her own marshals, ward by ward, on the telephone, without an order and without a precedent. It is slower, it is worse for four or five days, and it leaves the relationship intact. [**SOMETHING SHIFTS, and not in your favour.**] *Turn to §50.*

Either way the strike ends on day twenty, because strike funds are finite and Dlamini's executive is fraying, and the settlement is signed at inflation plus a half, one year — barely above where you started, which is what winning looks like here.

The framework survives. [**RAISE YOUR CREDIBILITY BY 1.**] So does the memory, on both sides of that table, of what you were prepared to spend to keep it. [**LOWER YOUR CAPITAL BY 1.**]

If you filed: Dlamini says one thing to you about it, months later, in a corridor. "You were entitled to do it. I want you to know that I know that." A pause. "And I want you to know that I had four hospitals staffed by Tuesday without a judge, and you never asked me whether I could."

§54

The settlement holds and the country goes back to work, and within a week the strike has been metabolised into the general background of things that happened this year.

What lingers is smaller and more useful. Dlamini, at the signing, shakes your hand for the cameras and says, without moving her lips much: “You moved. I’ll remember that you moved. Next time I’ll also remember how long it took you.”

RAISE YOUR CREDIBILITY BY 1 — you settled without breaking the published framework, and the market can read a settlement table as well as you can. ****

Turn to §50.

§50

The bill arrives, as bills do, itemised.

Ncube’s post-strike reconciliation runs to four pages. Wages not paid during the strike, against overtime and agency costs to clear the backlogs; the school days; the deferred surgeries; the Home Affairs queue that will take until August. The net fiscal effect is close to a wash — which, he points out, is precisely the problem: “We spent a month of the state’s capacity and it doesn’t even show up as a saving. It shows up as a country that worked worse for five weeks.”

Sithole’s contribution is one line, and she delivers it to the room rather than to you: “Two thousand people resigned from the public service this month. Mostly nurses. Mostly to agencies and to Australia. That’s not in the reconciliation because there’s no line for it.”

Turn to §57.

§51

You table the restructured offer, and for a moment nobody in the chamber quite knows what to do with it.

It is not the shape these negotiations come in. Above inflation for nurses, teachers, police and correctional staff below salary level 8 — the people the state cannot replace and cannot function without. Zero for everyone above, with the administrative headcount frozen for two years. It costs less than the multi-year deal and delivers more to the people whose real earnings have actually been falling.

Dlamini sees the trap and the gift simultaneously, which is why she is good at her job: to refuse it is to explain to a nurse in Mthatha why her federation turned down eight per cent to protect a chief director in Pretoria.

The next fortnight is the hardest political work you will do all year. Twenty-eight departments must accept zero for their senior staff. Two directors-general threaten to take it to the Public Service Commission; one premier's office briefs against you in the Sunday papers. You spend everything you have.

If you hold LAURELS, the Minister spends it with you, department by department, on the telephone, in a register you did not know was available to her; she describes it afterwards as “an ordinary week in provincial government.”

The agreement is signed at the end of May.

LOSE 1 FISCAL SPACE. RAISE YOUR CREDIBILITY BY 1. LOSE 1 CAPITAL.

Turn to §52.

§52

What you have bought is not obvious for some months, and the first person to see it clearly is not an economist.

The Director-General of Health phones you in July, unprompted, which has never happened. “Our nursing vacancy rate has stopped rising,” she says. “First time in six years. I don’t have a paper on it yet and I’m not giving you a quote for the papers. But somebody in a clinic in Bushbuckridge decided to stay this year, and I wanted the person who did that to know.”

You put the phone down and sit for a while. There is no line for this in Ncube’s reconciliation either.

SOMETHING SHIFTS. You do not record it, because there is nowhere on the sheet to record it.

The commentary, meanwhile, is mixed and mostly misses it: the business press calls the deal “a rare piece of genuine expenditure reform”; two columnists call it divide-and-rule; one union affiliate, representing mostly administrative staff, is in open revolt against Dlamini and will be at the MTBPS with placards.

Turn to §57.

§53

You table the restructured offer, and it dies in caucus before it reaches the members.

You did not have the room. Twenty-eight departments were asked to hold their senior staff at zero by an acting official appointed four months ago, and eleven of them simply declined to be persuaded; two briefed against you inside a day. Dlamini, for her part, could not sell a package her own administrative affiliate read as a betrayal — “You asked me to divide my own federation for you,” she says afterwards, wearily, without malice. “I might have done it for someone who could deliver their side.”

By the time the collapse is complete, three weeks have gone, the federation has re-tabled its original demand with interest, and the strike ballot passes with 84% — higher than it would have been in April, because now they have been *insulted* as well as underpaid.

LOSE 2 CAPITAL.

Turn to §55.

§55

The strike runs five weeks and ends the way most things end when nobody has room to move: expensively.

The settlement — brokered in the end not by you but by a Presidency task team, which is its own verdict — comes in at inflation plus two, two years, with the backdating Dlamini originally asked for. You get neither the framework nor the reform, and the medium-term table absorbs a hole you will be explaining until February.

LOSE 2 FISCAL SPACE.

Turn to §56.

§56

Mahlangu takes you for the coffee he pays for.

“I want to tell you something and I want you to hear it as technical advice, not sympathy,” he says. “You had the right policy. I read it; it was the best thing Treasury has put in front of this government in five years.” He stirs. “And you took it into a room where you didn’t have the votes, in your fourth month, and now it is dead for a decade, because the next person who proposes it will be told it was tried and it failed. That is what happens to good ideas that arrive without the room behind them.

“Sequencing, Acting DG. It’s not a lesser skill than analysis. It’s the one that decides whether analysis ever gets to happen.”

Turn to §57.

§57

The Minister’s ledger, then.

She comes to your office rather than summoning you, which by now you can read: this is a conversation she wants on your carpet, not hers.

If you hold LAURELS: “That was my face on the television,” she says, “and my signature, and I notice you have never once said so in a meeting. Officials who let their ministers be the ones who did the thing are rarer than officials who are right. You have been both this year. It has been noted where it matters.” **[RAISE YOUR CAPITAL BY 1.]**

If you do not hold LAURELS: “That was your negotiation,” she says, “and your settlement, and when the alliance came to complain they came to me, because I am the one with the office they can shout in. I defended you. I will keep defending you.” She looks at you levelly. “I would simply observe that a minister who defends a settlement she did not make is

spending something, and unlike your numbers, mine has no annexure. I know precisely what I have left.”

Then, either way, she puts down the folder she came in with, which is not about wages at all.

Turn to §58.

§58

May’s data arrives and does what data does, which is refuse to arrange itself around your narrative.

The rand is stable. The ten-year has drifted a few points either side of where the Budget left it. The agencies have issued nothing, which is the best thing agencies do. The revenue numbers for the first two months of the fiscal year are — depending on which road you took out of Committee Room 4 in March — either broadly on track, or quietly, unmistakably light.

If you hold the codeword BRAVE: they are light. Not dramatically; two months is noise, as every honest analyst will tell you and every honest analyst has said before every fiscal disaster in history. But you are the person who knows exactly which half-point of growth forecast that shortfall is hanging from, and you file the number away in the place where you keep things that are going to be your problem in October.

Turn to §59.

§59

The folder the Minister left on your desk has the Umlilo Power crest on it, and it is thicker than it should be.

Inside: an application for R56 billion in additional government support, a board resolution passed 8–3, an actuarial note on the utility’s debt profile that you read three times and like less each time, and — clipped to the front, because someone in that building understands leverage — the winter system adequacy outlook, which projects Stage 4 from mid-June and does not rule out worse.

It is not a request. It is a schedule, with a date on it, and the date is in eleven days.

Beneath the paperclip, in handwriting you recognise from a memorial service and four hundred kilometres of thinking time, someone has written on a compliments slip: *“Ask them what the R56bn is FOR. Line by line. They will not have the lines. — E.v.W.”*

Turn to §60.

§60

The last Friday in May. Winter is arriving in the way it does on the Highveld, which is all at once and after dark.

The wage round is closed. Whatever it cost you — space, capital, credibility, a month of the country working badly — it is now a signed thing that cannot be reopened, and in that sense it is already part of the inheritance you will hand to whoever replaces you in February.

Check your Appointment Sheet. Your FISCAL SPACE has almost certainly fallen; if it now stands at **1 or lower**, note that carefully — you are one bad decision from finding out what zero means. Your CAPITAL and CREDIBILITY have moved in opposite directions, as they generally will in this book. You may hold the codeword LAURELS. You may have spent an ally.

If your CAPITAL is 3 or lower, raise it by 1 — winter has a way of making everyone’s disagreements seem less urgent than the lights.

Somewhere in Megawatt Park, a board is counting down eleven days.
Now turn to §61, and open the folder.

*
**

Episode 3 — The Bailout Ask (§61–§85)

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§61

The folder has been on your desk for nineteen hours and you have read it twice, and the second reading was worse than the first.

Umlilo Power — the Republic’s electricity utility, its largest state-owned company, its largest contingent liability and, on any honest accounting, its largest single macroeconomic risk — is asking the National Treasury for **R56 billion** in additional support. Not a loan. Support: a mix of equity injection and expanded guarantee, structured so that the money arrives before the June coupon date and the guarantee covers what the money doesn’t.

The application makes three arguments in order. The first is financial: without support the utility breaches covenants in eleven days and cross-defaults across roughly R400 billion of debt, most of it guaranteed by you — meaning by the Republic, meaning by every line in every Budget you have signed. The second is operational: the maintenance budget has already been cut to fund debt service, which is why the machines keep failing, which is why the revenue keeps falling, which is why the maintenance budget gets cut. The third argument is not written down anywhere, because it doesn’t need to be. It is clipped to the front of the folder: the winter system adequacy outlook, projecting Stage 4 from mid-June.

“They’ve sent us a ransom note,” Ncube says, “with an actuarial appendix.”

Sithole, reading over his shoulder: “They’ve sent us a mirror. We’re the ones who let the maintenance budget get cut.”

Turn to §62.

§62

You take van Wyk’s advice, because it costs nothing and because it was written by the only person in this story who has ever personally kept a generating unit alive.

Ask them what the R56 billion is FOR. Line by line. They will not have the lines.

She is wrong, but only in the way that experts are wrong about their own institutions: they have the lines. What they don’t have is the *bridge* between them. Ncube and two analysts spend four days building it, and by Thursday there is a single page on your wall that nobody at Umlilo has ever produced, because nobody at Umlilo has ever been asked to.

Of the R56 billion:

- ▶ **R38 billion is debt service.** Interest and capital falling due on borrowings incurred, in large part, to build two power stations that are years late, tens of billions over budget, and — this is the part that will follow you into your sleep — still not working properly. This portion of the request buys nothing. It refinances the past.
- ▶ **R11 billion is described as “operational stabilisation,”** which on inspection is diesel. Open-cycle gas turbines, running at rates the utility’s own planning documents once called “emergency only,” burning money to keep the lights on tonight at the direct cost of the maintenance that would keep them on next year.

- **R4 billion is maintenance** — genuine, planned, overdue, and the smallest number on the page.
- **R3 billion is unallocated**, and the note explaining it uses the phrase “management discretion in a dynamic operating environment,” which Ncube annotates in red with a single question mark.

Seven cents in every rand goes to the thing that actually fixes the problem.³

“Now you know what it’s for,” Sithole says, into a silent room. “The question is whether knowing changes what you can do about it.”

Turn to §63.

§63

The Umlilo delegation arrives on the Monday, and it is instructive to watch them take the room.

Reuben Mtolo, board chair — appointed eighteen months ago to fix the governance, and by most accounts trying — is courteous, grey with fatigue, and speaks in the careful cadence of a man who has been coached by lawyers. He calls the request “a bridge, not a bailout,” a formulation you will hear four more times before lunch.

Kagiso Mphahlele, the chief executive, is younger and better at this: he does not ask for the money at all. He simply describes, with slides, what happens without it. The covenant breach. The cross-default. The bondholders’ acceleration rights. And then, almost apologetically, the system adequacy outlook — “which is not a negotiating instrument, Acting Director-General, it is simply the winter we are going to have.”

They are not villains. That is the difficulty. They inherited a balance sheet built by people who are mostly gone, they are asking for money to service debts they did not incur, and the alternative they are describing is real.

At the end Mtolo says: “We are aware the Treasury may wish to attach conditions. The board’s position is that conditions which impair operational flexibility in winter would be, in the view of our advisors, imprudent.” A beat. “That is the board’s position by eight votes to three.”

Eight to three. He has told you there are three, and he has told you deliberately.

Turn to §64.

§64

Dr Pumla Zwane is one of the three, and she calls you on the Tuesday from what is audibly a parking garage.

“I’m going to say this once and deny it cheerfully,” she says. “I voted against because the application has no reform in it. None. Not one condition the board imposed on itself. We are asking the fiscus for fifty-six billion rand and offering nothing in return but the absence of catastrophe.”

She sketches what the three of them wanted and could not get past the eight: procurement reform with teeth; the private generation programme actually signed rather than announced; maintenance ring-fenced in a way management cannot raid in October when the diesel bill lands; and an independent technical audit of the two new stations, which is the item that generated the most heat, “for reasons you can probably infer.”

“Here is what I want you to understand,” she says. “The eight are not corrupt. They’re frightened. They think any condition is a hostage-

taking, because the last three times Treasury attached conditions, Treasury blinked when the lights went out. You are not negotiating against our board. You are negotiating against your own institution's track record."¹

Turn to §65.

§65

The Minister has been reading the same folder, and she surprises you, as she periodically does, by being ahead of you.

"Fifty-six billion," she says. "Do you know what fifty-six billion is, in the language my colleagues speak? It is the entire national student financial aid scheme, or it is every social grant paid in the Eastern Cape for a year, or it is two of the three things I promised a premier last week. That is the conversation in cabinet. Not covenants. *Two of the three things I promised.*"

She turns from the window. "Now. Whatever you decide, somebody stands in front of a microphone and explains it to a country that is going to sit in the dark in June regardless. I would like that person to be me."

You start to say something about technical detail. She waves it off.

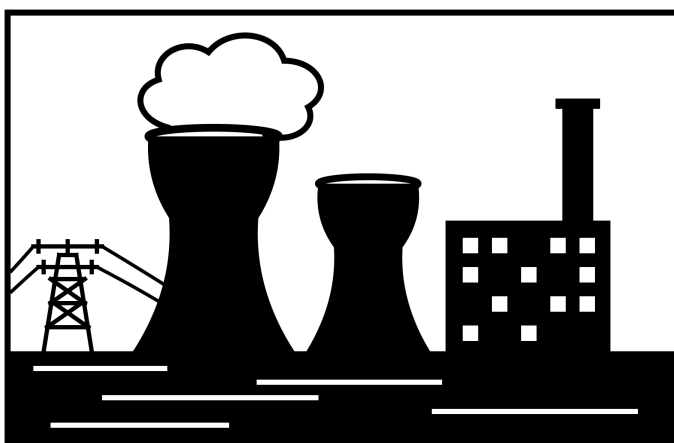
"I know what I'm asking. If it goes well, the person at the microphone gets the credit, and it should be a politician, because politicians are what get blamed when it goes badly and there ought to be some symmetry in this life. If it goes badly" — she shrugs, minutely — "I have been blamed for worse by better."

- **Let her announce it.** She fronts whatever you decide, in her words, on her platform. She will over-promise slightly; they always do. She will also be standing between you and the alliance when winter comes. [RAISE YOUR CAPITAL BY 1. IF YOU DO NOT ALREADY HOLD IT, RECORD THE CODEWORD: LAURELS.] *Turn to §66.*
- **Keep it technical.** A Treasury statement, a media briefing, no politics on the podium — the market reads a ministerial announcement of an SOE bailout as a political decision, and prices it accordingly. [RAISE YOUR CREDIBILITY BY 1.] *Turn to §66.*

§66

Nine days left. The war room, the wall, the single page with seven cents in every rand on it.

Ncube has written the three roads on the whiteboard, underneath the dead handwriting nobody has yet wiped away.



Choose:

- ▶ **Pay it. Clean, fast, unconditional.** R56 billion, structured as they asked, before the coupon date. The lights stay on as well as they were going to, the cross-default is averted, and the argument about reform happens another day, as it always does. [**LOSE 2 FISCAL SPACE.**] *Turn to §67.*
- ▶ **Pay it, with conditions that bite.** Money released in tranches against verified maintenance milestones; the private generation programme signed, not announced; maintenance ring-fenced beyond management's reach; independent technical audit of the new stations. Every one of these is a fight with a board that has told you, eight to three, what it thinks of conditions. *If your CAPITAL is 6 or higher, turn to §70. If it is 5 or lower, turn to §73.*
- ▶ **□ Spend THE ENGINEER.** Elsabé van Wyk knows which milestones are real, which are theatre, and which three units can actually be brought back by September — and she will testify to it in front of the board, on the record, against her own executive. Play her and the conditional deal lands regardless of your CAPITAL. [**STRIKE THE ALLY FROM YOUR SHEET.**] *Turn to §70.*
- ▶ **Refuse.** No new money. The guarantee framework stands, the utility manages within it, and the Republic finally discovers what happens when the Treasury stops blinking. [**RECORD THE CODEWORD: DARK.**] *Turn to §75.*

§67

You pay.

The transfer is structured over a weekend by people who have done this before — that is the detail that stays with you, that there exists in

your own building a standard operating procedure for this, refined over a decade, with a template. The coupon is met. The covenant is not breached. The cross-default does not happen, and because it does not happen, nobody outside about forty people will ever know how close it came.

Mtolo's letter of thanks is gracious and arrives within the hour. Zwane does not call.

LOSE 2 FISCAL SPACE.

Turn to §68.

§68

The market's verdict is delivered in the flat, unembarrassed way markets have.

The bonds rally — of course they do; you have just confirmed, with fifty-six billion rand, that the Republic stands behind Umlilo's debt in all circumstances, which is excellent news if you own Umlilo's debt. The sovereign spread widens a touch, because it is the same news from the other end. One strategist's note puts it with the clarity you would prefer not to have read: **"The contingent liability is no longer contingent. It never was. Now it is priced."**

And in the ratings statement two weeks later, the sentence that will be quoted back at you in October: *"Support was provided without accompanying structural conditionality, consistent with prior episodes."*

Consistent with prior episodes. You have not made things worse. You have made things exactly as bad as they were, at a cost of fifty-six billion

rand, and confirmed to everyone watching that this is what the Treasury does.

LOWER YOUR CREDIBILITY BY 1. SOMETHING SHIFTS, and not in your favour.

Turn to §69.

§69

Zwane phones in August, once, briefly.

“I’m resigning from the board,” she says. “Not in protest — in arithmetic. The three of us have no function now. The eight were right and I was wrong: conditions were never coming, so the fight was always theatre, and I have a day job.”

You say something about the winter, about the impossibility of the alternative, and it is all true, and she listens to it politely.

“I know,” she says. “That’s what makes it depressing. Everyone in this story did the reasonable thing at every step.” A pause. “Acting DG — when your successor gets this folder next year, and the number is bigger, ask yourself who taught them that the number could be bigger.”

Turn to §80.

§70

You attach conditions, and they bite.

The negotiation runs six days and three nights, and the decisive hour is not in a boardroom but in a Megawatt Park meeting room at 23:00, when the technical arguments have run out and it comes down to

whether anyone in the building believes the milestones can actually be met.

If you spent THE ENGINEER: Elsabé van Wyk sits down at the head of the table with a lever-arch file, opens it, and dismantles her own executive's position for fifty minutes without raising her voice. Which units can return by September; which cannot and why; which maintenance line in the application is real and which is a diesel invoice wearing a hat. When she finishes, Mtolo looks at his chief executive and asks one question — “Is any of that wrong?” — and the answer takes too long to arrive. The board's eight becomes an eleven by morning.

If you passed on CAPITAL: it is the phone calls that do it. Two premiers, the shareholder department, three of the eight directors' own appointing authorities, and — the one that actually turns it — the Presidency's quiet indication that the President “would find a reform-linked package easier to defend.” Nobody is persuaded of anything. They are simply, one by one, made to understand what it will cost them to hold out.

If you hold LAURELS: the Minister makes four of those calls herself, and does not tell you which four.

The package is signed on the eighth day: tranced disbursement against verified milestones, maintenance ring-fenced by legal instrument, the private generation programme signed within ninety days, independent technical audit of both new stations with published terms of reference.

LOSE 2 FISCAL SPACE. If you spent THE ENGINEER, lose only 1 — she converts a bailout into a turnaround, and the diesel line shrinks accordingly.

RAISE YOUR CREDIBILITY BY 2. LOWER YOUR CAPITAL BY 1.

Turn to §71.

§71

The conditions survive contact with reality for exactly eleven weeks, which is longer than anyone expects and shorter than you need.

