



Time for a new vision for SA's political economy Sunday Independent opinion article (23 November 2014)

The Thabo Mbeki African Leadership Institute and the Mapungubwe Institute recently co-convened a conference that dealt with the historical moments in the build-up to the democratic transition in South Africa, analysis of the state of South Africa after two decades of democracy and examination of prospects for contemporary South Africa going forward as well as aspects relating to the Africa rising narrative. The discussions, sparked by many provocative presentations, were robust; ranging from a comprehensive opening speech by Deputy Chief Justice Dikgang Moseneke to deliberations involving former Ministers and others. The debate continues.

I presented a summary of research work I have been pursuing for the past three years, culminating into a book that should hit the shelves next year. Many leading African scholars have written extensively on the question of development in Africa, as far as reasons why development has remained elusive in Africa. The reasons espoused also apply in the South African context. The late eminent Nigerian political scientist, Claude Ake, for instance, argued, convincingly, that “it is [was] not so much that the development project failed [in Africa] as that it never got started in the first place.” Development, according to Ake, “is the process by which people create and recreate themselves and their life circumstances to realise higher levels of civilisation in accordance with their own choices and values – development is something that people must do for themselves...”

Africa's post-independent development experience has many lessons for South Africa's post-apartheid development agenda. It seems that many of the lessons were overlooked at the eve of democracy, in spite of tons of literature and analyses by African scholars such as the prolific Ugandan

academic, Mahmood Mamdani – among very insightful Mamdani's works are the theoretical propositions related to “bifurcated power relations” which constrain development in Africa. A leading African economist, Thandika Mkandawire, for instance, has been at pains in explaining the critical importance of social policies. The incomparable Archibald Mafeje always emphasised the land and agrarian question. Within two decades of independence, most African countries plunged into a period of drift largely as a result of “vulgar economics”, according to the incisive Egyptian economist, Samir Amin. South Africa has entered its period of drift, which I argue that it started around 2007.

Sampie Terreblanche, Hein Marias, Lawrence Hamilton, John Saul and Patrick Bond, among others, suggest that the development experience of post-apartheid South Africa has to be understood within the context of ‘elite transition’. In simple terms, the transition from apartheid colonialism to democracy involved compromises among the elite – the compromises reached compromise development. It is therefore not surprising that SA's *development impasse* has become more glaring as we celebrate twenty years of democracy. To overcome our *development impasse*, there are many who argue that we need a new political settlement and or a social pact or social compact to privilege development or economic and social inclusion because there are many South Africans who remain socio-economically excluded.

In the main, the state-capital relations have to be reconfigured so as to prioritise development because so far profits have been prioritised over people, to use Noam Chomsky's phrase. Roger Southall has characterised what shaped South Africa's development agenda as ‘reform bargain’ – an adaptation of Scott Taylor's ‘reform coalition’, a mechanism that “facilitated South Africa's success [which] was underpinned by the new government's commitment to providing the opportunity for large scale business to internationalise...” It would seem that post-apartheid SA's political economy, twenty years after political independence, is a compromise between the African majority rule and the white minority who holds greater economic power hence South Africa's political economy has been defined by a paradox of growth, stagnation and recession.

This new compromise has resulted to the private sector calling the shots and the present-day administration under co-option by capital – in fact, the political elite has essentially become agents of global capital. Economic

and social indicators suggest that SA's woes began around 2007 as indicated earlier. The SA economy was anyway going to go on recession, not because of the global economic crisis as we are misled to believe. The poor management of the economy and lack of policy reforms were gradually sinking the SA economy into its own domestic crisis and stagnating human development.

A government that was increasingly losing control authored a strange plan, the National Development Plan (NDP), which is devoid of any ideological basis, oblivious to the repulsive political history of apartheid colonialism, replete with wild targets and a voluminous rhetoric that repeats all that we know about our country without considering the practicalities of how would we get to where it is dreamt we would be in 2030. Interestingly, Sampie Terreblanche, in his recent book, argues that the NDP should have "concentrated on the unequal power relations, the unequal property relations and the unequal opportunities that are making the new South Africa society a very unjust society – just as similar inequalities made apartheid South Africa a very unjust place..." The Commissioners and those that were involved in the NDP unfortunately feel strongly that the NDP must be defended at all costs without considering constructive criticisms such as Terreblanche's.

The former Executive Secretary of the Africa Economic Commission, Adebayo Adedeji, for instance, had attributed the inability of Africa to sufficiently socio-economically transform to the notion of the *Global Merchant System* – a deliberate design by the global capitalist order to perpetuate a socioeconomic and political system that advances interests of the West and maintains the peripheralisation of the African continent. Post-apartheid South Africa should have been alive to the hegemony of global capitalism which could, twenty years after the dawn of democracy, be limiting the capacity of the post-apartheid dispensation to foster inclusive development in South Africa. Some argue that SA's hands were tied due to the post-cold war dispensation. It might very well be that now is the time to go big on development or go home – the geopolitical and global economic context seems ideal for big changes, and radical transformation can be justified because only a few have benefited since 1994.

At the very minimum, appropriate policies and reforms should be pursued to grow the economy sustainably, reduce unemployment, eradicate

poverty, lower inequalities & imagine a new nation. Many governments are quick to attribute low or lack of development to poor implementation or lack of capacity when in fact the *development impasse* relates to policies and or reforms. Policies must be relevant for the context and reforms should be sequenced accordingly as contexts change. SA has arguably not had a political economy intervention since mid-2000s. The current context, for instance, is ripe for radical transformation driven by the people themselves. The elite can no longer be trusted. The government of the day appears to have completely lost control. The pursuit of the bourgeoisie society, as Frantz Fanon would put it, implies that political parties cannot be taken serious either, so are trade unions.

Essentially, South Africa requires a profound restructuring of state-capital relations – a new vision for SA's political economy is critical. Lawrence Hamilton, in his recent book, is probably right that South Africa is a case of 'revolution pending'. And the time for that revolution is now. The people must lead!