The first tranche releases on time. The second is withheld in August, because two milestones have not been verified, and withholding it is the single most difficult thing you do all year: the utility's finance director phones you at 06:00 to explain what a delayed tranche does to a payroll of 40,000 people, and he is not bluffing, and you withhold it anyway. It releases nine days later, against a verified milestone, which is the entire point and cost you a night's sleep and a working relationship.

The ratings commentary, when it comes, is three sentences long and worth every one of those eleven weeks: *"The support package includes enforceable conditionality and evidence of implementation. This represents a departure from prior practice. We will monitor performance against milestones."*

A departure from prior practice. Ncube prints it out and puts it on the wall, next to the page with seven cents in every rand.

Turn to §72.

§72

The thing you have actually bought does not show up in any of the documents, and you learn about it the way you learned about the nurses: by telephone, from someone who has no reason to flatter you.

Van Wyk, in October, from a control room with an alarm going somewhere behind her.

“Three units back,” she says. “Two on time, one late. I’m not going to tell you the grid is fixed, because the grid is not fixed and I’ve watched four ministers be told that it was.” A pause, and something in her voice that is not quite optimism but is in the same family. “But the maintenance money was there in September when I needed it. That hasn’t happened since 2016. Somebody put a fence around it and the fence held.”

SOMETHING SHIFTS. You do not record it, because there is nowhere on the sheet to record it.

Turn to §80.

§73

You attach conditions, and you cannot make them stick.

The board rejects the tranching outright and appeals over your head to the shareholder department, which is sympathetic to them and says so publicly, in a statement referring to “unilateral fiscal conditionality imposed without adequate consultation.” The utility’s unions, who have not been consulted either, announce that they will not accept “austerity conditions” and threaten a shutdown that would make the winter outlook academic.

You spend seven days losing. On the eighth, with the coupon date four days out and the cross-default risk now being discussed in the Presidency, the money goes out — most of the conditions stripped, the survivors reduced to a reporting requirement and a quarterly meeting.

LOSE 2 FISCAL SPACE. LOWER YOUR CAPITAL BY 1.

Turn to §74.

§74

The worst outcome in this episode is not the money. It is the demonstration.

You attached conditions; they were tested; they came off. Every party to that negotiation — the board, the shareholder department, the unions, the bondholders, and the ratings analysts who read all the statements — now has direct evidence about what Treasury conditionality is worth when the lights are the counterparty. Zwane’s warning has been converted from a prediction into a precedent, with your name on it.

LOWER YOUR CREDIBILITY BY 1.

Mahlangu, over coffee, is kind about it, which is worse than if he weren’t: “You were four points of political capital short. That’s all it was. Not judgement — arithmetic. In this town the difference between a reformer and a cautionary tale is about four phone calls you were not yet senior enough to make.”

Turn to §80.

§75

You refuse.

The letter is two pages and takes eleven drafts. The Treasury will not provide additional support outside the existing guarantee framework. The guarantees stand — the Republic does not default on its own

guarantees, and saying so plainly is the only thing standing between this decision and a genuine sovereign event. Within that framework, the utility must manage: reprioritise, defer, cut the diesel, sell what it can, and come back with a restructuring plan rather than a demand.

The room is very quiet when you sign it. Sithole says, “For the record, I think this is either the bravest thing this building has done in twenty years or the most expensive.”

“Those aren’t exclusive,” says Ncube.

**RECORD THE CODEWORD: DARK. RAISE YOUR CREDIBILITY BY
1. LOWER YOUR CAPITAL BY 2.**

Turn to §76.

§76

The covenant breach happens on a Thursday, and then — this is the part nobody has priced — nothing happens.

The bondholders do not accelerate. They negotiate a waiver, because accelerating against an entity that accounts for very nearly three-quarters of the Republic’s entire guarantee exposure means calling on the guarantee, which means a fight with a sovereign that has just demonstrated it is willing to have one, and because a waiver with a fee attached is more profitable than a decade of litigation. The fee is ugly. The waiver is signed. The world does not end.

For about six days you are, quietly, a hero to a small number of people in Sandton and Washington. One emerging-market strategist writes that “South Africa has, for the first time in fifteen years, established that its guarantee framework has a boundary” — and the sovereign spread

narrows, which is not a sentence anyone expected to write about a bailout refusal.

Then June arrives.

Turn to §77.

§77

The utility, denied fifty-six billion rand and required to live within its means in the middle of winter, does what any organisation does under those conditions: it protects the thing it will be punished for failing at, and it cuts the thing it will only be punished for failing at *later*.

It cuts maintenance.

Stage 4 becomes routine by the second week of June. In the last week of the month there are four consecutive days of Stage 6, which is the level at which the country stops functioning in the manner of a country and starts functioning in the manner of a large, well-organised emergency. Two smelters go onto reduced runs. A food processor in the Western Cape lays off a shift. The Reserve Bank's July statement contains the phrase "supply-side constraints have intensified," which is central-bank for *this is now costing us growth we will not get back*.

And the calls for your removal are no longer coming only from the alliance.

SOMETHING SHIFTS, and not in your favour.
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Turn to §78.

§78

The Presidency convenes what is described as a co-ordination meeting and is in fact a trial.

You are asked to explain, to eleven ministers, why the Treasury declined to fund the utility, and you do: the seven cents in every rand, the twelve years of precedent, the fact that R38 billion of the request refinanced the past and R4 billion fixed the future. It is the best you have ever presented, and you know within ninety seconds that presentation is not the operative variable.

What saves you — if you are saved — is not the argument.

If you hold LAURELS: Minister Mabena speaks after you for four minutes without notes, and does not defend your decision on the merits at all. She defends it as *the government's decision, taken by this cabinet's finance ministry, announced by her, in public, three weeks ago* — and invites any colleague who wishes to reverse it to say so now, on the record, in front of the President, and explain where the fifty-six billion is coming from instead. Nobody does. Afterwards she says only: “That is what the microphone was for.”

If you do not hold LAURELS: nobody speaks after you. The meeting resolves to “review the funding position,” which is a decision to make the decision again later, under worse conditions, with your position weaker. **[LOWER YOUR CAPITAL BY 1.]**

Turn to §79.

§79

Van Wyk calls in July, and it is the only conversation of the year in which she sounds angry.

“I agree with you,” she says. “Understand that first. Somebody had to stop paying and you stopped paying, and in five years that will look like

the moment it turned.” A breath. “And I have spent six weeks running units past their maintenance windows because there is no money to take them offline, and one of them is going to fail catastrophically, and when it does the country will lose more than fifty-six billion rand and I will be the one who signed the risk assessment.

“You did the right thing at the wrong speed. There was a version of this where you refused the fifty-six and found me the four. Nobody in your building thought to ask what the smallest possible cheque was.”

Turn to §80.

§80

Whatever road you took, the same seminar happens in the same room in August, and Ncube runs it, because he has been waiting all winter to.

He puts a single slide up: the Republic’s guaranteed exposure to state-owned companies, plotted over fifteen years, with the actual calls on those guarantees shaded underneath.

“Here is what I want on the record,” he says. “A guarantee is a decision to pay later, taken by people who will not be here later, requiring no appropriation and no vote in the House. It is the only instrument in the entire fiscal framework that lets a government spend money without anyone noticing at the time. Every single one of these” — he gestures at the shaded area — “was contingent right up until it wasn’t.”²

Sithole: “And the ones that were called, were they called because the company failed?”

“No,” says Ncube. “They were called because the company was too important to fail, which was true on the day the guarantee was issued, and known to everyone who issued it.”

Turn to §81.

§81

The Minister's ledger.

If you paid, clean (§67): “You did the affordable thing,” she says, “and I mean that precisely: it was the thing that could be afforded politically. There isn't a colleague in that cabinet who will thank you for it, because nothing visible happened, and nothing visible happening is the most expensive product this government sells.”

If your conditions held (§70): “I made four telephone calls I did not enjoy,” she says, “to people who will remember. I would do it again — but understand the shape of what we've done. In October I stand up and say the utility is reforming. If one of those milestones slips in November, I am the liar, not the board.” A pause. “So do not let one slip.”

If your conditions collapsed (§73): she is not warm. “I spent a fortnight defending a position that turned out to have no floor under it. When you tell me a thing can be done, I now have to ask a second question I did not use to have to ask.” She lets that sit. “Ask me for less, more often, and get it. That is not a criticism of your economics.”

If you refused (§75): “Eleven ministers wanted your head and I have kept it on your shoulders,” she says, “which you may take as loyalty or as an investment, and I would advise the second.” She looks tired for the first time since February. “In October I have to stand in that House and explain a winter that people sat through in the dark. I will do it. But Acting DG — I will be explaining *your* decision, and by then I will have needed something of my own to point at.”

Turn to §82.

§82

The winter numbers come in, and for the first time this year the several strands of your fiscal year visibly tie together.

Revenue for the first four months is soft — *(if you hold BRAVE: softer than soft, and now unmistakably a trend rather than noise; the half-point of growth forecast you did not mark down in March is now a real hole with a date on it)* — because whatever else load-shedding does, it collects tax the way a hole collects water.

Debt service costs have risen, mechanically, on whatever your borrowing did this year. The wage settlement is running through the payroll every month, exactly as signed. And the MTBPS is now eight weeks away, which means the drafting starts in three.

Ncube puts the first framework outline on your desk and the top line reads: **PROJECTED MAIN BUDGET REVENUE SHORTFALL — FIRST ESTIMATE**. He has not filled in the number.

“I wanted you to see the heading first,” he says. “The number’s on the second page.”

Turn to §83.

§83

There is one more thing to do before winter ends, and you do it on a Saturday, without a delegation.

You drive to a power station. Not to inspect anything — you would not know what you were looking at, and everyone would know you didn’t. You go because van Wyk offers, and because you have spent five months making decisions about a machine you have never seen.

It is enormous and filthy and astonishingly loud, and the scale of it rearranges something in your head that no spreadsheet has managed. Six turbine halls. A coal stockyard the size of a suburb. A control room where

four people watch a country's evening peak arrive as a rising line, the way you have watched a bond auction, and with rather more at stake.

"This is a national asset built in the 1970s and run in the 2020s by people who are improvising," van Wyk says, hands in pockets. "Every argument you people have in Pretoria about developmental states and market reform — it arrives here as whether I get to take Unit 3 offline in September. That's it. That's the whole transmission mechanism."

On the drive back, in the last of the light, you find you are drafting the MTBPS in your head, and that for the first time the sentences have machines in them.

Turn to §84.

§84

August ends. The fiscal year is past its halfway mark, and the shape of your year is now largely written: a Budget tabled, a wage round settled, a utility funded or refused, and a revenue line that is going to require an explanation in October.

What has not happened yet is the thing nobody plans for.

On the last Friday of the month, Ncube puts a note on your desk that has nothing to do with any of the above — a page of international data, a chart of something moving in a market that is not yours, and a covering line in his handwriting: *"Probably nothing. But it's moving fast and we don't have a view."*

Turn to §85.

§85

Check your Appointment Sheet, carefully — this is the last audit before things start happening to you rather than because of you.

Your FISCAL SPACE has taken its second heavy blow of the year. **If it now stands at 0, you are on the crisis track:** from here, every stat test in this book is made at -2, and you should read §101 with particular attention when you reach it. If it stands at 1 or 2, you have one decision's worth of room left and no more.

You may hold **DARK** (you refused), **LAURELS** (the Minister has something of her own to point at), **BRAVE** (a forecast coming due), and one of **CANDOUR** or **GATEKEEPER**. You may have spent both allies, or neither.

If your CREDIBILITY is 3 or lower, note it now. Nothing happens yet.

You have made every decision this year on the assumption that the world would hold still while you made it. *Now turn to §86, and find out what the world thinks of that assumption.*

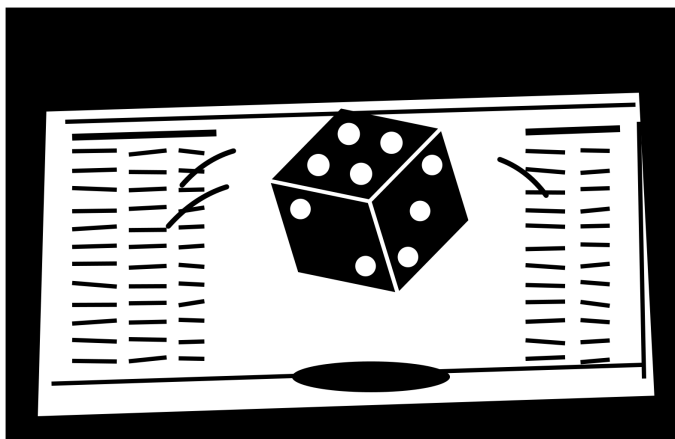
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Episode 4 — First Shock (§86–§100)

§86

September. The note Ncube left on your desk on the last Friday of August — *probably nothing, but it's moving fast and we don't have a view* — turns out to have been the first two centimetres of something.

You will spend the rest of your career being asked whether you saw it coming, and you will develop a courteous answer, and the honest answer is the one you give only to other officials, late, in bars: nobody in the building saw it coming, because it did not come from the building. It came from outside — from a commodity market, or a Federal Reserve meeting, or a rain gauge, or a turbine — and it arrived on a Tuesday while you were doing something else.



Determine what happens to you.

Roll one die. If you have no die: look at the second hand of a clock, or the last digit of the next telephone number you see — 1 or 2 counts as 1, 3 or 4 as 2, and so on to 12, which counts as 6. Do not choose. Choosing is precisely what you do not get to do here.

You rolled	Turn to
1 — the price of what you sell collapses	§87
2 — the price of money changes in New York	§88
3 — the rain does not come	§89
4 — the machines lose	§90
5 — the agency moves its date	§91
6 — the terms of trade smile on you	§92

(Note the number you rolled. You will be asked about it in February.)

§87 — The price of what you sell collapses

It begins with construction data out of China on a Tuesday morning and it is in your revenue projections by Thursday.

Iron ore falls 22% in nine trading days. Platinum group metals, which had been the one line in the terms-of-trade story doing any work, follow. Coal holds, then doesn't. By the end of the month the mining sector — which pays a disproportionate share of your corporate income tax, and pays it in lumps, and pays it late — has revised its own guidance twice, downward both times.

Ncube's revenue note is one page and he apologises for it. "There's no cleverness in here. When the price falls the profit falls and the tax falls.

The only variable is how much of it lands in this fiscal year, and the answer is: most of it, because provisional payments are due in February.”

**LOWER YOUR FISCAL SPACE BY 2. SOMETHING SHIFTS, and not
in your favour.**

What you have lost is not a policy. It is roughly the entire fiscal effect of everything you decided between February and August, deleted in nine trading days by people in Hebei who have never heard of you.

Turn to §93.

§88 — The price of money changes in New York

The Federal Open Market Committee does not mention South Africa. It has never mentioned South Africa. It mentions its own inflation data, in language two shades more hawkish than the market had priced, and that is sufficient.

Capital leaves emerging markets the way water leaves a bath: all at once, and from every country simultaneously, in almost exact proportion to how much of it there was. The rand takes a fast three per cent, then another two. Non-resident holdings of your bonds — around a quarter of the local-currency stock, a number you have quoted in speeches as evidence of market confidence and which is now revealed to have been a description of your exposure — decline for eleven consecutive sessions.

Nothing about South Africa has changed. Everything about South Africa’s price has.

“This is the part I can never explain to my mother,” says Ncube. “We did nothing. Literally nothing happened here.”

“Something happened here,” Sithole says. “We found out what we were holding.”

**FOR THE REST OF THIS EPISODE, EVERY CREDIBILITY TEST IS
MADE AT -2.**

Turn to §96.

§89 — The rain does not come

The summer rainfall region receives, over the critical planting window, about 60% of its long-run average, and the maize crop estimate is cut twice inside six weeks.

You are an economist and you know what this means in the aggregate: agriculture is a small share of GDP, the effect on the headline growth number is a rounding error, and the technically correct response to a supply shock is to look through it.

You are also, this year, a person who reads the food price data, and the food price data does not care about your aggregate. White maize up 34%. Bread up. Cooking oil, already elevated, up again. And because the poorest tenth of households in this country spend about **half** of everything they have on food, a shock that is a rounding error in your growth forecast is, in the deciles that matter, the difference between eating and not.¹

The social development ministry wants an emergency top-up of the grant system. The number is not enormous. The number is never enormous. The number is always exactly small enough to be affordable and exactly frequent enough to be structural.

- **Fund the top-up.** [LOWER YOUR FISCAL SPACE BY 1.] *Turn to §93.*

- **Decline, and hold the framework.** The correct textbook answer to a transitory supply shock, delivered to a cabinet that will not receive it as a textbook answer. **[LOWER YOUR CAPITAL BY 2.]** *Turn to §94.*

§90 — The machines lose

Unit 3 fails on a Sunday night in September, and it does not fail politely.

If you hold the codeword DARK: it is the unit van Wyk told you about in July — the one she had been running past its maintenance window because there was no money to take it offline, the one whose risk assessment she signed. The failure is catastrophic and the repair is measured in quarters, not weeks. She does not phone you. That is somehow worse than if she had. **[LOWER YOUR FISCAL SPACE BY 1** — emergency diesel, because there is now no alternative at any price.**]**

If you do not hold DARK: it is a different unit and an ordinary failure, of the kind that happens to machines of this age, and the system carries it badly but carries it.

Either way the country goes to Stage 6 for eight days in September, which is not the winter peak, which is the point everyone makes on television: *if we are here in September, what happens in June?*

The quarterly GDP print lands three weeks later with a minus sign in front of it. The Reserve Bank's statement uses "supply-side constraints" for the second time this year. Two ratings analysts request meetings.

SOMETHING SHIFTS, and not in your favour. If you hold DARK, it shifts twice.
--

Turn to §94.

§91 — The agency moves its date

The email is four lines long and arrives at 16:50 on a Friday, which is when these things always arrive.

The agency has brought its scheduled review forward by five months. It does not say why. It does not have to; the convention is that reviews are brought forward when the analyst has seen enough, and the only question is what they have seen enough of.

You have eleven days to prepare, and what you present is not a case — the case is the year, and the year is over. What you present is a country that either did what it said it would do or did not.

Test your CREDIBILITY. (*If you arrived here from §88, apply the -2.*)

- If your CREDIBILITY is **7 or higher**, turn to §97. The review concludes with an affirmation and a revised outlook, and the phrase that matters is *“policy implementation has been consistent with stated intentions.”*
- If your CREDIBILITY is **6 or lower**, turn to §99. The downgrade is one notch, the outlook stays negative, and the statement’s third paragraph — *“we no longer expect the announced consolidation path to be achieved”* — is read aloud on radio for two days. [**LOWER YOUR FISCAL SPACE BY 1** — every rand you borrow from here costs more.****]

§92 — The terms of trade smile on you

Nobody expects the good news, which is why almost nobody is ready for it.

A supply disruption in a competitor jurisdiction, an inventory cycle turning, and a currency that had already fallen: the effect arrives in your accounts as a commodity price boom of the kind South Africa has enjoyed perhaps four times in fifty years. Mining tax receipts run ahead of projection month after month. By the time Ncube is confident enough to put a number on it, the number is **R60 billion** more than the Budget assumed, and it is still climbing.

There is champagne on the third floor and you allow it, briefly, and then you take Ncube and Sithole into the war room and put the historical chart on the wall: the 2006–08 windfall, the 2021 windfall, and what happened to each.

“Both times,” Sithole says, “the money arrived, the baseline rose, the money left, and the baseline stayed.”

De Kiewiet’s line about a country advanced politically by its disasters and economically by its windfalls has been on the wall of every economist’s office in this town at some point.² Nobody has ever framed the second half.

RAISE YOUR FISCAL SPACE BY 3.

Turn to §95.

§93

The fiscal machinery has one honest response to a revenue shock and three dishonest ones, and the meeting to decide between them lasts two days.

The honest response is to recognise the shortfall now, in-year, and adjust — which means going to cabinet in September and telling twenty-

eight departments that money already allocated, already contracted in some cases, is not coming. The dishonest ones are all variations on waiting: revise the assumption, defer the recognition, let the MTBPS absorb it, hope the fourth quarter surprises.

“There’s a reason people wait,” Ncube says, not defending it. “Sometimes the fourth quarter *does* surprise.”

- **Recognise it now.** An in-year adjustment, announced, with the numbers published. Ugly in September; unarguable in October. [RAISE YOUR CREDIBILITY BY 1. LOWER YOUR CAPITAL BY 1.] *Turn to §97.*
- **Carry it to the MTBPS.** Six weeks is not deceit; it is the normal cycle, and the fourth quarter might surprise. [NOTE: the shortfall is now the MTBPS’s problem, and the MTBPS is six weeks away.] *Turn to §98.*

§94

There is a particular kind of week in government where the correct decision has already been made and all that remains is to be shouted at about it, and this is that week.

You hold. The framework holds with you. And the political weather does what political weather does when a government declines to spend money during a visible hardship: it turns, and it turns fastest among people who were never your allies and were therefore always going to be the ones on television.

Mahlangu’s assessment, over the telephone, is characteristically unsentimental. “Nobody in the Presidency thinks you’re wrong. Several

of them think you're expendable, and those are different conversations that happen in the same room."

If your CAPITAL is 3 or lower: the phrase "acting appointment" begins appearing in newspaper columns in the specific tone that means replaceable. [**LOWER YOUR CAPITAL BY 1.**]

Turn to §98.

§95

Sixty billion rand, and three doors.

Ncube has costed all three, which is his way of refusing to advise you.

- **Bank it.** Reduce the borrowing requirement, retire debt, and take the windfall out of the political system before the political system finds it. Nothing visible happens. Nobody thanks you. In two years, when the price falls back — and it will fall back — the country will simply be less indebted than it would have been, and no one will be able to point at the reason. [**RAISE YOUR CREDIBILITY BY 2. LOWER YOUR CAPITAL BY 1.**] *Turn to §97.*
- **Spend it.** Grant top-ups, the wage bill's outer years, the accruals every department has been carrying since March. Real relief to real households in a year when both are scarce — and a permanently higher baseline funded by a temporarily higher price, which is the single most reliable way this country has ever manufactured a future crisis. [**RAISE YOUR CAPITAL BY 2. LOWER YOUR FISCAL SPACE BY 2** — the baseline outlives the windfall.****] *Turn to §98.*

► **Invest it.** Not spending, not saving: a ring-fenced infrastructure allocation — transmission lines, rail, water — structured so it cannot be raided, announced with a project list and a delivery schedule that will be checked. It is the correct answer in every textbook, and it requires the state to actually build things, which is the assumption the last fifteen years have been unkind to. *If your CAPITAL is 5 or higher, turn to §100 by way of the note below. If it is 4 or lower, turn to §98 — the allocation is made and then quietly reallocated in the adjustments process by people who need it more urgently than the future does.*

► (If you qualified: [**RAISE YOUR CREDIBILITY BY 1. SOMETHING SHIFTS, and this time in your favour — twice.**] Then turn to §97.)

*□ If you hold THE BUSINESS COUNCIL, you may spend it here, on any of the three doors: Anil Reddy brings a syndicate to match the state's infrastructure allocation rand for rand, on the condition that it is the third door and that the project list is published. [**STRIKE THE ALLY. TREAT YOUR CAPITAL AS 5 FOR THE GATE ABOVE.**]

§96

The Governor asks to see you the same afternoon, which is itself information — the Reserve Bank does not summon the Treasury during a currency episode unless it wants something on the record.

Lesedi Mokgatle has the screens off in her office, which you later learn is deliberate.

"I am going to tell you what the Bank will do, and then I am going to tell you what I need from you, and the second is harder." She sets out the

first briskly: no intervention in defence of the level — the reserves are not for that and never were; the exchange rate is a shock absorber and this is what absorption looks like; the MPC will meet on schedule and will not be bounced into an emergency response by a repricing that has nothing to do with domestic inflation expectations.

“Now. What I need from you is *silence*, or something so close to it that the difference doesn’t matter. In the next ten days a journalist will ask whether Treasury is considering measures to support the currency. There is only one correct answer and it is the boring one. Every finance ministry that has ever hinted at capital-flow measures during a sell-off has discovered that hinting is the same as doing.”

She sits back. “We have spent thirty years building a framework in which nobody has to guess what we will do. It is worth more than any reserve I hold. Do not spend it to sound decisive on a Tuesday.”

*□ If you hold THE GOVERNOR and have not spent her, you may do so now: she takes the currency question herself, at a press conference, with the full authority of the Bank, and the market gets its answer from the institution best placed to give it. **[STRIKE THE ALLY. RAISE YOUR CREDIBILITY BY 1, and ignore the -2 penalty from §88 for the remainder of this episode.]**

Turn to §98.

§97

There is a certain quality of quiet that follows a decision the market did not have to interpret, and you get about nine days of it.

The data begins to behave. Not well — behaving is not the same as improving — but *legibly*, which after this month is a luxury. The currency finds a level and stays near it. Ncube’s revenue tracker stops needing a new footnote every Wednesday.

Mahlangu telephones for no reason, which is how you know something has changed. “The old man asked about you,” he says. “Not about a decision. About you. He does that when he is trying to decide whether somebody is a permanent kind of person.” A pause. “Conference is in December. I mention that only because you have not once asked me about it, which is either admirable or negligent and I’ve never decided which.”

IF YOUR CAPITAL IS 4 OR LOWER, RAISE IT BY 1.

Turn to §99.

§98

Minister Mabena’s assessment of the month is delivered in her office with the door open, which is a message to the corridor as much as to you.

“Something happened to us that we did not do,” she says. “I have been in government eleven years and I promise you this is the only category of event that is genuinely unfair, and it is also the only category in which nobody will accept unfairness as an explanation.” She turns a pen over. “In October I will stand in the House. If I say ‘a global commodity cycle’, the House hears an excuse. If I say ‘we were exposed and here is what we are doing about the exposure’, the House hears a plan. Same facts. Same month. One of those sentences survives the news cycle.”

If you hold GATEKEEPER: “And I will need every number before I say either. I have made that request once already this year, in a way I hoped was memorable.”

If you hold CANDOUR: “You will give me the numbers, as you have all year, and I will decide which sentence. That is a division of labour I have

come to like more than I expected to.”

If you hold LAURELS: she adds, almost as an afterthought, “I have been useful to you twice now. In December, when they count things, that will be counted.”

Turn to §99.

§99

The end of September, and the year has been divided into two unequal parts: the part where you made decisions, and the part where decisions were made about you.

Ncube’s MTBPS drafting pack lands on the Friday. It is thicker than last year’s — he has added a section that did not exist before, headed **REVENUE: VARIANCE ANALYSIS AGAINST FEBRUARY ASSUMPTIONS**, and in the drafting note he explains why: “Everyone’s going to ask what went wrong. I want us to be able to show which parts were us and which parts weren’t. Not to make excuses. So that we don’t get blamed for the wrong things and let off for the right ones.”

It is the single most useful document anyone hands you all year.

If you hold BRAVE: the variance table has one row highlighted in yellow, and it is not the commodity price, and it is not the rand. It is the growth assumption — the one with a dead man’s pencilled *brave?* beside it, the one you chose to carry in March, now sitting in a column headed **DOMESTIC ASSUMPTION: CONTROLLABLE AT SOURCE**. Ncube has highlighted it without comment. You are going to have to explain that row in the House in five weeks.

Turn to §100.

§100

Check your Appointment Sheet.

If your **FISCAL SPACE** now stands at 0 or below, set it to 0 and mark your sheet **CRISIS**. From this point every test in this book is made at -2, and the MTBPS you are about to write is not a policy document but a containment exercise. This is not the end of your year. It is a different year, and §101 will treat you accordingly.

Whatever your sheet says, understand what has just happened to you, because the book is about to ask you to account for it as though it were your doing — which is what October is for.

You did not choose the number you rolled. You chose everything that determined what it did to you: how much space you had left when it arrived, whether anyone believed you when you explained it, and whether there was a minister willing to stand up and call it a plan rather than an excuse. The shock was luck. The exposure was policy.

Five weeks to the Medium Term Budget Policy Statement. *Now turn to §101.*

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Episode 5 — The Medium Term Budget Policy Statement (§101–§125)

§101

October, and the building has changed its smell again — printer toner and takeaway, the particular chemistry of a document being born.

The Medium Term Budget Policy Statement is not a budget. It appropriates nothing, taxes nobody, and changes no law. It is a *statement of intent*, which is to say it is the one document in the fiscal year whose entire value is whether anyone believes it. In February you table numbers. In October you table your character.

Eight months ago you were an analyst who knew where the Budget files lived. Since then you have tabled a dead man's framework, settled a wage round, decided the fate of the country's electricity utility, and been hit by something out of a clear sky. All of it lands here, in about ninety minutes of speech, delivered in a chamber that has been waiting since February to find out what you are.

First, check your sheet.

- **If your sheet is marked CRISIS** (fiscal space at zero), *turn to §103.*
- **Otherwise**, *turn to §102.*

§102

Ncube's drafting pack opens with the variance analysis, and the shape of the year is on one page.

Revenue is short. Every road through this book arrives at October with revenue short — the only variables are how short and whose fault it is. Expenditure is up, mechanically, because the wage settlement runs through the payroll every month and debt service costs whatever your borrowing cost you. The consolidated deficit is wider than February's, the debt ratio is on a steeper path than February's, and the medium-term projections — the outer years, where every fiscal framework tells its most convenient lies — need to say something honest about growth.

"There are three speeches in here," Sithole says. "I want that said out loud before anyone starts drafting, because once the drafting starts we'll pretend there was only ever one."

Turn to §104.

§103 — (*crisis track*)

Ncube does not open with the variance analysis. He opens with the funding table, which is a document you have never had cause to look at closely before, because until this year it has never been the binding constraint.

Fiscal space at zero does not mean the money has run out. Countries do not run out of money; they run out of *lenders at tolerable prices*, which is slower, more humiliating and easier to deny. What it means concretely is this: the borrowing requirement for the remainder of the year can be met, but only by issuing into a market that now demands a premium for your name, at maturities you would not choose, in volumes that crowd the curve. Every rand you raise from here makes the next rand dearer.

“We’re not insolvent,” Ncube says. “We’re illiquid at a price we can’t afford, which is what insolvency looks like for about six months beforehand.”

The MTBPS you write is not a policy statement. It is a containment exercise, and everyone reading it will know that, and the only choice you have is whether to say so.

**FOR THE REMAINDER OF THIS BOOK, ALL TESTS ARE MADE AT
–2, AS NOTED AT §100.**

You still have three speeches. They are simply worse speeches.

Turn to §104.

§104

The Minister reads the drafting pack in her office, in silence, for twenty minutes, which is the longest you have ever seen her go without speaking.

“Right,” she says. “Tell me the three speeches. Not the numbers — I have the numbers. The three *stories*.”

And so you set them out, and hearing yourself do it is instructive, because a story is what a fiscal framework has always been and nobody in your training ever used that word.

One: *We are consolidating.* The path narrows, spending is contained, the debt ratio stabilises in the outer years. It is the speech the Treasury has given, with variations, for a decade. It requires the House and the market to believe that this time the outer years will happen, and the only evidence for that is what you have done since February.

Two: *We are investing through the cycle.* The shock was exogenous, the response is counter-cyclical, and the state spends now to protect the

capacity that will produce the growth that fixes the debt ratio later. It is intellectually respectable, it is what a rich country would do, and it requires money you may not have.

Three: *Here is the trade-off.* No narrative arc, no reassurance: the actual arithmetic, in public, including the parts that make your own government look bad and the parts where the choice genuinely is between two things people want. Nobody has given this speech in living memory. There is a reason.

Mabena listens to all three, and then says something you will think about for years.

“You’ve described the first two as speeches and the third one as an absence of a speech. That’s your problem, not the country’s. The third one is also a story. It’s just a harder one to be the hero of.”

Turn to §105.

§105

The cabinet lekgotla runs a day and a half at a conference venue with bad coffee and worse acoustics, and it is where the MTBPS is actually decided, whatever the Constitution says about it.

You present for forty minutes. Nine ministers respond. What becomes clear inside the first hour is that the room is not arguing about macroeconomics; it is arguing about December, because every person in it knows the conference is eight weeks away and that everything said here will be quoted there.

The Minister of Social Development wants the grant top-up made permanent and has the moral high ground and the polling. The Minister of Trade wants the infrastructure allocation restored and is right on the economics. The shareholder department wants the Umlilo conditions revisited (*if you attached them*) or wants credit for the stability (*if you*

paid clean) or wants your head (*if you refused*). Three ministers say nothing at all, which Mahlangu will later tell you was the most significant thing that happened.

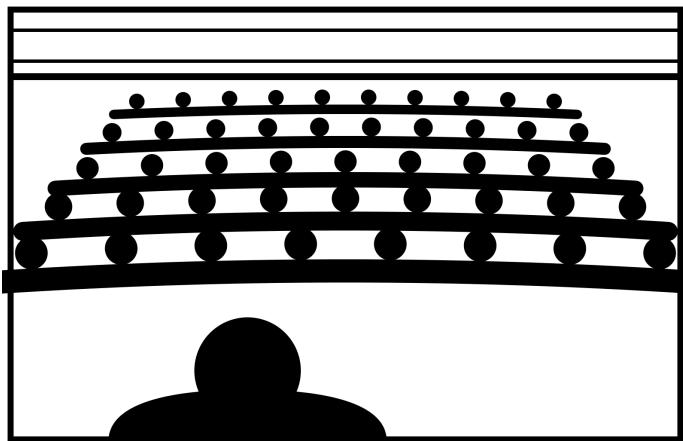
If you hold LAURELS: Mabena closes the session herself, and closes it hard — the finance ministry’s position goes into the lekgotla report substantially intact, because the person defending it is a politician who has spent eleven years learning how these rooms end, and not an acting official with a slide deck.

If you do not hold LAURELS: the lekgotla report records “divergent views” and refers three items to a task team, which is how a room tells you that you did not win and did not lose and will have to fight again in nine days with less time. **[LOWER YOUR CAPITAL BY 1.]**

Turn to §106.

§106

The speech is due in eleven days. The decision is yours, and it is the last large one you will make with any freedom at all.



Choose your Medium Term Budget Policy Statement:

- ▶ **THE CONSOLIDATION SPEECH.** The path narrows; the debt ratio stabilises; the outer years hold. *If your CREDIBILITY is 6 or higher, turn to §107. If it is 5 or lower, turn to §109.*
- ▶ **THE STIMULUS SPEECH.** Counter-cyclical, protective, forward-leaning. *If your FISCAL SPACE is 4 or higher, turn to §110. If it is 3 or lower, turn to §112.*
- ▶ **THE HONEST SPEECH.** The trade-off, in public, with the arithmetic attached and nobody made to look good. **[LOWER YOUR CAPITAL BY 2. RECORD THE CODEWORD: LEVEL.]** *Turn to §113.*

§107

You give the consolidation speech, and it is believed, which is a different thing from being liked.

The speech itself is unremarkable — deliberately. A narrowing path, a stabilising debt ratio, expenditure ceilings held, no new commitments, and a medium-term projection whose outer years are, for once, defensible line by line, because you spent September finding out which of them were real. The delivery is Mabena's and she has the sense to under-play it.

What makes it work is not the document. It is that every claim in it can be checked against something you did between February and September, and the people whose job it is to check have already done so. The market's response is the response markets give to confirmation: the ten-year firms a few points, the currency does nothing, and the strategist notes are three paragraphs long and mostly recycled.

Turn to §108.

§108

The cost of a believed consolidation speech is paid, as always, by people who are not in the chamber.

The expenditure ceiling holds, which means the grant top-up is not made permanent, the infrastructure allocation is restored at about a third of what was asked, and four departments enter the new year with baselines that have not moved in real terms for three years. None of this is news. All of it is in the annexures, and the annexures are read by about two hundred people.

Sithole, who reads them: “You’ve stabilised the ratio by holding the numerator flat while a hundred thousand more people join the queue at the same clinics. That’s a real achievement and it’s also a decision about who waits. I’d just like somebody in this building to say the second half out loud once a year.”

Turn to §117.

§109

You give the consolidation speech and it is not believed, and watching that happen in real time is the loneliest ninety minutes of your professional life.

The words are the same words. The framework is arguably better than last year’s. But credibility is a stock, not a flow, and yours has been drawn down — by an auction, or a collapsed reform, or conditions that came

off, or a promise about growth you chose to carry in March. The market has been keeping its own variance analysis all year and it does not need Ncube's.

The tell is in the ninety minutes *after* the speech. The economists' calls all ask the same question in different words: *what happens if the outer years don't hold?* Nobody asks what the plan is. Everybody asks what the plan is if the plan doesn't happen — which is what an audience asks when it has already decided.

The ten-year gives up eighteen points by the close. One note, from a desk that has always been fair to you, carries the sentence you will remember: **“The Treasury has published a path. It has not published a reason to believe it.”**

LOWER YOUR CREDIBILITY BY 1. LOWER YOUR CAPITAL BY 1.
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Turn to §117.

§110

You give the stimulus speech, and it lands, because it is funded and everyone can see that it is funded.

That is the entire difference, and it is worth saying plainly: a counter-cyclical package announced by a government with the room to pay for it is called *policy*, and the identical package announced by a government without the room is called *slippage*. You had the room — because of a windfall banked, or a wage round contained, or a bailout you declined, or all three — and having it converts the same words into a different document.

The package is real: the infrastructure allocation restored in full and ring-fenced, the grant top-up funded for eighteen months rather than made permanent, an employment programme with a published delivery schedule. The Minister delivers it well, and the House — which has spent eight months waiting for this government to do something rather than survive something — gives her the only genuine ovation of the year.

**LOWER YOUR FISCAL SPACE BY 2. RAISE YOUR CAPITAL BY 2.
SOMETHING SHIFTS, and this time in your favour.**

Turn to §III.

§111

The commentary divides along the seam you predicted, and one you didn't.

The predictable seam: half the analysts call it prudent counter-cyclicality, half call it the beginning of the end of the ceiling, and both cite the same table. The ratings statement is careful — *“the fiscal impulse is temporary by design; we will assess whether it is temporary in execution”* — which is the entire question, phrased more politely than you would have managed.

The unpredictable one is internal, and Ncube raises it because somebody has to.

“Eighteen months,” he says. “The grant top-up is funded for eighteen months. In eighteen months there'll be a different DG, a different minister, and eight million people receiving something they'll have been receiving for a year and a half.” He is not opposing it. “I just want it on the record that we all know what happens to temporary things that people have organised their lives around. It's in the file. I've dated it.”

Turn to §117.

§112

You give the stimulus speech and you cannot pay for it, and the market works that out before the Minister has finished speaking.

The mechanism is almost mechanical in its speed. She announces the package at 14:20. By 14:35 three desks have run the arithmetic against the funding table and reached the same conclusion: the numbers require either borrowing that has not been announced or cuts that have not been specified, and since neither has been published, the package is a promise about a future decision rather than a decision. By 15:10 the word appearing in the notes is *unfunded*, and it is the most expensive word in the fiscal vocabulary.

The currency takes two per cent. The ten-year gives up thirty-five points. And the damage is not the market move — market moves reverse — but the category you have been placed in, which is the category of governments that announce things they have not costed.

LOWER YOUR CREDIBILITY BY 2.

Mabena, afterwards, is icily fair. “I delivered that speech because you told me it was affordable. I am not going to ask whether you believed it. I am going to ask you never to do it again.”

Turn to §117.

§113

You choose the honest speech, and the drafting of it is unlike anything else you do all year.

It takes four days, because it turns out to be extraordinarily difficult to write plainly about a trade-off without the sentences quietly resolving into a defence of one side. Ncube keeps a tally of drafts that “start honest and end up campaigning.” The technical team, who have spent their careers writing the other kind of document, are visibly unnerved and then, around the second day, visibly energised.

The core of it runs about six hundred words: the revenue shortfall, disaggregated into the part that was the world’s doing and the part that was ours (*and if you hold BRAVE, the growth assumption is named, in the speech, as ours*); the three things the country can do about it, with the cost of each; and the plain statement that the government has chosen the second, that the first would have required tax increases it is not proposing, and that the third would have required cuts it is not willing to make — and that people who prefer either of those are not being unreasonable, they are making a different trade.

Sithole reads the final draft twice. “In twenty-six years,” she says, “I have never seen a Treasury document admit that the other side has a point.”

“Is that good?”

“I have no idea. It’s certainly new.”

Turn to §114.

§114

The Minister delivers it, and she does something in the chamber that is not in the text.

She stops. About sixty words into the difficult passage — the part where the arithmetic makes the government look constrained rather than competent — she stops, looks up from the paper, and says, unscripted: “Members will notice that this is not the speech you were expecting. It is the speech the numbers permit. I have decided that this House can be trusted with the numbers.”

The chamber does not know what to do. There is no procedure for this. There is heckling and then the heckling loses confidence, because it is difficult to shout *tell us the truth* at somebody who is in the process of doing it.

Afterwards, in the corridor, she is briefly and uncharacteristically unguarded: “That was either the end of my career or the beginning of it, and I genuinely could not tell you which. It’s the first speech I’ve enjoyed since I was a premier.”

Turn to §115.

§115

The first seventy-two hours are bad, and you should have expected them, and you did not entirely.

The problem with publishing a trade-off is that everybody reads only their own side of it. The unions read the paragraph on wage-bill containment and nothing else. Business reads the paragraph declining tax increases and celebrates, loudly, which is worse than if they’d said nothing. Three opposition parties quote the honest disaggregation of the revenue shortfall as an admission of failure, which — in the narrow sense — it is, because that is what honest disaggregation of a revenue shortfall consists of.

The alliance statement calls it “a document of surrender.” Two Sunday papers run the phrase “*Treasury admits.*” One columnist, who has been

unkind to you all year, writes that the speech “mistakes candour for strategy.”

IF YOUR CAPITAL IS NOW 2 OR LOWER, note that your position is genuinely precarious; read §124 with care.

Turn to §116.

§116

And then, in the second week, something happens that nobody in your building has a model for.

It starts with the bond market, which is not sentimental and reads the annexures. The notes that come out on the Monday are not about the politics: they are about the fact that, for the first time in eleven years, the Treasury has published a set of numbers whose weakest points it has identified *itself*, which means an analyst does not have to go looking for what has been buried, which means the risk premium attached to *not knowing* comes off. The ten-year firms. It keeps firming.

Then the Governor, at a public event, is asked about the statement and says four sentences that are immediately clipped and circulated: “The Bank forms its own view. I will say that it is easier to form a view about a fiscal authority that describes its own constraints accurately. Monetary policy has spent many years pricing an unknown. This year it is pricing a known. That is not a small change.”

By the third week, the ratings note: *“The statement’s transparency regarding fiscal risks and the explicit quantification of trade-offs represents a material improvement in the quality of fiscal communication. We regard credible disclosure as a strengthening of the framework.”*

RAISE YOUR CREDIBILITY BY 3.

You have spent two points of political capital to buy three of credibility, in a year when you will need both in December. Whether that was a trade or a mistake is a question this book will not answer for you until February.

Turn to §117.

§117

Whatever speech you gave, there is a Tuesday morning after it, and on that Tuesday morning you appear before the Standing Committee on Finance.

It runs four hours. Most of it is unremarkable — members reading questions written by researchers, officials reading answers written by Ncube. And then, in the third hour, a backbencher whose name you did not know that morning and will never forget looks up from a page and asks a question of her own.

If you hold BRAVE: “Acting Director-General. In February this Treasury published a growth forecast of [X] per cent. Your own variance analysis, tabled last week, shows the revenue shortfall attributable to the domestic growth assumption. My question is simple and I would like a simple answer. In February, did anyone in your department believe that forecast?”

The room goes quiet in the specific way rooms do when an accidental question turns out to be the right one.

And you have a choice, in front of a microphone, with about four seconds to make it.

- **“The forecast was within the range of reasonable estimates at the time.”** True, defensible, and the answer any official in your position has ever given. **[LOWER YOUR CREDIBILITY BY 1** — the clip runs for two days, and everybody who knows anything knows what the answer was.**]** *Turn to §120.*
- **“No, Chairperson. I carried it, and I should not have.”** **[RAISE YOUR CREDIBILITY BY 2. LOWER YOUR CAPITAL BY 1** — an acting DG has just told a parliamentary committee that his own Budget contained a number he did not believe, and there is no version of that which does not travel.**]** *Turn to §120.*

If you do not hold BRAVE: her question is about the variance analysis itself — why the Treasury has begun publishing which errors were its own. You explain Ncube’s reasoning. She writes it down, and says, “I have sat on this committee for six years and this is the first time anybody from your department has volunteered a distinction that wasn’t in their favour.” **[RAISE YOUR CREDIBILITY BY 1.]**

Turn to §118.

§118

The Umlilo file returns, because it always does.

If you attached conditions and they held (§70): the November milestone verification is due, and two of eleven milestones have slipped — not badly, not fraudulently, but slipped, in the ordinary way that engineering slips. You now discover what conditionality actually costs: the choice is to withhold a tranche in the week of the MTBPS, which will be reported as the deal failing, or to grant a waiver, which will be reported as Treasury blinking. There is no third option and no good day

for either. You withhold. *If you hold LAURELS, Mabena announces the withholding herself, on the same day, framed as the framework working rather than the deal failing — and it is reported, mostly, her way.* **[If you do not hold LAURELS: LOWER YOUR CREDIBILITY BY 1.]**

If you paid clean (§67): the utility returns in November with a supplementary request. It is smaller — R9 billion — and the covering letter is almost casual, and that is the whole lesson: the second ask is always easier to make than the first, for both parties. Zwane's question from August arrives in your office like a bill. **[LOWER YOUR FISCAL SPACE BY 1.]**

If your conditions collapsed (§73): the shareholder department briefs the Sunday papers that Treasury's conditions were "always unworkable," and no one contradicts them, because the evidence is on their side. **[LOWER YOUR CAPITAL BY 1.]**

If you refused (§75): the utility's restructuring plan arrives, three weeks late and genuinely serious — a smaller company, a real disposal programme, a transmission entity carved out and separately financed. It exists because you refused. It is also, van Wyk notes drily on the phone, "about four years of work that will be tested by one bad winter, and you may not be here for either." **[SOMETHING SHIFTS, in your favour.]**

Turn to §119.

§119

The placards outside Parliament are worth walking past, and you do, on the second morning, without your lanyard.

If you settled the wage round on the restructured offer (§51): they belong to the administrative affiliate — the people whose salaries you froze to fund the nurses — and their placards say, accurately, that a government that talks about the wage bill always finds the money for

someone. A woman in her fifties who has processed public-service pensions for twenty-two years explains to a television camera that she has not had a real increase in four years and does not know what she did wrong. Nothing in your analysis is refuted by this. Nothing in your analysis contains her, either.

If you settled generously (§44): there are no placards, and there is a columnist who notes their absence and asks what it cost.

If you took the strike (§47): they are back, in smaller numbers, with longer memories, and Dlamini gives an interview in which she is scrupulously fair about you and devastating about the Treasury, and you cannot separate the two.

Ncube, who has walked out with you: “Do you want the honest version of what I think?”

“Always.”

“There’s no arrangement of these numbers where nobody’s outside with a placard. There’s only which people, and whether we ever admit we chose them.”

Turn to §120.

§120

By the end of the second week the markets have finished with you, and the verdict is a number rather than a sentence.

Add up what the year has done: whatever the ten-year did in the ninety minutes after the speech, whatever the currency did, whatever the funding table says about the price of the next rand. Ncube’s summary note is one line long, because he has learned that you read the first line and then panic. It reads: “*Cost of the year to date, expressed as the spread over where a boring country would be borrowing: [see attached].*”

The attachment is two pages. You read them both.

Turn to §121.

§121

The ratings review lands in the third week of November — the scheduled one, not an early one — and it is where the year’s separate arguments finally collapse into a single sentence about you.

- **If your CREDIBILITY is 9 or higher:** the outlook moves to stable, and the statement’s reasoning is the sentence you would have written yourself: *“policy execution has been consistent with announced intentions across a period of significant stress.”* Nobody outside about four hundred people notices. It is worth more than anything else that happened this year. **[RAISE YOUR FISCAL SPACE BY 1** — the price of the next rand falls.**]**
- **If your CREDIBILITY is 6 to 8:** affirmed, outlook negative, review in six months. The statement is a list of things that will be watched. It is, precisely, a deferral of judgement to your successor.
- **If your CREDIBILITY is 5 or lower:** downgraded one notch, outlook negative. Certain funds are now mandated to sell, and they do, mechanically, over four days, without malice. **[LOWER YOUR FISCAL SPACE BY 1.]**

Turn to §122.

§122

Mahlangu asks to meet somewhere that is not a coffee shop, which is the first genuinely alarming thing that has happened all week.

“Conference is in five weeks,” he says. “I’m going to tell you how you look from inside it, because nobody else will and you should have it before December.

“You are not a faction’s person. In an ordinary year that is an asset. In a conference year it means that when the lists get drawn up, there is nobody whose list you are automatically on.” He lets that sit. “Two things are being said about you. The first is that you are the most competent person to hold that office in a decade, and the people saying it have no votes. The second is that you are an *acting* appointment who has taken large decisions that a permanent appointment would have been reluctant to take, and the people saying that have all the votes.”

He stirs his coffee, which he has not touched all year.

“Whatever else you do in the next five weeks — know who owes you. Because in January somebody is going to want this job filled with a name, and the only question that will matter is whose.”

Turn to §123.

§123

The Minister’s ledger, and this time she opens it explicitly.

She comes to your office at seven in the evening with two glasses and a bottle of something provincial and unpretentious, sits down without being asked, and says: “Right. Where are we.”

And she goes through it — the Budget, the wage round, Umlilo, the shock, the statement — like a woman doing a stocktake, without flattery, in both directions. She is candid about her own errors, which surprises you: “I should have taken the lekgotla in September rather than October. I was managing my own position. It cost you a fortnight.”

Then:

If you hold LAURELS and CANDOUR: “We have had a good year, which nobody will say out loud, because there is no ceremony for a year in which the worst thing didn’t happen.” She raises her glass fractionally. “In December they will come for one of us. It will be me, because I am the one with a seat to lose. If I survive it, you survive it. If I don’t —” a shrug, “— then you will find out how much of what we built was you and how much was me, which is a question I confess I’d like answered.”

If you hold LAURELS and GATEKEEPER: “You have been useful and you have never once been forthcoming, and I have decided I can work with that, because most of the people I have worked with were neither.” A pause. “But understand: what I defend in December is the record, not the man. Make sure they’re the same thing.”

If you hold neither LAURELS nor CANDOUR: she does not bring the bottle. “I have spent this year explaining decisions I did not make to colleagues who assumed I had made them. I am not complaining; that is the job.” She looks at you levelly. “In December I will be asked whether the acting arrangement should continue. I will tell the truth, which is that you have been right more often than anyone had a right to expect.” A beat. “Nobody has ever kept a job in this town on that sentence.”

Turn to §124.

§124

It arrives on a Thursday, in the way these things do: not as an event but as a change in the weather.

Three separate people mention, in a single day, that a document is circulating. Nobody has seen it. Everybody knows what is in it: a paper, prepared for a study group ahead of the conference, on “restoring policy coherence in the economic cluster” — which is eleven words that mean one thing.

Sithole, who has survived four administrations and is the only person in the building with a reliable instinct for this, closes your door.

“I’ve seen this exact document three times in my career,” she says. “It’s never about policy. It’s a list of people, with a paragraph of justification each, and by the time you read it the decisions have been taken.” She is not unkind about it. “You have about six weeks. If there is anyone at all who owes you a favour and hasn’t been asked, ask them now. Not in January. Now.”

You think about your Appointment Sheet, and what is left on it.

Turn to §125.

§125

Check your Appointment Sheet. This is the last audit before the year comes for you.

The MTBPS is tabled and cannot be untabled. Your CREDIBILITY is now the highest or lowest it has been all year, and it will not move much again before February — it is a stock, and the year is nearly over.

You may hold **LEVEL** (you told the country the truth in October and paid two points of political capital for it). You may hold **LAURELS**, **BRAVE**, **DARK**, and one of **CANDOUR** or **GATEKEEPER**. You may have one ally left, or none.

If your CAPITAL is 2 or lower, note it now, plainly, on your sheet. You are entering December weaker than any acting appointment has ever entered a conference, and the next episode is not about economics.

If your sheet is marked CRISIS, you enter December with a containment exercise, a downgrade, and a funding table that will not survive a political interruption.

Five weeks to the conference. Somewhere, a document is circulating with your name in it, and a paragraph of justification.

Now turn to §126.

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Episode 6 — The Reshuffle (§126–§145)



§126

December in Pretoria: the jacarandas are over, the building empties by four, and somewhere in a conference centre outside the city a governing party is deciding who runs the country's economic policy, in a process to which the National Treasury is not a party and has never been invited.

You have spent ten months learning the technical machinery of the fiscus. You are about to learn that the machinery has an owner.

The document that was circulating in November has now been seen. Sithole gets a copy on the Tuesday, from a person she will not name, and puts it on your desk face-down, which is somehow worse than handing it over.

Nine pages. Eleven names. Yours is on page six, under a heading that reads **ECONOMIC CLUSTER: CONTINUITY AND CAPABILITY**, and the paragraph beneath it is not hostile. That is the first thing that frightens you. It is measured, accurate, and quietly devastating: it notes that you were appointed in an emergency, that the appointment was always understood to be temporary, that several decisions of significant magnitude have been taken by an official whose mandate derives from a memorandum rather than a process,¹ and that “the incoming administration may wish to consider whether the acting arrangement remains appropriate.”

Nobody has accused you of anything. That was never the mechanism.

Turn to §127.

§127

And then, because the world does not schedule itself around your calendar, it happens again.

Determine what happens to you. Roll one die, exactly as you did in September.

Roll	December	Effect
1	The commodity cycle turns again, or turns further.	[LOWER YOUR FISCAL SPACE BY 2.]
2	A second rates repricing; the rand takes another leg down.	[LOWER YOUR CREDIBILITY BY 1. LOWER YOUR FISCAL SPACE BY 1.]
3	Food prices spike into the festive season; the political salience is enormous.	[LOWER YOUR CAPITAL BY 2.]
4	The grid fails over the holidays, when the load is lowest and there is no excuse available.	[LOWER YOUR CAPITAL BY 1. SOMETHING SHIFTS, and not in your favour. If you hold DARK, it shifts twice and you lose a further 1 CAPITAL.]
5	A ratings action lands in the dead week between Christmas and New Year.	[If your CREDIBILITY is 7 or higher: nothing happens, and nothing happening in that week is a gift. Otherwise: LOWER YOUR FISCAL SPACE BY 1.]

Roll	December	Effect
6	A genuine reprieve: the terms of trade steady, and the December data is boring.	[RAISE YOUR FISCAL SPACE BY 1.]

(Note this number too.)

Turn to §128.

§128

Here is what you learn about shocks in a political season: nobody is available to respond to them.

In September, when the first one hit, you convened a war room within six hours and had a position within four days. In December you convene nothing, because the Minister is at the conference, the Director-General in the Presidency is at the conference, seven of the nine people whose sign-off you need are at the conference, and the ones who are not are waiting to find out who will be running their departments in January before committing to a view about anything.

Ncube, who is not at any conference, puts it precisely: “The technical response is obvious and I’ve drafted it. There’s nobody to take it to. For about three weeks this country has an economy and no economic policy.”

You do what can be done at official level, which is real but small. And you file the rest, and you understand for the first time — properly, in your body rather than in a seminar — why the timing of political events shows up in macroeconomic data.

Turn to §129.

§129

The conference runs five days and you watch it on television like everyone else.

It is, from the outside, an incomprehensible pageant: songs, procedural disputes, credentials committees, a nominations process whose rules are contested by people who wrote them. From the inside — Mahlangu telephones twice a day, briefly, from car parks — it is a series of arithmetic problems being solved by people who are very good at arithmetic of this kind.

What emerges on the fifth day matters to you in exactly three respects. The balance in the top six has shifted. The economic transformation commission's resolutions include a paragraph on "developmental fiscal policy" that could mean anything and will be quoted at you for a year. And the new Secretary-General, in his closing remarks, refers — without naming anyone — to "technocrats who have made decisions that belong to the movement."

Sithole watches that clip with you, in your office, on a laptop.

"That's you," she says. "Congratulations. You've been mentioned at a conference. Nobody survives being mentioned at a conference."

Turn to §130.

§130

Minister Mabena comes back from the conference having lost.

Not catastrophically, and not personally — she is not removed from anything at party level, and she keeps her position in the structures, more or less. But the people she was aligned with have been outmanoeuvred, and she comes back a minister whose political base has

thinned by exactly the amount that determines whether a cabinet position survives a reshuffle.

She is entirely calm about it, which you find harder to watch than distress would have been.

“I told you they would come for me,” she says. “I was right, and being right about that is worth nothing at all, which is a lesson you have watched me learn in real time and should probably write down.” She looks out at the amphitheatre lawns. “There will be a reshuffle in January. That is now certain. What is not certain is whether it takes the minister, the director-general, or both — and I want you to understand that those are three different outcomes with three different sets of consequences for this country, and not one of them will be decided on the merits of anything either of us did this year.”

Turn to §131.

§131

The approach comes on a Friday, from a person senior enough that the meeting has to happen and junior enough that nothing said in it will ever be attributable.

The offer is not crude. Nobody offers you anything at all, in fact — that is not how it is done. What you are given is *information*: that certain people have formed a favourable view of you; that the paragraph on developmental fiscal policy will require a “constructive interlocutor” at the Treasury; that the February Budget will be the first test of the new leadership’s economic posture, and that an official who understood this would be an official worth keeping.

There is one specific thing, mentioned lightly, twice. A funding vehicle — a state bank, a sovereign fund, a development finance restructuring, the label changes — that would require Treasury’s

technical support to be taken seriously. Nobody asks you to support it. You are simply told that support would be noticed.

- ▶ **Signal that you are constructive.** Nothing dishonest: you commit to nothing, you agree to “engage technically,” and you allow a set of people to leave the meeting believing they have a partner. It is the single cheapest thing you could do to survive January. **[RAISE YOUR CAPITAL BY 2. LOWER YOUR CREDIBILITY BY 2** — because the market learns what you have signalled, in about nine days, as the market always does.**]** *Turn to §132.*
- ▶ **Decline to signal anything.** You say, courteously, that the Treasury will evaluate any proposal on its merits and publish the evaluation. Everyone in the room understands this as the refusal it is. **[LOWER YOUR CAPITAL BY 1.]** *Turn to §132.*

§132

Mahlangu comes to see you in the first week of January, and for the first time in the year he arrives without a coffee in his hand.

“I’m going to be direct, because we’re past the stage where indirect is useful,” he says. “There will be a reshuffle in the second week of January. Your name is on the list. Not at the top — that is the Minister — but on it.

“Here is the arithmetic. The people who want you gone don’t dislike you; they want the position, or they want somebody in the position who owes them something, and you owe nobody anything, which you have been treating all year as a virtue.” He shrugs. “It is a virtue. It’s also a description of your support base.”

He takes out a phone, puts it on the desk between you, and does not touch it again.

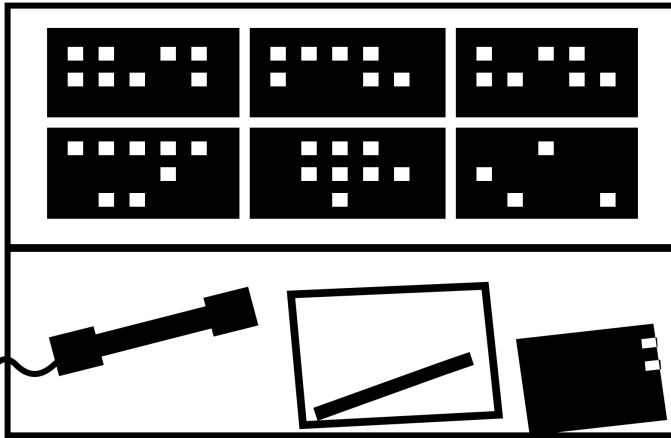
“The President will decide this personally. He does that with Treasury. He has one conversation about it, with two or three people, and it lasts about twenty minutes, and it happens in the next ten days.” A pause. “You know that I am one of the people in that conversation. You have never once asked me to be.”

□ *This is the moment. If you hold THE PRESIDENT’S EAR, you may spend it now — Joe Mahlangu walks into a twenty-minute conversation and spends every year of credit he has accumulated in that building on a single argument about continuity. [STRIKE THE ALLY. Record that you have done so; at §136 you survive automatically, without a test.]*

Turn to §133.

§133

The second week of January. The reshuffle is announced for the Thursday, and the days before it are the strangest of your year: the building is full, the work continues, budget documents move through the system on schedule, and everybody in the corridors is conducting two conversations at once, one about the February Budget and one about who will be tabling it.



You have three roads, and one of them is a door.

- ▶ **Fight for the position.** Make the case, use what you have, spend what is left. Every call, every ally, every favour anyone owes you. [If you have not already spent THE PRESIDENT'S EAR, this is your last chance to do so — see §132.] *Turn to §136.*
- ▶ ☐ **Spend THE BUSINESS COUNCIL, if you still hold it.** Anil Reddy convenes eleven chief executives who issue a joint public statement on policy continuity at the Treasury, timed for the Tuesday. It is unprecedented, it is slightly vulgar, and it changes the cost of removing you. [STRIKE THE ALLY. TREAT YOUR CAPITAL AS 2 HIGHER FOR THE TEST AT §136.] *Turn to §136.*
- ▶ **Resign first.** Write the letter, on your own terms, with your own reasons, before somebody else writes it for you. *Turn to §134.*

§134

You write it on the Tuesday evening, alone in the office, and it takes two hours and about four hundred words.

You do not attack anyone. You set out what you found in February, what you did with it, and what you believe the position requires — and then you write the paragraph that is the entire reason for the letter: that the decisions of the past eleven months were taken by an official acting under an emergency appointment, that they were substantial and consequential, and that they should now be endorsed or reversed by somebody with a mandate to take them. Not by you. Not by an acting anybody.

You copy it to the Minister and to the Director-General in the Presidency, and then — after some thought, and against every instinct your training gave you — you release it.

Turn to §135.

§135 — ENDING: THE RESIGNATION

This is an ending. Your run of Acting Appointment finishes here. Read on before you start again.

The letter is on every front page by Thursday morning, which is the day the reshuffle was to be announced, and the reshuffle when it comes is a smaller thing than it was going to be — a minister moved, a deputy appointed, and a vacancy at the Treasury that the announcement handles in one line.

The market reaction is the part nobody predicts. The ten-year weakens on the Thursday and recovers by the following Wednesday, and the strategist notes are unusually thoughtful: *“The manner of the departure — public, reasoned, and on the incumbent’s own terms —*

provides more information about the institution than the departure itself removes.” Which is a sentence you will read about forty times.

You are asked, in April, to give evidence to the Standing Committee on Finance about the year. You give it. It runs six hours and is the most useful thing you do that year, and portions of it are still quoted.

In June you take a chair at a university, and you write. The paper you produce eighteen months later — on the fiscal decision-making of caretaker administrations — is read by a very small number of people, all of whom matter, and it is cited in the drafting of the framework your successors work under.

You did not fix the country. You declined to keep taking large decisions without a mandate, said so in public, and made the argument that the mandate matters — which is a position, and a rarer one than competence.

Whether this was courage or an exit is the question the book will not settle for you. Argue it both ways before you decide.

Debrief. Resignation is the only move in this book that converts a *political* defeat into an *institutional* argument. Officials who leave quietly protect the individuals involved; officials who leave publicly, with reasons, protect the rules. Both are defensible; they are not the same act, and the difference is the whole of §134. The real-world question to sit with: when a finance official resigns on principle, does the signal strengthen the institution — or does it simply remove the last person defending it from the inside? The literature on central bank and treasury independence is genuinely divided, and the honest answer depends on who replaces you, which is the one variable a resigning official cannot control. *If you want to know what your year would have produced, go back to §133 and fight.*

§136

Thursday, and the test.

Determine your CAPITAL threshold for surviving the reshuffle. Start at 5.

- **If you do NOT hold LAURELS, add 2.** You never gave the Minister anything to point at, and a minister with nothing to point at does not spend her last political capital defending an official.
- **If you hold GATEKEEPER, add 1.** She has spent the year working with a man who was never quite forthcoming, and in a room where she must choose what to defend, she defends the record rather than you.
- **If your sheet is marked CRISIS, add 2.** Somebody must be blamed for a funding position this bad, and you are the only name available who cannot object.
- **If you spent THE BUSINESS COUNCIL at §133, subtract 2.**
- **If you spent THE PRESIDENT'S EAR at §132, you survive automatically. Turn to §137.**

Now compare your CAPITAL to the threshold. If it is **equal to or above** the threshold, *turn to §137*. If it is **below**, *turn to §138*.

§137

The announcement is read out at 18:00 on the Thursday, and your name is not in it, and it takes you a full minute to understand that this is what survival sounds like: an absence, in a list, read by a spokesperson.

Two ministers are moved. One deputy is appointed. And at the Treasury, in the third paragraph, the acting arrangement is “confirmed pending the conclusion of the permanent appointment process” — eleven words that mean you are tabling the February Budget.

You sit in the office for a while afterwards. Ncube puts his head round the door, does not say anything, and gives you a thumbs-up that is somehow the most emotional moment of the year.

Turn to §140.

§138

The announcement is read out at 18:00 on the Thursday, and your name is in it.

The formulation is generous — the President “thanks the Acting Director-General for his service during an exceptionally difficult period” — and it is followed by the appointment of a permanent Director-General, a serious person with a serious record, whose name you know and whose first act, you will learn in March, is to ask for the file on everything you did.

Turn to §139.

§139 — ENDING: REMOVED

This is an ending. Your run of Acting Appointment finishes here. Read on before you start again.

You clear the office over a weekend, which is when people do it. The dead Director-General’s proof copy of the Budget Review is still on the shelf, and after some hesitation you leave it, because it belongs to the room.

The February Budget is tabled by your successor five weeks later. It contains, by your count, eleven decisions that are yours — the wage settlement runs through every line of it, the Umlilo arrangement is in the annexures, and the framework is the one you rebuilt in October. Nobody says so. Nobody was ever going to. Institutions metabolise their people, which is the definition of an institution and the thing that makes them worth having.

You watch the speech at home. It is competent. When the Minister — the new one — reads the paragraph on fiscal consolidation, you recognise a sentence of yours, unchanged.

You were removed for the same reason you were appointed: because a plane went down and a process was interrupted, and the interruption was always going to end. You were not judged on the merits in either direction. That symmetry is the honest content of this ending, and it is worth sitting with before you decide it was unfair.

Debrief. The reshuffle test is a CAPITAL test, and CAPITAL in this book is not a measure of virtue — it is a measure of how many people have a reason to want you where you are. A reader who arrives here having made technically excellent decisions all year has learned the episode's actual lesson: analytical quality is not self-executing, and an official who never spends anything on relationships has, in the arithmetic that decides these things, nothing to spend. The counter-argument deserves equal weight: an official who *does* accumulate that kind of capital is, in a meaningful sense, compromised by it — every point of it was bought by giving somebody something. The literature on bureaucratic autonomy is an argument between those two positions and it has not been settled. *Two roads you did not take: §132 (asking Mahlangu, which you had eleven months to do) and §131 (the constructive signal, which would have kept you — at a price you would have paid every day afterwards).*

§140

Whatever happened to you, it happened to Mabena too.

If you survived and she did not: she is moved to another portfolio on the Thursday — not demoted, not exactly, but moved, which at her level is the same information delivered politely. She telephones you on the Friday, and she is the one doing the consoling, which is characteristic. “You’ll get a new minister in a fortnight. Tell them the truth from the first meeting; it worked on me, more or less, and it saves eight months.” A pause. “I would like to have read the February Budget with my name on it. That is vanity and I am allowed one.”

If you both survived: she arrives in your office on the Friday morning with two cups of coffee she has fetched herself, which she has never done, and says: “Well. We appear to have been left where we are, which in this business is called a mandate.” She sits. “So. Five weeks. Let us table a Budget that makes the argument we spent a year failing to make in pieces.”

If she survived and you did not: she comes to the office while you are clearing it, which she did not have to do, and stands in the doorway. “I defended you,” she says. “I want you to know that I did, and I want you to know that it wasn’t enough, and I want you to know the difference between those two facts, because you are young and you will otherwise assume the first one is worth something on its own.” She shakes your hand. “It isn’t. But it was still worth doing.”

If you were removed and so was she: you meet, by accident, at the parliamentary precinct in February, both of you visitors now.

Turn to §141.

§141

(For readers continuing to February. If your run ended at §135 or §139, stop here and begin again.)

The last two weeks of January are unlike any other period of your year, and the difference is this: for the first time since a plane went down over the Karoo, you know how long you have.

Five weeks. One Budget. And then a permanent appointment, whose process is now running visibly — the advertisement placed, the panel constituted, the shortlist rumoured. You may apply. Sithole says you should. Mahlangu says the question is not whether you apply but whether the position is filled from the shortlist or from a conversation, and that he does not know the answer.

What it does to your decision-making is peculiar and worth noticing. Every choice you make in the next five weeks is a choice about a year you will not be here for.

Turn to §142.

§142

The permanent appointment process produces, in the last week of January, a shortlist of four.

You are on it. So is a provincial head of treasury with an excellent record and no national experience; a senior figure from a development finance institution, who is the constructive-interlocutor candidate and everybody knows it; and a former deputy governor of the Reserve Bank, who is the market's candidate and is not going to get it.

The interviews are in March. You will not be in post for them, whatever happens — the Budget will be tabled first. Which means the document you are about to write is, among other things, the only argument you get to make on your own behalf.

Ncube raises this obliquely, over the drafting schedule: “There’s a version of the February Budget that’s a bid for the job. It’d be a good Budget. Cautious in the right places, generous in the right places, nothing that offends anybody on the shortlist panel.”

“And?”

“And it’d be the first document you’ve written this year that was about you.” He shrugs. “I’m not saying don’t. I’m saying I’d notice, and so would two or three other people, and we’re the ones who’d have to live in it.”

Turn to §143.

§143

The Budget drafting begins on the last Monday in January, in the same war room, with the same whiteboard.

The dead handwriting is finally gone — it went in November, when the room was repainted, and nobody made a ceremony of it. What is on the board now is your own year in its shorthand: the wage settlement, the Umlilo arrangement, the October framework, the variance analysis, the December shock. Eleven months of decisions, most of them irreversible, all of them yours, arranged as the constraints on a document you have five weeks to write.

This is what an inheritance looks like from the other side. Somebody will sit in this room next year and treat these numbers as the weather.

Turn to §144.

§144

Three telephone calls in the last week of January, unprompted, from people with no reason to make them.

Dlamini, brisk: “I hear you survived. My members are going into a wage round in eighteen months with a settlement you designed, and I have spent the year telling them you are a person who moves when he can and says so when he can’t. That’s not a compliment, it’s a description, and descriptions are worth more.”

Van Wyk, from a control room: “Three units up. I’m told you may not be here in April.” A pause. “Whoever comes — tell them about the fence around the maintenance money. Write it down. Institutional memory in this country is one person deciding to write something down.”

The Governor, briefest of all: “Acting Director-General. The Bank has enjoyed a year in which it always knew what the fiscal authority intended to do. I don’t say that as a courtesy — I say it because whoever occupies your chair next should be told that it was noticed, and by whom.” A pause. “Table a good Budget.”

Turn to §145.

§145

Check your Appointment Sheet for the last time before February.

The reshuffle is behind you. The second shock is in your numbers. Your CAPITAL is whatever December left of it, your CREDIBILITY is now essentially fixed — a stock, and there is no longer time to build one — and your FISCAL SPACE is the room your successor will inherit.

You may hold **LEVEL**, **LAURELS**, **BRAVE**, **DARK**, and one of **CANDOUR** or **GATEKEEPER**. You have probably spent every ally you had; if you are still holding one, note that there is exactly one episode left in which to use it.

And note the hidden thing. All year the book has told you at certain moments that *something shifts*, and never let you write it down. That number is about to decide your ending, and you cannot check it, and

there is nothing you can do about it now — which is the most accurate thing this book has to say about economic policy.

Five weeks. One Budget. *Now turn to \$146.*

*
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Episode 7 — The Budget (§146–§170)



§146

February. A year, near enough, since a plane went down over the Karoo.

The building marks the anniversary badly, which is to say privately: the memorial service is well attended and nobody quite knows what to do afterwards, and by two o'clock everyone is back at their desks because there is a Budget in three weeks. Sithole says this is the correct way to honour them and she is probably right.

You have five weeks. You know exactly how long you have, for the first time all year, and it changes the texture of everything. The Budget you are writing will be executed by somebody else, defended by somebody else, and blamed on somebody else. You are drafting an inheritance.

Turn to §147.

§147

Ncube's question from January has not gone away, and on the first Monday of drafting he asks it properly, with the door shut.

"Two documents," he says. "I'll write either one and I'll write it well.

"The first is the Budget this country needs, which involves saying some things about the wage bill and the outer years and the guarantee framework that will make three ministers furious and will read, to a panel of five people interviewing you in March, as an official who cannot work with politicians.

“The second is a good Budget — genuinely good, I’m not describing a bad document — that happens to have no sharp edges. Cautious where caution is popular, generous where generosity is cheap, and silent on the two or three things that would cost you the job.” He shrugs. “Every DG in the history of this building has written the second one in their final year and most of them were right to.”

He leaves you to it, and the choice he has described is a real one. It is also, you notice somewhere around midnight, entirely a choice about what the Budget *says*.

There is a different four weeks available. Somewhere in the schedules — vote by vote, under headings nobody reads aloud — sits the maintenance and refurbishment allocation. It is the line that gets raided whenever a Budget needs to balance, because deferred maintenance is invisible for about four years and no one has ever lost an election over a culvert. Every Budget you have ever read has raided it, including the two or three you admired. Holding it across the whole schedule is not a drafting job and cannot be delegated; it is four weeks of your own attention, vote by vote, against people with better arguments than you have. It would mean letting Ncube write whichever document he prefers.



Choose the last document of your year:

- **Write the Budget without sharp edges.** It is defensible, competent, and it does not spend your successor's political capital before they arrive. It also does not say the things only you are now in a position to say. [**RAISE YOUR CAPITAL BY 1.**] *Turn to §148.*
- **Write the Budget the year taught you.** Every constraint named, the wage bill arithmetic published in full, the guarantee framework's true exposure in the main document rather than an annexure, and a medium-term projection whose outer years are honest even where they are ugly. [**LOWER YOUR CAPITAL BY 1. RAISE YOUR CREDIBILITY BY 1.**] *Turn to §149.*
- **Spend the four weeks in the schedules instead.** You hold the maintenance and refurbishment allocation across every vote — roads, clinics, substations, water treatment, school infrastructure — and when department after department declines to find the offsetting cut — because it is February, and nobody intends to be the official who cut a clinic — you stop looking for it and let the allocation stand. The balance absorbs it. Ncube writes a competent document without you and never mentions that he noticed. Nothing you do in these four weeks will appear in the speech, or in a headline, or in the interview in March. It arrives, if it arrives, in about six years, in the form of things that did not break. [**LOWER YOUR FISCAL SPACE BY 1. SOMETHING SHIFTS, in your favour. Note it on your sheet; it counts at §165.**] *Turn to §150.*

§148

The document is good. That is the thing nobody warns you about.

It takes four weeks, it is internally consistent, the numbers reconcile, the outer years are within the range of defensible, and there is not a sentence in it that anyone will have to resign over. Two departments get modest wins. The wage bill is discussed in the language the wage bill is always discussed in. The guarantee exposure is disclosed, accurately, on page 143 of the Budget Review, where it has been disclosed every year for a decade and where it will be read by the same two hundred people.

You have written a professional document that changes nothing, and you did it well enough that the achievement is invisible even to you until the night you sign it off, when you read the executive summary twice and cannot find the year in it.

Ncube says nothing about it, ever, which is his way of saying everything.

Turn to §150.

§149

The document is not comfortable and the fights are real.

The wage bill chapter runs to eleven pages and includes, for the first time, a table showing compensation as a share of consolidated spending across fifteen years alongside frontline headcount over the same period — the two lines diverging in a way that no amount of commentary can soften. Two ministers demand it be moved to an annexure. It stays.

The guarantee framework moves from page 143 into chapter 3, with the contingent exposure stated in the main text, and the accompanying paragraph does something no Budget Review has done: it says plainly that guarantees are a decision to spend without appropriation, and that the Republic has used them because they are politically cheaper than the alternative.

And the medium-term projections say, in the plainest available language, that on current policy the debt ratio stabilises only if growth exceeds a rate the economy has not achieved in a decade — and then names the four things that would have to change for that to be untrue.

If you hold LEVEL: none of this is a departure. It is the October statement, extended into a Budget, and the technical team writes it faster and better because they have done it once already and discovered the building did not fall down.

Sithole, reading the final proof: “Whoever comes next is going to hate you for about six months and then be grateful for about ten years. That’s the best deal anyone in this job has ever got.”

Turn to §150.

§150

If you spent the four weeks in the schedules: the document Ncube wrote is good and it is not yours, and reading it is a strange kind of grief. Your own year is in the annexures — in tables B.4 through B.9, in a column headed *maintenance and refurbishment* that is higher than last year’s by an amount no journalist will divide by anything. Ncube, who has said nothing for four weeks, says one thing at the sign-off: “That column is the only part of this book that will still be true in 2035.” Then he goes home.

There is a peculiar experience available only to somebody in your position, and you have it on a Thursday afternoon in the second week of February: you read the whole Budget, cover to cover, and recognise your own year in it.

The wage settlement is in every departmental table, in every province, in the compensation line of every vote — the single largest thing you did, distributed so thinly across a thousand pages that no reader will ever see

it whole. The Umlilo arrangement is in the annexure on state-owned companies, three paragraphs, phrased in the passive. The October framework is the spine of chapter 2. The shock is in the revenue projections and in a footnote about terms of trade. The strike, if there was one, is in a line about compensation-of-employees growth that reads like weather.

None of it is legible as decisions. All of it is now simply *the position*, which is what the next person will inherit and treat as the ground beneath their feet — the way you treated the numbers you found in February, which were somebody else’s decisions arranged into a floor.

Turn to §151.

§151

The last policy conversation of your year happens ten days before the tabling.

If Mabena survived the reshuffle: she reads the whole document — actually reads it, over a weekend, with a pen — and comes back with four pages of notes, of which three pages are political and one page is a genuine analytical objection that you concede. Then she puts the pen down. “We have done a year,” she says. “You will not be here in June and I may not be either, and I have decided that I mind about that less than I expected to, because the thing we built is in the document and documents outlive us. That is either wisdom or exhaustion.” She considers. “Both, probably. Table it.”

If Mabena was moved: the new Minister is younger, quicker with numbers, and — you realise within twenty minutes — has been fully briefed on you by somebody who does not wish you well. The conversation is professional and cold. He accepts the document with two changes, neither of which is unreasonable, and at the end he says: “I’m

told you were difficult.” A pause. “I’m also told you were right, which in this building people say about the same person surprisingly often.”

Turn to §152.

§152

□ If you still hold an ally — any ally — this is the last passage in which you may spend it, and the book will not offer again.

- ▶ **THE GOVERNOR:** she says four sentences at a public event about the quality of fiscal communication over the past year, three weeks before your interview. [**RAISE YOUR CREDIBILITY BY 1.**]
- ▶ **THE GENERAL SECRETARY:** Dlamini gives an interview declining to attack the Budget, which is the most valuable thing a union federation can do for a Treasury official and costs her more than it costs you. [**RAISE YOUR CAPITAL BY 1.**]
- ▶ **THE BUSINESS COUNCIL:** Reddy’s members announce an investment commitment timed to the Budget — modest, real, and it makes the growth projection marginally less of an act of faith. [**SOMETHING SHIFTS, in your favour. Note on your sheet that you spent this ally; it counts at §165.**]
- ▶ **THE ENGINEER:** van Wyk publishes the maintenance data. Not leaks — publishes, with the board’s grudging consent, because you asked and because she has wanted to for six years. [**SOMETHING SHIFTS, in your favour. Note on your sheet that you spent this ally; it counts at §165.**]

- **THE PRESIDENT’S EAR:** Mahlangu makes the case for you to the appointment panel’s convenor. [NOTE: at §157, this changes the announcement.]

If you hold nothing, note that too. You spent everything, which is what it was for.

Turn to §153.

§153

The speech is the last thing, and by convention the last paragraph of a Budget Speech belongs to the Minister.

You draft it anyway, because somebody has to, and because you have discovered over the year that you can write. The version you produce is four sentences about the people on the aircraft — not sentimental, not a eulogy, simply the observation that the framework being tabled was begun by people who did not live to table it, that it has been amended by circumstance and by choice, and that this is the ordinary condition of every institution that outlasts the individuals in it.

If the Minister is Mabena: she keeps it, changes one word, and reads it as written.

If the Minister is new: he cuts it, courteously, and replaces it with a paragraph about the future. He is not wrong to. It is his speech.

Turn to §154.

§154

The night before the Budget, you go back to Committee Room 4.

It is empty and the whiteboard is clean — repainted in November, no dead handwriting, nothing taped to it. Somebody has left a marker on the ledge.

You think about writing something. You don't.

Instead you sit in the room for about twenty minutes with the lights off, and what surprises you is not that you feel emotional but that you feel *competent*: that a year ago you did not know how any of this worked and now you could do it again, faster, better, with fewer mistakes — and that this is precisely the knowledge the country is about to lose, because there is no mechanism anywhere in the state for keeping it.

Somebody will sit in this room in eleven months with a folder and no idea where the numbers live.

Turn to §155.

§155

The National Assembly, 14:00, and this time you know what to expect from the officials' box, which spoils it slightly and improves it enormously.

The Budget is tabled. It takes ninety-four minutes. The chamber does what the chamber does. Somewhere in the middle of it you stop listening to the words — you wrote most of them and can recite the annexures — and start watching the members, and it occurs to you that about a third of them are hearing the actual content for the first time and that this is the entire mechanism by which a country decides how to spend itself.

At the end there is applause, and heckling, and the ordinary business of a democracy that has survived another February.

Turn to §156.

§156

The verdicts, in their usual order.

The market reads the document properly within about four hours, which is faster than the commentariat and slower than the algorithms. *If you wrote the Budget without sharp edges*: the response is polite and brief — “continuity”, “no surprises”, “broadly as expected” — and the curve does very little, which is a compliment and also a description of a document that told nobody anything they did not know. *If you wrote the Budget the year taught you*: the response is longer, more argumentative, and two desks publish notes that engage with the wage-bill table for three pages, which has not happened in a decade. **[If you wrote the honest Budget and hold LEVEL: RAISE YOUR CREDIBILITY BY 1** — the second honest document is where a pattern becomes a policy.**]**

The ratings agencies say nothing, because they said what they had to say in November.

And in the Sunday papers, one columnist — the one the asset managers read, who has been fair to you all year — writes a paragraph you cut out: “*The acting Director-General tabled a Budget this week that will be executed by somebody else. It is a peculiar feature of our system that the most consequential official of the past twelve months holds a position that does not, technically, exist.*”

Turn to §157.

§157

The permanent appointment is announced in the third week of March.

If you spent THE PRESIDENT’S EAR at §152: turn now to §161.

Otherwise, read on. It is not you.

It is the provincial head of treasury — the one with the excellent record and no national experience — and the announcement is warm about the outgoing acting incumbent in the standard formula. Your interview, three days earlier, went well. Mahlangu's assessment afterwards is characteristically exact: "You were the best candidate. That was never the question. The question was whether the position gets filled by the best candidate, and this year, for reasons that have nothing to do with you, it was filled by the safest one. Next year it might have been you. There is no next year in this job."

Turn to §158.

§158

The handover takes two days and you do it properly, which is rarer than it should be.

You give the incoming DG everything: the files, the reconciliations, the variance analysis, the list of which numbers in the framework are solid and which are held together by assumption. You tell her which three people in the building are load-bearing. You tell her about the fence around the maintenance money and where the legal instrument sits, because van Wyk asked you to and because institutional memory in this country is one person deciding to write something down.

She is good. That is the thing that makes it bearable. She asks the right questions, takes notes in a hand you cannot read, and at the end of the second day she says: "You did a year in a job that takes three to learn, under conditions nobody has faced since 1994. I've read the file. Whatever the announcement said, I know what I'm inheriting and I know who built it."

Turn to §159.

§159

You leave on a Friday, without ceremony, which is your choice — Sithole offered to organise something and you declined and she said “good” with visible relief, because the building has had enough ceremonies this year.

Ncube walks you out. At the door he says the only sentimental thing he has said in twelve months: “I’ve worked for four DGs. You’re the only one who ever showed me the whole problem.” Then, immediately embarrassed, he adds: “Your variance analysis methodology is still in use, by the way. I’ve made it permanent. It’ll outlast both of us and nobody will know where it came from.”

You walk out into an ordinary Pretoria autumn afternoon, and the building goes on behind you exactly as it did before you arrived, which is the point of it.

Turn to §160.

§160 — THE RECKONING

Stop here. The story is over. What follows is the accounting, and it requires you to do some work.

For a year this book has told you, at certain moments, that *something shifts* — and never let you write it down. There is a fourth number on your Appointment Sheet that was never on your Appointment Sheet.

It is called **MOMENTUM**, and it is the economy’s underlying capacity to grow: whether the lights stay on, whether the state can build, whether the people who deliver services are still in the country, whether anyone is investing. You could not see it because nobody in your position can see it. It moves on a lag of years, it is measured badly and late, and it is the only variable in this book that determines what your year was actually worth.

You are about to reconstruct it from memory. That reconstruction is the closest thing to a final exam this book contains.

First, turn to §164 and account for your luck.

§161

(You reach this passage only by having spent THE PRESIDENT'S EAR at §152.)

The permanent appointment is announced in the third week of March, and it is you.

You learn about it forty minutes before the media do, from the Director-General in the Presidency — the same flat, tired voice that told you in February of last year that everyone senior to you was dead. He is warmer this time and no less brisk. “The President signed this morning. Five years, effective the first. Congratulations, Director-General.” The pause before the title is the only ceremony there is.

What you feel is not what you expected to feel.

There is relief, and it is real. But underneath it is something closer to vertigo, because the thing that has just been removed is the deadline — the one certainty you have organised eleven months around, the knowledge that whatever you got wrong would shortly become somebody else's to fix. That is gone. Every assumption in the framework you tabled three weeks ago is now yours to defend, in this building, for five years.

Mahlangu telephones at lunchtime. He does not say what he did or what it cost him, and you understand that you are not to ask.

“Twenty minutes,” is all he says. “It went the way those conversations go, which is that somebody in the room has to want it more than the alternative wants it, and this time somebody did.” A pause. “You'll want to know whether you'd have got it anyway. I'd stop wondering. Nobody

ever finds out, and the ones who convince themselves they'd have got it anyway are insufferable within a year."

Turn to §162.

§162

The difference between an acting appointment and a permanent one turns out to be almost entirely a difference in how other people behave.

The work is identical — the same files, the same building, the same four people who actually know where the numbers live. But the telephone calls come faster now, and are returned. Two directors-general who spent the year routing around you begin routing through you. The shareholder department discovers a new appetite for consultation. Nothing about your analysis has changed; what has changed is that you are going to be here in eighteen months, and everything in this town is priced off that single fact.

Sithole, characteristically, gets to the honest part first, on the Monday, in a management meeting that has just gone smoothly for no discernible reason.

"You should enjoy this for about a week," she says, "and then you should worry about it. For a year you had the one advantage nobody in this job ever gets, which is that you could not be bought and could not be threatened, because you were leaving anyway. That's over. From now on every decision you take is a decision by somebody with a career."

And Ncube — who does not do speeches, and who you had privately expected to be pleased — says the thing that stays with you: "Good. Now write down everything you learned this year while you can still remember not knowing it. In six months you'll think it was obvious, and then it's gone."

Turn to §163.

§163

You do not clear the office. You do not walk out past the whiteboard. There is no last Friday and no handover, and the strangest consequence of that is a small one: nobody ever formally marks the end of the year of the crash. It simply stops being the current year.

In April you move the dead Director-General's proof copy of the Budget Review off the shelf and into the archive, properly catalogued, with a note. It takes ten minutes and you put it off for three weeks.

And then the ordinary work resumes — an adjustments cycle, a bargaining council, a utility, a shock you have not met yet — and you discover the actual difference between the two appointments, which nobody warned you about and which is this: **you will be here to find out whether you were right.**

Most people in this line of work never are. They make decisions of enormous consequence, leave within three years, and spend the rest of their lives holding an opinion about their own record that no evidence will ever disturb. You have given that up. Whatever your year did to this country, you will be standing here when it arrives.

Now turn to §160 and account for it.

§164 — THE RECKONING: WHAT YOU WERE DEALT

You were asked to note two numbers this year: one in September, one in December.

Write them down now, side by side, and answer honestly: **how much of your year did those two numbers decide?**

Most readers, at this point, discover they have been carrying an account of the year in which the rolls were incidental — the story they tell themselves is about the wage round, the bailout, the speech. That is

the normal human accounting and it is wrong in a specific, measurable way. Go back and look at what a 1 or a 4 actually cost you, and what a 6 handed you.

This is not a lesson about humility. It is a lesson about *evaluation*: if you cannot separate what you were dealt from what you did, you cannot learn anything from either, and neither can anyone judging you. Ncube built you an instrument for exactly this problem in September and nobody in the real world builds one.

Now turn to §165 and account for what you did.

§165 — THE RECKONING: MOMENTUM

Start at 3. Adjust for each of the following that is true of your year.

You settled the wage round on the restructured offer, and it held (§51)	+1
You attached conditions to the Umlilo support and they held (§70)	+1
You paid the Umlilo support without conditions (§67)	-1
Your Umlilo conditions collapsed (§73)	-1
You refused the Umlilo support (§75)	-1
...and the utility's restructuring plan arrived anyway (§118)	+1
You invested the windfall in ring-fenced infrastructure (§95, third door)	+2
You gave a funded stimulus statement in October (§110)	+1
You took a long strike (§42)	-1
You rolled a 1 in September — the commodity bust	-1
You rolled a 4 in September — the machines lost	-1 (-2 if you held DARK)
You rolled a 4 in December	-1 (-2 if you held DARK)
You spent the last four weeks holding the maintenance allocation (§147)	+1

You spent THE BUSINESS
COUNCIL or THE ENGINEER at +1
§152

This is your MOMENTUM. Note it, and notice what it is made of: the wage round's composition, the conditionality, the windfall, the grid, a column in an annexure. Not the speeches. Not the auction. Not, with one exception, anything that made the news.

Now turn to §166.

§166 — THE ENDING GATE

Read your Appointment Sheet one final time, and take the **first** of the following that applies to you.

- **If your sheet is marked CRISIS, or your CREDIBILITY is 3 or lower** — *turn to §168.*
- **If your CREDIBILITY is 8 or higher, AND your MOMENTUM is 5 or higher** — *turn to §170.*
- **Otherwise** — *turn to §169.*

(If you hold LEVEL, you may add 1 to your CREDIBILITY for the purposes of this gate only. You told the country the truth in October and it took this long to be worth anything, which is the honest lag on that particular investment.)

(Your CAPITAL and your FISCAL SPACE are not tested here, and the omission is deliberate. Capital was tested in January, at §136, and you either had it then or you did not. Fiscal space governed what you were able to attempt all year; it does not decide what the year produced.)

Before you turn: turn to §167 first.

§167

What follows is not the last day of your year. It is the country, five years on.

Endings in books like this are usually about what happens to the hero. This one is not, and the reason is the argument the whole book has been making: the consequences of fiscal policy do not arrive during the term of the person who made it. They arrive later, to other people, in the form of what is possible.

You will appear in your ending only briefly, at the end, which is roughly the weight your year deserves.

Now turn to the passage the gate at §166 sent you to.

§168 — ENDING: THE CRISIS PATH

Five years on.

The programme is in its second year. It is not called a programme domestically — the government refers to “the arrangement,” and the Fund refers to it as an Extended Fund Facility, and everybody understands that the word being avoided is the accurate one.

The sequence was not dramatic. There was no default and no run — that is the thing people get wrong about fiscal crises in middle-income countries. What happened was slower: the debt ratio kept rising, the debt-service line crossed 25 cents in every rand of revenue and then kept going, and one by one the things a government does *other* than service

debt became the adjustment variable. Two years of below-inflation increases across the board. A hiring freeze that became structural. Infrastructure budgets that existed on paper and were reallocated every adjustment cycle. And eventually a funding requirement that the domestic market would meet only at a price the government could not defend, and a decision — taken over one weekend, by four people — to approach the Fund.

The conditions are not cruel. They are, in fact, roughly what the Treasury had been recommending internally for a decade, which is the most painful part: the country ends up doing the things it always knew it should do, on somebody else's timetable, without the political ownership that would have made them stick, and at a social cost that a domestic sequencing would have avoided.

The frontline is where you can see it. Nursing vacancy rates at levels that make the numbers in your year look like a golden age. Two universities that stopped building. A generation of graduates who left.

Your own part is a paragraph in one book, published four years afterwards, about the fiscal decisions of the year of the crash. The author is fair to you. She notes that you were an acting appointment in an emergency, that you took decisions of a magnitude that would ordinarily require a mandate, and that the position you left was worse than the one you inherited — and then she notes, in the same paragraph, that this was true of every year in that decade, and that treating any single year as decisive is a category error the literature keeps making.

If you were made permanent at §161: there is no paragraph, because you are not yet history. You are in the room where the arrangement is negotiated, on the government's side of the table, explaining a funding position you built. Somebody has to sign it. The literature will come later and will be less kind to you than to the acting official you might have remained.

Debrief. You reached this ending by running out of fiscal space and credibility at the same time, and the book's honest position is that this usually takes more than one bad decision — it takes a bad decision followed by bad luck followed by no room to absorb it. Look at your die rolls before you blame yourself, and look at your fiscal space at the end of Episode 3 before you blame the dice. **The question worth arguing:** is this ending actually worse than §169? A programme ends. It has a date, conditions, a review schedule, and eventually a country that has done the adjustment and can borrow again. Stagnation has none of those things — it simply continues. Several serious people would tell you that the crisis path is the faster route to reform, and that the only reason we treat it as the worst outcome is that it is the most humiliating. Argue it out before you accept the ranking this book's structure implies. The ranking is a design choice, and design choices are arguments. *Go back to §66 (the bailout) and to §95 (the windfall). Those are the two passages where fiscal space is won and lost.*



§169 — ENDING: THE STAGNATION PATH

Five years on.

Nothing happened. That is the ending, and it takes a moment to understand why it is one.

Growth averaged a little over one per cent — above the population growth rate in two of the five years and below it in three. The debt ratio rose, then flattened, then rose again, and every February the projections showed it stabilising in the outer years, and every February the outer years moved. There were three finance ministers and two directors-

general. Each of them was competent. Each of them tabled a framework that was defensible on its own terms.

The electricity supply improved somewhat and unreliably. Unemployment did not move — it has not moved meaningfully in thirty years, and the five years after your year were not the exception. The social grant system continued to hold up the bottom of the distribution, expanded twice in ways that were described as temporary, and remains the most successful thing the post-1994 state has built and the clearest evidence of what it has failed to build instead.

The country is not in crisis. It is not going anywhere. Every year, capable people in your old building produce excellent analysis identifying the four or five things that would change the trajectory, and every year those things are 60% implemented, which is the same as not implemented but takes longer and costs more.

Your own year is remembered, by the small number of people who remember it, as a competent interregnum. The wage settlement you made was renegotiated once and broadly held. The Umlilo arrangement was superseded. The variance analysis is still produced, and nobody knows where it came from.

You went into consulting, or academia, or a development bank, and you are good at it, and every few years a journalist calls you about the year of the crash and you give the courteous answer.

If you were made permanent at \$161: you served the five years, and they were the four-fifths of a career that nobody writes about — competent, unglamorous, spent producing frameworks that were 60% implemented. You are one of the three directors-general in that paragraph above. You know exactly which of the four or five things would have changed the trajectory, you said so every February, and you are no longer certain whether saying it again is diligence or a tic.

Debrief. This is the most common ending in *Acting Appointment*, by design, and it is reached the same way it is reached in life: by taking the reasonable option at every juncture. Every individual decision on the stagnation path is defensible. That is the entire point. There is no passage in this book where you chose stagnation; you chose, repeatedly, the thing that was affordable, politically survivable, and correct in isolation — and the sum of those choices is a country that does not move. **The question to sit with, and the one to take into a seminar:** go back through your year and identify the *single* choice you would reverse. Then ask what would have had to be true — about your credibility, your political capital, your luck, the sequence — for you to have been able to make the other choice at that moment. Most readers find that the choice they want back was not available to them by the time they got there. That is not an excuse. It is a description of how path dependence works, and it is the most important thing this book has to teach. *If you want to reach §170, the passages that matter most are §38 (the composition of the wage settlement), §66 (conditionality), and §95 (the windfall). None of them is the speech.*



§170 — ENDING: THE GROWTH PATH

Five years on.

Growth is running at a little over three per cent, and the strange thing — the thing nobody writes about, because it does not photograph — is how ordinary it feels. There was no moment. There is no month anyone can point to. There is simply a sequence of years in which the electricity supply was adequate, the state built some things it said it would build, the frontline services were staffed well enough to keep the people who

staffed them, and enough investors concluded that the policy framework meant what it said to commit capital on a ten-year view.

The debt ratio is falling, which almost nobody notices, because a falling debt ratio is the least visible good outcome in economics: it is simply an absence of an argument that used to happen every February.

The composition matters more than the number. Employment growth is concentrated in sectors that did not exist at scale in your year. Two provincial health systems have vacancy rates below 10% for the first time since the 2000s. The utility is a smaller, duller company that produces electricity and files unremarkable annual reports. There are still 30-odd per cent of working-age South Africans without work, and the improvement in that number over five years is real, insufficient, and the only thing anybody in politics talks about.

If you were made permanent at §161: you were there for all of it, which is rarer than the outcome itself. You spent five years watching decisions you took in a single terrible year arrive slowly, in the form of arguments that did not have to happen. Nobody congratulates anyone for an argument that did not happen. You developed, over those years, a private and slightly embarrassing habit of reading the vacancy statistics first.

None of this was caused by your year. That claim would be absurd and the book will not make it. What your year did was narrower and, in its way, more interesting: it preserved the *conditions* under which the following four years could work. The fiscal space existed when the next administration wanted to use it. The framework was believed, so the cost of borrowing fell, so the arithmetic of every subsequent decision was easier. The frontline was staffed. The grid was maintained. Nobody had to spend 2029 undoing 2027.

Your own part in it is, appropriately, invisible. The single most consequential thing you did — whichever it was — is a line in an annexure. There is one paper, by a graduate student, arguing that the

year of the crash was a genuine turning point in South African fiscal policy, and its argument rests almost entirely on decisions that were never announced. Her supervisor thinks the thesis is overstated. She is right and he is right, and that argument is the whole of economic history.

Debrief. You reached the rarest ending in this book, and you should know exactly how you did it, because the book has been building the answer since §38. You needed three things simultaneously: **credibility** (a stock, built slowly, most cheaply through the October statement and the committee answer that cost you), **political capital** (which you must have spent on something and therefore must have earned somewhere), and **momentum** — which came almost entirely from three decisions about *composition* rather than *level*: what the wage settlement bought, whether the bailout was conditional, and what you did with the windfall. Look at your §165 table. Almost nothing that made the news is in it. **And you needed luck.** Check your two die rolls. The growth path is difficult to reach after two bad draws and much easier after a 6 in September. This is not a flaw in the design; it is the design. Good policy raises the probability of a good outcome. It does not deliver one. Any book that let you guarantee this ending through correct choices would be teaching something false about the world. *The honest final question: would you have made the same decisions if you had known you would not be there to see them work?*

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The Debrief

Back matter. Draft 1, 2026-07-31.

Citations are given inline. They have been checked against the 2026 Budget Review, StatsSA, Eskom's published data and the law reports, and where a figure carries weight it appears here with its source. What is still missing is not a number this chapter asserts but a small set of sources not yet chosen — chiefly the longer growth, investment and unemployment series, and the primary-balance record through the two commodity booms. Those are precisely the evidence a reader would want in order to argue back, which is what this chapter is for, so it is worth saying plainly that the book has not yet put them on the table.



Why this chapter exists

You have just played a model of South African fiscal policy. It had four variables, seven episodes, one die and three endings, and if it worked properly you finished it with a strong intuition about how the pieces fit together.

That intuition is the problem this chapter addresses.

Every model is an argument, and a model you have *played* is an argument you have rehearsed rather than examined — which makes it far stickier than one you merely read. Gamebooks are unusually good at this. You made the choices, so the causal structure feels like something you discovered rather than something the author installed. A reader who finishes *Acting Appointment* believing that fiscal credibility is a slow-building stock, that political capital gates implementation, and that

composition matters more than level has not learned those things. They have been *taught* them, by a book that arranged its mechanics so they would be true.

Some of them probably are true. This chapter is about telling which.

What follows is not a defence of the design. It is a list of the places where the book has made a contestable claim and hidden it inside a mechanic — written by the people who hid it. Use it to argue with the book. In a classroom, this chapter is the assessment; the game is the reading.

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1. Three visible stats is a claim, not a fact

The book asserts that a fiscal decision-maker's position is described by three quantities: **credibility**, **political capital** and **fiscal space**. Nothing forced that choice. Three is a gamebook convention — SKILL, STAMINA, LUCK — and the mapping was made because it produced good play.

Consider what a different sheet would teach.

- ▶ **State capacity.** The single most plausible alternative, and arguably the binding constraint on South African policy. In this book, capacity appears only as a *modifier*: the CAPITAL ≥ 6 gate on the restructured wage settlement (§38) and the conditional bailout (§66) are really capacity tests wearing a political costume, and the windfall's third door (§95) fails through “quiet reallocation in the adjustments process” rather than refusal. That is a defensible compression — in practice, political capital and administrative capacity are entangled — but it means the book cannot represent the case that most exercises South African policy analysts: a government that decides correctly and then cannot execute. Promote capacity to a visible fourth stat and the whole book changes shape. Several endings become unreachable.
- ▶ **Institutional quality**, held separately from the incumbent's standing. The book fuses them: your credibility *is* the Treasury's. In reality an institution can carry an official, and an official can burn an institution, and the difference between those two is most of what people mean when they argue about “Treasury” as an actor.
- ▶ **The external environment**, which the book relegates entirely to a die. More on this in §3 below, because it is the design's largest single distortion.

The asymmetry is also a claim. CREDIBILITY gains are capped at +1 per episode; losses are not. That encodes a specific empirical proposition — that fiscal reputation is slow to build and fast to destroy — which is widely believed, has real support in the event-study literature on policy reversals, and is not obviously true in the magnitudes the book uses. The December 2015 episode is the book's implicit calibration: three finance ministers in five days, the rand from R14.59 to R15.90 against the dollar, roughly **12% of the capital value of South African bonds gone in the**

two days after Van Rooyen's appointment, and National Treasury's own estimate of R3–5 billion added to the cost of long-term debt. Markets then partially retraced once Gordhan was appointed — which may mean credibility was restored, or only that a floor was found. One episode is not a calibration either way.

Ask a class to redesign the Appointment Sheet before they play a second time. The redesign is the lesson.



2. “Credibility” conceals the question *credible to whom?*

This is the book's deepest ideological commitment and it is almost entirely invisible during play.

CREDIBILITY in *Acting Appointment* is tested at bond auctions (§24), ratings reviews (§91, §121), currency episodes (§88) and in the market's reading of an MTBPS (§107–§116). It rises when bondholders and ratings analysts are reassured. It is, precisely and only, **credibility with creditors**.

Now notice where the book files the other kind. When a nurse in Bushbuckridge decides the state is worth working for (§52), that does not touch CREDIBILITY at all — it moves the hidden MOMENTUM variable. When the country sits in the dark and the alliance calls for your removal, that is CAPITAL. The book has no variable for whether the population believes the state is acting in good faith, and no mechanic through which social legitimacy feeds back into anything.

This is not an oversight; it reflects a real feature of the job, in which the daily feedback loop genuinely does run through markets. But encoding it this way teaches something. It teaches that the audience for fiscal policy is the people who price its debt.

§119 — the placards outside Parliament — exists to make you notice. It is the only passage in the book where the distributional consequence of a settlement is put in front of you as a face, and it deliberately moves no stat at all. Ncube’s line there is the book arguing with itself:

“There’s no arrangement of these numbers where nobody’s outside with a placard. There’s only which people, and whether we ever admit we chose them.”

The exercise: design the two-credibility version. One stat for market credibility, one for social legitimacy, with tests that pull against each other — a wage settlement that raises one and lowers the other, an honest MTBPS that might raise both. Then ask what endings become reachable that currently are not, and whether the resulting book is more true or merely more comfortable. Our honest guess is that it would be a better teaching tool and a worse game, and that this trade-off is itself worth a seminar.

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3. The stats move in weeks; the outcomes arrive in a decade

MOMENTUM — the hidden variable that decides your ending — is adjusted by decisions whose real-world effects would take five to fifteen years to appear in any data series. The book awards those points immediately and never has to show its work.

That lag is real. It is also extremely convenient for an author. It lets the book assign +2 to ring-fenced infrastructure investment (§95) and -1 to an unconditional bailout (§67) without ever demonstrating either.

Treat every weight in the \$165 table as a claim requiring evidence. Several are genuinely contestable:

- ▶ **The +2 for infrastructure investment** assumes both a multiplier and an execution rate. South African evidence on public infrastructure underspending — capital budgets voted and not spent, rollovers, and project pipelines that do not convert — makes the execution assumption the weak link, not the multiplier. The record bears that out: municipalities spent **77.2% of their adjusted capital budgets in 2023/24 and 65.2% in 2024/25, against 93% of their operating budgets** (National Treasury’s section 71 reports), and the Auditor-General’s consolidated reports on local government say the same thing in prose every year. The book gates this door on $CAPITAL \geq 5$ precisely because of that concern, which is a partial fix, not an honest one.
- ▶ **The +1 for a restructured wage settlement** rests on the proposition that compensation *composition* affects service delivery and therefore growth capacity. That is plausible and the mechanism (frontline retention) is well documented in health workforce research, but the step from “vacancy rates fall” to “growth momentum rises” is a long one that the book takes in a single phone call.
- ▶ **The -1 for the unconditional bailout** is the soft-budget-constraint claim (Kornai, *Economics of Shortage*, 1980; and the extensive SOE literature that followed). This one we would defend hardest — it has both theory and a long South African evidence base behind it — but note that the book scores it as a *momentum* cost rather than merely a fiscal one, which is a stronger claim than the literature strictly supports.

And the shocks are worse. The book's largest distortion is not any single weight; it is that the entire external environment is compressed into two die rolls. In reality the terms of trade, global rates, weather and commodity cycles are continuous, correlated, partly forecastable, and interact with domestic policy — a commodity boom changes what wage settlement is politically available; a rate shock changes what an MTBPS can promise. The book makes them discrete, independent and orthogonal to everything else, because a gamebook needs a table.

The teaching value survives this: §164 forces the reader to account for luck before merit, which is the right cognitive discipline. But no one should leave with the impression that the world delivers one shock per semester.



4. The ideological axis is deliberately broken

The original design brief for this book described a spectrum from developmental-state options to free-market reforms. The finished book does not contain that spectrum, and its absence is the strongest position it takes.

No choice in *Acting Appointment* is labelled by ideology. More than that, the choices are built so the labels do not survive contact:

- ▶ The **restructured wage settlement** (§51) is redistributive *and* fiscally conservative — it costs less than the generous option and delivers more to the low-paid.
- ▶ **Conditional bailout support** (§70) is interventionist *and* market-disciplining. It is the state exercising ownership rights, and it is also the imposition of a hard budget constraint.

- ▶ **The honest MTBPS (§113)** is neither. It is a claim about transparency, which both camps endorse in principle and neither enjoys in practice.
- ▶ **Refusing the bailout (§75)** is the most market-orthodox move available and it produces a –1 to growth momentum, load-shedding, and van Wyk’s accusation at §79 that you did the right thing at the wrong speed.

The implicit argument is that **sequencing and composition matter more than direction** — that the same policy succeeds or fails depending on the order it arrives in, the capacity behind it, and what it is composed of, and that the state-versus-market axis is therefore the wrong first question.

That is a real position and it is not neutral. A reader who believes the fundamental question genuinely *is* state versus market — that the choice between a developmental and a liberal growth model is prior to all questions of sequencing — will find this book quietly stacked against them, because the mechanics make their question unaskable. They should say so. The honest version of this chapter’s claim is: *we think sequencing dominates, we built a machine in which sequencing dominates, and you should notice that the machine cannot test the alternative.*

There is a further wrinkle worth putting to a class. The sequencing thesis is unusually popular with technocrats, for a reason that ought to make technocrats uncomfortable: it is the one framing in which the technocrat’s own skill set — timing, design, implementation — is the decisive variable. Mahlangu says this out loud at §56 and the book means it. It is also exactly what someone in his position would say.



5. One protagonist is the biggest lie in the design

No official decides any of this.

The wage settlement is decided at a bargaining council with statutory rules, multiple unions with conflicting mandates, and an employer side that includes departments with their own interests. The bailout is decided by a cabinet, with a shareholder department that has its own minister and its own view. Monetary policy sits with an independent central bank that appears in this book as a *favour you can spend*. Nine provinces have their own treasuries and their own political arithmetic. The governing party is not a stage in the background of Episode 6; it is a continuous participant.

Acting Appointment compresses all of that into one person's choices because that is what makes the form work. There is no gamebook in which you play a bargaining council.

The consequence is severe and should be stated to students **before** they play, not after: **everything the book teaches about constraint is taught inside a form that structurally overstates agency**. Every “you” in 170 passages is a claim that a person was in a position to choose. The book fights this where it can — the CAPITAL gates, Mabena's whole existence, §128's three weeks in which the country has an economy and no economic policy — but the form always wins. A reader finishes with the feeling of having *run* fiscal policy, and nobody runs fiscal policy.

The most honest thing the book does about this is §150, where you read your own Budget and find that your year has been distributed so thinly across a thousand pages that no reader will ever see it whole. That is closer to the truth than any of the choices that preceded it.



5a. What happened next — and why the book is dated

The front matter told you this book is set in the load-shedding years and that the reason would be at the back. Here it is.

The grid recovered. South Africa passed 300 consecutive days without load-shedding in March 2026. The Energy Availability Factor rose from 56.6% to 69.1% in a single year; unplanned outages fell by more than 5,500 MW to levels last recorded in 2019. **And the fiscal position improved with it:** gross debt stabilised at 78.9% of GDP and is projected to decline; S&P upgraded the sovereign from BB– to BB in November 2025, the first upgrade in sixteen years; ten-year yields fell below 9% in January 2026 for the first time since March 2018, and the sovereign risk premium narrowed from 2.93 to 2.26 percentage points.

So the crisis this book puts you inside is over. Three things follow, in ascending order of how much they should bother you.

First, the obvious one: the book is a period piece, and it says so. It is set in the crisis deliberately, because that is when the trade-offs are visible. Nobody has to choose between the wage bill and the maintenance budget in a good year; the argument only becomes legible when the money runs out. This is the same reason medical training uses the emergency department.

Second, and more interesting: the real world ran Episode 3's experiment, and it is worth examining who won. What actually recovered the grid was maintenance and capital spending that survived contact with the budget — under a support arrangement that carried conditions restricting capital expenditure to transmission and distribution, among a great many others. That is close to what §70's ring-fenced, milestone-linked package buys, and it is precisely what §67's unconditional payment does not. A reader who attached conditions may reasonably feel vindicated.

Third, the part that should bother you: that is exactly the kind of inference this book has spent 170 passages warning you against. One country, one episode, no counterfactual, and an outcome with at least four other candidate explanations — a change of leadership at the utility, private generation coming online, demand destruction from years of outages, and a global energy-price environment that moved. If you accept “the conditions worked” on this evidence, you have done the thing §164 exists to stop you doing: folding a favourable draw into a story about merit. The honest position is that the recovery is *consistent with* the book’s mechanic and does not establish it.

And the open question, which the endings turn on. Is 2025–26 a turning point, or an upswing inside the same attractor? §169’s stagnation ending claims the modal outcome of reasonable South African policy is drift, and the growth record still supports it — 0.5% in 2024, 1.1% in 2025, with Treasury forecasting about 1.8% over the medium term and unemployment at 32.7%. A structural break would look like this at the start. So would a cyclical recovery. Nobody in the room knows which it is yet, including the author, and a book that pretended to know in either direction would be teaching something false.

Sit with that before you decide how your run went.

6. What the endings encode

Three endings, with **stagnation as the default attractor, growth reachable only with coherence plus luck, and crisis available through a single sustained failure**, is an empirical claim about South Africa. It says: the modal outcome of reasonable policy in this country is drift.

The book believes this. It should be defended on evidence rather than accepted because a book was built around it. The relevant evidence —

the growth record since roughly 2012, the investment rate, the persistence of unemployment across three decades and multiple policy regimes — is available and should be put in front of students alongside the claim. The narrow version of it is now checked: §169’s “a little over one per cent” is the actual record, with real GDP growth of 0.5% in 2024 and 1.1% in 2025, and official unemployment at 32.7% in the first quarter of 2026. In fairness to the country and against the ending’s mood, Treasury forecasts growth averaging about 1.8% over 2026–28. The longer record is what actually tests whether drift is structural, and it is now on the table: **real GDP growth averaged 3.6% a year from 1994 to 2008, 1.7% from 2010 to 2019, and 0.7% from 2015 to 2024; gross fixed capital formation peaked at 21.6% of GDP in 2008 and was 14.5% in 2024; official unemployment was 22.4% in 2008 and 32.3% in 2024.** Three decades, three regimes of policy, one direction. That is the evidence the claim has to survive — and it is not obviously kinder to the claim’s critics than to the claim.

And the book’s own machinery does not entirely agree with it. Twenty thousand simulated playthroughs per strategy — the same arithmetic you played, run by a machine that never gets tired or sentimental — say something narrower than “drift is the default”:

► **Drift is not an attractor, and it is not even the likeliest failure.**

A player choosing at random, who survives to an ending at all, reaches crisis 50.6% of the time and stagnation 39.4%. Nothing is pulling toward drift. If anything the pull runs the other way, and the book’s title for the modal outcome is wrong.

- ▶ **The two ways to fail are not symmetric.** Say yes to every claimant for eleven months and you reach crisis almost always — 99.6%. Hold the line on everything instead and you reach stagnation almost always — 100%, and never crisis. Fiscal incontinence and fiscal rigidity both fail, but they fail into different endings, and only one of them is loud.
- ▶ **Coherence works better than the book lets on.** A player who takes the middle road at each of the three decisions that actually move money — restructure the wage offer, attach conditions to the bailout, invest the windfall — reaches growth 42% of the time. That is not a lottery ticket. The same player still reaches crisis 33%, so coherence buys a better distribution rather than a guarantee, and the middle road is the one that most needs political capital to implement: both of those choices collapse expensively if you arrive without it.
- ▶ **For the coherent player, stagnation is the one thing that does not happen.** Sequence the year well and you reach growth 58% of the time and drift 2.7%; what remains is crisis, at 39%. The reward for coherence is not safety. It is a different failure mode.
- ▶ **Most players never see an ending at all.** Roughly seven in ten undirected runs finish in removal or resignation before the five-year verdict. Whatever the endings encode about the country, the modal experience of the job is not reaching them.

So the defensible version of the claim is narrower than the one the book was built on, and less comfortable: **drift is where caution ends up; crisis, not drift, is what waits for anyone not steering; and coherence escapes both — unreliably, and by trading the risk of stagnation for the risk of collapse.** Still an empirical claim about

South Africa, still arguable, and still the book's. It is simply the claim the arithmetic will carry.

Notice what happened there, because it is the more useful lesson. A claim was asserted, a model was built to check it, and the claim turned out to be directionally right and specifically wrong. That is the ordinary condition of applied work. The author revised the claim rather than the arithmetic, which was a choice, and you are entitled to think it the wrong one.

Two further things the ending structure encodes, both worth challenging:

- **That the three outcomes are ranked.** §168's debrief argues against the book's own ordering: a programme has a date, conditions, a review schedule and an end, while stagnation simply continues. If you take that seriously, the "worst" ending may be the better one, and the only reason it feels worse is that it is humiliating. Several serious people hold this position about middle-income adjustment programmes generally. The book raises the argument and declines to settle it, which is the correct move for a teaching text and an evasion in any other context.
- **That five years is the right horizon.** The endings are set five years on because that is when a reader will accept a verdict. Most of what the book scores in MOMENTUM would not be visible at five years. Set the endings at fifteen and the growth path becomes far harder to attribute to anything that happened in your year — which is the accurate position and makes for a terrible ending.



7. What is missing entirely

The omissions teach as loudly as the inclusions. Each of these was a decision.

Tax. This is the largest gap. In a book about fiscal policy, the reader never once sets a tax rate, considers a base-broadening measure, or confronts SARS' collection capacity. Revenue enters only as a forecast that comes true or doesn't. This was a play-balance decision — a tax episode would have doubled the length and the wage/SOE/shock spine was already carrying the argument — but it removes half of fiscal policy, and it removes the half where distributional choices are most explicit and most quantifiable. **Any classroom use should supplement here.** The natural fix is a bolt-on episode between §60 and §61, or an assignment: *design the tax episode this book should have had, with three options and their gates.*

Monetary policy. The Reserve Bank appears as an ally with one use. Independence is treated as an unquestioned constraint and the fiscal-monetary interaction — debt service costs responding to policy rates, the exchange rate as absorber, the question of who bears the adjustment — is almost entirely offstage. §96 gestures at it. A macro course would need to supply the rest.

Sub-national government. Provinces and municipalities deliver most of what citizens experience as the state, absorb a large share of the consolidated budget through the equitable share and conditional grants, and are where implementation actually fails. They appear here as a spreadsheet row in §1 and two phone calls in §51.

Corruption and state capture as a live mechanism rather than a background condition. The book has one integrity choice (§131), and it is deliberately clean — nothing is offered, nothing is promised. That is realistic about how influence usually operates and it also lets the book

avoid the harder subject entirely. A version in which procurement outcomes are a variable would teach something this one cannot.

The informal economy, the just transition, demographics, and the labour market itself. Unemployment is mentioned in the endings and is never a decision variable. In a South African policy book that is close to indefensible, and the only honest defence is that a book which took unemployment seriously would have to be about something other than the fiscus — which is itself a finding worth discussing.



8. The mechanics are arguments too

Four smaller design choices, each of which smuggles a claim.

- ▶ **Allies are one-use.** Relationships in this book are favour-tokens: finite, spendable, gone. That captures something real about senior political relationships and misses something equally real — that relationships are stocks maintained by repeated interaction, and that spending one can *build* rather than deplete. The Governor’s line at §11, “it is a door, not a corridor,” is the book defending its own mechanic, which is a tell.
- ▶ **Codewords are binary.** CANDOUR or GATEKEEPER; you told the Minister the truth or you did not. Real relationships are not flags. The compression is what makes the Minister’s arc playable, and it means the book cannot represent partial trust, which is the state most working relationships are actually in.

- **The diceless design is a strong claim.** Every test in this book except the two shocks is deterministic: if your CREDIBILITY is 7 or higher, the auction clears. That says *policy outcomes are legible functions of accumulated position, and only the external environment is random*. This is a much bolder proposition than the original dice-based design would have made, and it was adopted for playability. It is probably wrong in an interesting direction: real auctions, negotiations and cabinet meetings have irreducible noise, and a version with stochastic tests would teach more humility and less agency.
- **The rubber-band floors.** At several episode boundaries the book quietly raises a stat that has fallen too low (§35, §60, §97). This is mercy — it prevents a reader from being eliminated in Episode 2 — and it distorts: it makes the position more recoverable than it is, and it means no reader ever experiences the full compounding of a bad start. The crisis track (§103) is the only place the book lets a hole stay a hole.

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9. How to argue with this book

The chapter above is a list of the author's own objections. A class will find better ones. Some prompts that work:

On the model.

1. ▸ Redesign the Appointment Sheet. Which four variables would you track, and which of the book's episodes stop working under your design?

2. ▶ Identify a passage where the book scores a decision in a direction you think is wrong. Argue for the opposite sign and say what evidence would settle it.
3. ▶ §165's weights are the book's findings. Pick the three you find least defensible and write the empirical test for each.

On the politics.

4. ▶ The book claims sequencing dominates direction. Construct the strongest case that this is a technocrat's self-serving framing.
5. ▶ Mabena is the only character who is consistently right about things the protagonist is wrong about. What does it mean that the book gives its political realism to a politician and its analytical authority to an official — and would the book teach differently if those were reversed?
6. ▶ §131 offers political capital for credibility with nothing corrupt on the table. Is that choice actually about integrity, and if so, whose?

On the outcomes.

7. ▶ Defend the proposition that §168 (crisis) is a better outcome for the country than §169 (stagnation). Then attack it.
8. ▶ The growth ending explicitly declines to claim your year caused it. Is that intellectual honesty or an evasion that lets the book keep an inspiring ending it hasn't earned?

9. ▶ Play to §170 twice with materially different politics. Write on what the two runs shared. *(This is the single best assignment in the book. The answer is composition and sequencing, and discovering it is worth more than being told it.)*



10. Running it in a class

One session, three hours. A shared playthrough, class votes at each choice, instructor tracks the sheet on a projector. The die roll must be public and physical — the entire pedagogical value of §86 and §127 depends on the room watching a die land. Reserve the final 45 minutes for §164–§165 and the questions above; the reckoning is the teaching, the play is the setup.

Seven weeks, one episode each. Groups keep separate sheets and do not compare until the end. The payoff is structural: groups that made similar choices reach different endings, and groups that made opposite choices reach the same one. That result is difficult to teach any other way and it lands hard when students discover it about themselves.

One period, forty to fifty minutes. There is a cut of the book that fits a single lecture slot, and it has been run in a classroom often enough to know that it works. It keeps four decisions — the wage table, the bailout ask, the MTBPS and the reshuffle — and the die roll between them, and narrates everything else. The lecturer reads from a run sheet; a short slide deck carries the option tables and the stat changes so that nothing has to be explained twice. Each student plays alone on a one-page card: they hear the situation, choose, and record what the choice did to their three numbers, track by track. No voting and no cabinet are needed, which is what makes the cut work with sixty people as easily as

with fifteen. The die is the one thing the room does together, and it must still be physical.

Two things are different from the full book, and both are deliberate. The starting numbers and the gates are loosened, because four decisions cannot build what eleven months can — the run sheet gives the figures. And the hidden stat cannot be kept hidden from thirty separate players, so it is reconstructed instead: the back of the card carries the reckoning table from §165, and the class turns their cards over together, after the endings are read and not before. The reveal is weaker than the sealed envelope of the long version. The reconstruction is not. Students who have just watched their own year decided by things that never made the news have learnt §165 with their hands.

The reflection on the back of the card is for the lecturer, not the author. It asks the student to separate what they were dealt from what they decided, to name the trade behind one of their choices in a sentence, and to pick the stat change they find least defensible and say why. Collected at the door, that is a better reading of what the room understood than any show of hands. The run sheet, the slides and the card are available with the book.

Assessment. The reckoning table at §165, submitted with a 1,500-word justification of each entry against evidence, is a better assessment than an essay on fiscal policy, because it cannot be written without both the mechanics and the literature. Question 9 above works as a longer piece.

One warning. Students enjoy this, and enjoyment is a poor guide to whether learning happened. The specific failure mode is a student who finishes with fluent, confident, entirely model-derived opinions about South African fiscal policy — someone who has learned the book rather than the subject. This chapter is the countermeasure and it should be compulsory, not optional.



A note on what the book is for

Acting Appointment was built on the belief that the trade-offs in fiscal policy are difficult to teach by exposition because they are not, at bottom, informational. Students can be told that the wage bill is a third of consolidated spending and that raising it forecloses other things. They generally believe it. It changes nothing about how they argue, because the constraint has not cost them anything.

What a gamebook can do is make it cost something. You settle the wage round generously in April, and in October you stand in the House with a hole you made in April, and the person who made it was you and you remember why it seemed reasonable. That is not knowledge; it is closer to memory, and it does the thing exposition cannot.

The risk is exactly proportional to the benefit. A model that installs intuitions this efficiently had better be right, and this one is right in some places, contestable in most, and wrong in ways its authors cannot see. The reader's protection is not a better model. It is the habit of asking what any model was built to make obvious — which is the last thing this book has to teach, and the only one that transfers.



Reading

Grouped by the argument each supports. Entries that have been checked carry their figures.

On credibility and time consistency

- ▶ Kydland, F. & Prescott, E. (1977). “Rules Rather than Discretion: The Inconsistency of Optimal Plans.” *Journal of Political Economy*.
- ▶ For the price of losing it: National Treasury’s own estimate that the December 2015 ministerial changes added R3–5 billion to the cost of long-term debt, against a rand path of R14.59 to R15.90 and a roughly 12% two-day loss in the capital value of South African bonds.
- ▶ On the empirics of fiscal announcements versus outcomes: Pretorius, J-H., Martin, L-C. & Steenkamp, D. (2026). *Understanding Fiscal Slippage and Fiscal Forecast Errors in South Africa*. SA-TIED working paper (Cordera Analytics / Stellenbosch University) — debt stabilisation projected in successive budgets and missed through macroeconomic surprise and persistent spending overruns, the SOE bailouts foremost among them; and Calitz, E., Siebrits, K. & Stuart, I. (2016). “Enhancing the accuracy of fiscal projections in South Africa.” *South African Journal of Economic and Management Sciences*, 19(3). Over 2010–2020 Treasury over-forecast revenue by more than two percentage points of GDP at one and two years ahead.

On soft budget constraints and state-owned enterprises

- ▶ Kornai, J. (1980). *Economics of Shortage*, 2 vols. Amsterdam: North-Holland. The origin of the soft budget constraint.

- ▶ National Treasury, *Budget Review 2023*, Annexure W3 — the Eskom debt-relief arrangement: R254 billion over three years (R168bn capital, R86bn interest), disbursed as R78bn, R66bn and R40bn, and carrying **33 conditions**, among them restricting capital expenditure to transmission and distribution, provisions enabling the write-off of municipal debt, and obligatory reforms, with Parliament directed to intensify oversight of compliance. Episode 3's central factual anchor.
- ▶ On whether the conditions held: Eskom's published system-status data. The energy availability factor rose from 56.57% in December 2024 to 69.14% in December 2025, unplanned outages fell by more than 5,500 MW, and South Africa passed 300 consecutive days without load-shedding on 12 March 2026. Read this next to §70 and §67 and decide which one the record vindicates.

On the wage bill

- ▶ National Treasury, *Budget Review 2026*, Chapter 5 — compensation of employees at **R808.6 billion of R2.59 trillion in consolidated spending for 2025/26, about 31%**, rising to R852.6 billion in 2026/27. The single largest item, and contractual, which is why Episode 2 constrains everything after it.
- ▶ Resolution 1 of 2018 of the Public Service Co-ordinating Bargaining Council (21 May 2018); government's 2020 decision not to implement clause 3.3; and *National Education Health and Allied Workers Union v Minister of Public Service and Administration*, CCT 21/2021, decided **28 February 2022**, holding clause 3.3 invalid. Episode 2's footnote rests on this.

On windfalls and the resource cycle

- de Kiewiet, C.W. (1941). *A History of South Africa, Social and Economic*. The source of the “advanced politically by disasters and economically by windfalls” formulation, which supplies Episode 4’s central idea.
- The 2006–08 and 2021 commodity booms and what happened to the primary balance in each. National Treasury, *Budget Review 2010*, Chapter 4 and statistical Table 1 — main budget surpluses of 0.6% and 0.9% of GDP in 2006/07 and 2007/08, then consolidated spending rising from 28.3% to 34.1% of GDP by 2009/10; *Budget Review 2013*, Chapter 3, for Treasury’s own reading that the 2000s’ spending growth left a structural deficit; *Budget Review 2023*, Chapter 3, Table 3.8 — the main budget primary balance from –5.7% of GDP in 2020/21 to +0.1% in 2022/23 as the 2021 windfall was banked, while a temporary grant became permanent. Episode 4’s footnote ² carries the figures.

On bureaucratic autonomy

- Weber, M. (1978 [1922]). *Economy and Society*, ed. G. Roth & C. Wittich. Berkeley: University of California Press — Chapter XI, “Bureaucracy”, for the §139 debrief’s counter-argument.
- Carpenter, D. (2001). *The Forging of Bureaucratic Autonomy*. Princeton: Princeton University Press; and Fukuyama, F. (2013). “What is governance?” *Governance*, 26(3): 347–368 — for the argument that autonomy is earned by reputation rather than granted by statute, and that accumulated political capital is itself a form of compromise.

On South African growth

- ▶ StatsSA and the *Budget Review 2026* for what the endings actually assert: real GDP growth of 0.5% in 2024 and 1.1% in 2025, official unemployment of 32.7% in Q1 2026, and a Treasury forecast averaging about 1.8% over 2026–28. §169’s numbers are the recent record, not a pessimistic invention; §170’s are the same record read the other way.

- ▶ The growth-diagnostics literature on South Africa, for §170’s account of what a sustained 3% path would require: Hausmann, R. (2008). *Final Recommendations of the International Panel on ASGISA*. CID, Harvard; Rodrik, D. (2008). “Understanding South Africa’s economic puzzles.” *Economics of Transition*, 16(4); Faulkner, D., Loewald, C. & Makrelov, K. (2013). *Achieving higher growth and employment: policy options for South Africa*. SARB Working Paper 13/03; National Treasury (2019). *Economic Transformation, Inclusive Growth, and Competitiveness: Towards an Economic Strategy for South Africa*; and Hausmann, R. et al. (2023). *Growth Through Inclusion in South Africa*. CID Faculty Working Paper 434 — the most recent full diagnostic, which puts collapsing state capacity and spatial exclusion at the centre. The honest note stands: the book’s story of how growth arrives is a plausible narrative, not a forecast, and none of these sources should be read as endorsing it.



End of debrief.

The Footnotes

Written out for the claims that carry weight. Numbering restarts per episode.

Episode 1

¹ **Emergency budgets have a precedent.** A government may table an adjustments budget outside the ordinary October cycle: the Public Finance Management Act, read with the Money Bills Amendment Procedure and Related Matters Act, empowers the Minister of Finance to do so. It happened on 24 June 2020, when Tito Mboweni tabled a Supplementary Budget in response to COVID-19, accompanied by an Adjustments Appropriation Bill and a Division of Revenue Amendment Bill; Parliament agreed the revised fiscal framework on 8 July 2020. So the machinery your predecessors' deaths force you to use is real, recent, and was itself contested — the Helen Suzman Foundation published a constitutional challenge to the 2020 supplementary budget on separation-of-powers grounds. *Open question:* the 2020 budget was a response to a shock external to government. Yours would be a response to a shock **to** government. Should the same mechanism serve both?

² **What a finance minister costs.** In December 2015 South Africa had three finance ministers in five days: Nhlanhla Nene was removed on 9 December, Des van Rooyen served four days, and Pravin Gordhan was appointed on 13 December. No spending or tax decision was taken in that window — the entire event was information about who controlled the fiscus. The rand moved from R14.59/US\$ to R15.27 on 10 December and R15.90 by 15 December. In the two days after Van Rooyen's appointment, **South African bonds lost about 12% of their capital value.** National

Treasury's own modelling put the resulting increase in the cost of long-term debt at **R3-5 billion**. That is the closest thing the real world offers to a controlled experiment in the price of CREDIBILITY, and the reason this book makes it fast to lose and slow to rebuild. *Open question:* markets partially retraced within days of Gordhan's appointment. Does that mean credibility was restored, or only that a floor was found?

Episode 2

¹ **The promise about year three.** On 21 May 2018 the State and the public-service unions concluded Resolution 1 of 2018 in the Public Service Co-ordinating Bargaining Council — a three-year agreement. In 2020, citing fiscal deterioration, government declined to implement clause 3.3, which governed the 2020/21 increases. The unions litigated. The Labour Appeal Court held that enforcement of clause 3.3 was unlawful, and the **Constitutional Court, in *National Education Health and Allied Workers Union v Minister of Public Service and Administration* (CCT 21/2021), handed down on 28 February 2022, held clause 3.3 invalid** for non-compliance with the Public Service Regulations and the Constitution's financial-control provisions. The fiscal arithmetic won in court. What it cost at every subsequent bargaining table is not recorded in any judgment, and is what this book's CREDIBILITY and CAPITAL stats are trying to price. *Open question:* the Court held that the State **could** renege. Should it have? Answer once as a bondholder and once as a nurse.

² **A third of everything.** Compensation of employees is the single largest item in consolidated government spending: **R808.6bn of R2.59 trillion in 2025/26, about 31%**, rising to R852.6bn in 2026/27. It is larger than any functional category other than learning and culture, and it is contractual, meaning it is the hardest line in the Budget to change

quickly. That is why it dominates Episode 2 and why every subsequent episode is constrained by what you did here. *Open question:* is “a third of spending” an argument about the level of pay, the number of people employed, or the price of everything else? The three are routinely conflated, including by finance ministries.

³ **What one percentage point buys.** One point on a wage bill of R808.6bn is **about R8 billion a year, and it recurs**. An earlier draft had Ncube say that this was roughly the whole early childhood development grant. It is not; it is about four of them. The ECD grant to the Department of Basic Education was **R1.78bn (subsidy) plus Ro.16bn (infrastructure) in 2025/26 — R1.95bn together**, up from R1.59bn the year before. For a second yardstick, one point is also about four-fifths of the National School Nutrition Programme grant (R10.3bn in 2025/26): most of the school meals in the country for a year. The correction ran in the direction of the book’s argument — the trade is bigger than the draft said — which is precisely the direction in which a writer should trust a convenient number least. *Open question:* the R808.6bn is consolidated compensation, wider than the public service the bargaining council actually covers. What is one point on the bargaining unit alone, and does the answer change the argument or only the arithmetic?

Episode 3

¹ **Your own institution’s track record.** Dr Zwane’s warning is the book’s most factually loaded line, and the record supports her. Government has repeatedly supported Eskom, and the **2023 debt-relief arrangement was the largest and the most conditional:** R254 billion over three years (R168bn capital, R86bn interest), disbursed as R78bn in 2023/24, R66bn in 2024/25 and R40bn in 2025/26, and carrying **33 conditions** — including restricting capital expenditure to transmission and

distribution, provisions enabling the write-off of municipal debt, and reforms whose implementation was itself obligatory. Parliament was directed to intensify oversight of compliance. *The important part for this episode*: conditionality of exactly the kind §70 imagines was tried in reality, at scale. Whether it held is the live question, and by 2026 the strongest evidence is on the conditions' side — see footnote ⁴. *Open question*: the book's §73 branch assumes conditions come off under pressure. The 2023 package suggests they can survive. Which way does the evidence actually cut?

² **A guarantee is a decision to pay later.** As at 2025/26, government guarantees to public institutions totalled **R661.0 billion, with exposure of R453.6 billion. Eskom alone accounts for R328.0bn of guarantees and R333.8bn of exposure — 73.6% of the total**; Transnet is 17.3%. Guarantees are disclosed in the Budget Review's chapter on government debt and contingent liabilities, and Ncube's point at §80 is exact: a guarantee commits the fiscus without an appropriation and without a vote, which makes it the only instrument in the framework that lets a government spend money without anyone noticing at the time. Cabinet members requesting guarantees must report those requests to Parliament quarterly. *Open question*: every guarantee ever called was contingent right up until it wasn't — and was issued to an entity too important to fail, which was known on the day it was issued. What is the disclosure actually for?

³ **Seven cents in the rand.** The split on Ncube's page is stylised — Umlilo's ask is one number and Eskom's accounts are many — but the proportions are calibrated to the year the book is set in. In the financial year to March 2024, **Eskom paid R89.8bn to service its debt (R54.6bn principal, R35.3bn interest), spent R33.9bn on diesel for its open-cycle gas turbines (2023: R29.6bn), and R35.1bn on repairs, maintenance and other operating costs, against R44.9bn of capital**

expenditure. Government's R76bn of debt relief that year went, by the terms of the arrangement, to servicing debt: it could not be spent on generation at all, and capital expenditure under the conditions was restricted to transmission and distribution. So of the money the fiscus actually put in, the share that reached a generating unit's maintenance was not seven cents. It was zero, by design, with maintenance left to the tariff and the operating budget. The book's split — 68 cents to debt, 20 to diesel, 7 to maintenance, 5 unallocated — is, if anything, generous to the utility; and the diesel share is about right, since R33.9bn against R89.8bn of debt service is the ratio on Ncube's page. *Open question*: if the real relief bought no maintenance, what did fix the grid? Footnote ⁴ has the record and §164 has the warning about reading it.

⁴ **Postscript: the experiment ran.** Between the writing of this book and its publication, the thing Episode 3 argues about was tested. Eskom's Energy Availability Factor rose from 56.57% (December 2024) to 69.14% (December 2025); unplanned outages fell by more than 5,500 MW to levels last seen in 2019; and **South Africa passed 300 consecutive days without load-shedding on 12 March 2026**. Guarantee exposure to Eskom fell as the debt-relief arrangement was implemented. The recovery was driven by maintenance actually happening — which is what §70's ring-fencing condition buys and what §67's unconditional payment does not. Readers who chose to attach conditions may take this as vindication. Readers who refused should note that the money was, in the end, provided.

What the crisis cost while it lasted is also on the record, and so, now, is the counterfactual. The Reserve Bank's estimate in early 2023 was that **a day of Stage 3 removed about R204 million from output and a day of Stage 6 about R899 million**, and that load-shedding would take roughly two percentage points off growth that year; other estimates ran from Treasury's 0.2 points (for 2019) to consultants' five. 2023 was the

worst year on record — more than 330 days of load-shedding — and growth was about 0.7%. Then the lights came on: 83 days in 2024, none to speak of in 2025, and growth was **0.5% and 1.1%**. That is the awkward number for §77's line about growth "we will not get back". The power came back and the growth did not, at least not yet — which is evidence that the daily cost estimates were too high, *or* that the damage was to capacity rather than to any one year's output, *or* that something else was binding all along. One country, no control group, three explanations: §164 is the reading guide.

Episode 4

¹ **A rounding error and the difference between eating and not.** Agriculture is a small share of GDP, so a drought is close to invisible in a growth forecast. It is not invisible in a household. On StatsSA's Income & Expenditure Survey 2022/23, **households in the lowest expenditure decile spend about half of their annual budget on food and non-alcoholic beverages, against 11% in the highest decile.** Earlier survey work put food at roughly a third of poor households' total expenditure — the figure varies with the definition of "poor" and the treatment of non-alcoholic beverages, and the direction is not in dispute. A maize price shock is therefore a distributional event wearing the costume of a supply shock, and the technically correct instruction to "look through it" is advice about an aggregate that no household lives in. *Open question:* if the poorest decile spends half its budget on food, what does headline CPI measure, and for whom?

² **Windfalls.** C.W. de Kiewiet's *A History of South Africa, Social and Economic* (1941) supplies this episode's organising idea: that South Africa advanced politically by its disasters and economically by its windfalls. The book's claim is that the second half of that sentence is a warning

rather than a consolation, because a windfall is a choice and the choice is usually made by default. The record of the two booms is in the Budget Reviews. **2006–08:** the main budget went from a deficit of 2.2% of GDP in 2003/04 to **surpluses of 0.6% in 2006/07 and 0.9% in 2007/08** — the first in decades — and then to a deficit of 1.2% in 2008/09 and, on the consolidated measure, 7.3% in 2009/10. Consolidated spending rose from **28.3% of GDP in 2006/07 to 34.1% in 2009/10** and did not come back. Treasury’s own verdict, four years later: “during the 2000s, non-interest expenditure grew sharply as a percentage of GDP”, and “since 2008, spending has been sustained well above long-term trend revenue”, leaving a structural deficit once the cycle turned. The surplus was banked; the spending level was the ratchet. **2021:** the commodity windfall lifted main budget revenue from 22.1% of GDP in 2020/21 to 24.9% in 2021/22 and 25.6% in 2022/23, and **the primary balance from –5.7% to –0.9% to +0.1%** — most of it went to the balance, which is §95’s first door. But the same two years turned a temporary pandemic relief grant into a standing line of the order of R35–44 billion a year, which is §95’s second door, taken quietly. Both booms did both things. *Open question:* is the ratchet a failure of policy or a feature of democratic budgeting — and would you want a budget process that could resist it?

³ **A quarter of your debt is owned by people who can leave. Non-resident participation in the domestic bond market was 25.0% in 2025**, up from 24.6% in 2024, and the 2026 Budget Review presents that increase as evidence of improving confidence — which it is, and which is also a description of exposure. Both readings are correct simultaneously, which is the entire content of §88.

Episode 5

¹ **A document that changes no law.** The Medium Term Budget Policy Statement appropriates nothing, taxes nobody and amends no legislation. It is a statement of policy intent, and its whole value is whether it is believed — which is why this book makes it the mid-point test of a *stock* (credibility) rather than of any decision. The theoretical frame is Kydland and Prescott, “Rules Rather than Discretion: The Inconsistency of Optimal Plans” (*Journal of Political Economy*, 1977): a policymaker who can always re-optimize tomorrow is, for that reason, harder to believe today.

² **What the agencies actually reward.** The book’s premise is that consistent execution is worth more than any single announcement, and the 2025–26 record is consistent with it: **S&P upgraded South Africa from BB– to BB in November 2025, the first upgrade in sixteen years**, citing increased stability and a more favourable outlook, with Moody’s and Fitch holding. Yields on ten-year bonds fell below 9% in January 2026 for the first time since March 2018, and the sovereign risk premium narrowed from 2.93 to 2.26 percentage points over the year. Nothing was announced that had not been announced before. What changed was that the announcements had been kept. *Open question:* how much of that repricing is domestic execution and how much is the global rate cycle? The honest answer is that you cannot fully separate them — which is why §164 exists.

Episode 6

¹ **Who appoints, who removes.** The book’s mechanics here are the real ones, with one compression. Ministers serve at the President’s pleasure: **section 91(2) of the Constitution** lets the President appoint them, assign their functions and dismiss them, and a reshuffle needs no other

consent. Directors-general are different. Under **section 12(1)(a) of the Public Service Act** the President deals with the appointment and “other career incidents” of the head of a national department, on a contract of up to five years (s12(2)); in practice a DG is recommended by the minister, approved by Cabinet and announced at the post-Cabinet briefing. There is no gazette — which is why an earlier draft’s “gazetted Friday” became “Cabinet on Wednesday, announced Friday”. An acting head is an employee directed to act in the post under **section 32(2)** of the Act, on terms set by ministerial determination; the Public Service Regulations cap comparable directions at **twelve consecutive months**, which is the clock this whole book runs on. Eleven months is not a dramatic choice; it is the legal one. The compression: a DG is not “reshuffled”. The President may transfer a head of department before the end of the term (s12(3)) or simply let an acting arrangement lapse, and the CONTINUITY AND CAPABILITY memorandum is the book’s way of putting that quieter mechanism on the page next to the noisier one. *Open question*: the twelve-month cap exists to stop acting arrangements becoming permanent. What does it do to the decisions of someone who knows the clock is running?

Episode 7

¹ **Twenty-five cents in the rand.** §168’s crisis path is an extrapolation, and the reader should know from where. Debt-service costs in 2025/26 were about **R424 billion — roughly R1.16 billion a day — and consumed 21.3% of main budget revenue**, projected to *ease* to 20.2% by 2028/29. The crisis ending imagines that ratio crossing 25% and continuing, which is not the current trajectory and is not far from it either. That is deliberately how fiscal crises in middle-income countries arrive: not as a default, but as a ratio that keeps not turning.

² **The stagnation claim.** §169 asserts growth averaging a little over one per cent with unemployment unmoved. Real GDP growth was **0.5% in 2024 and 1.1% in 2025**; official unemployment was **32.7% in Q1 2026**. The ending's numbers are therefore the recent record rather than a pessimistic invention. Note, in fairness to the country and against the ending's mood, that Treasury forecasts growth averaging about 1.8% over 2026–28, and that the 2025–26 fiscal and ratings news was better than any year since 2009. *Open question, and the best one in the book:* is that a turning point, or an upswing inside the same attractor? Everything the stagnation ending claims depends on the answer, and the answer is not yet in.

Sources

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