



## **South Africa loosing its way**

The 'new' South Africa has turned 21 years of age. Many things happen at this age and beyond. In the case of human beings, for instance, the proverbial golden key is symbolically given to those who have turned 21. By implication, one should take full charge of one's destiny from this age onwards. For South Africa the opposite appears to hold: instead of taking full charge of our destiny, as a country, we seem to be losing direction even more so now than we were in our teens. It is in this context that a fundamental question arises: why has inclusive development been elusive since 1994?

Development, simply put, involves socio-economic progress or improvement in the wellbeing of people. Another way of thinking about development is: countries go through different stages of development, from low to higher development levels. It is generally understood that development must involve people that need development and people must have choices for their livelihoods as Amartya Sen has put it.

Almost similar to Amartya Sen's 'development as freedom' notion, Frantz Fanon conceptualised development as associated with socio-economic freedom. Fanon goes a step further because he also approaches development from a psychosocial perspective. The Fanonian perspective would view political independence that South Africa is said to have attained in 1994 as a façade because the land, for instance, is still in the hands of the few, hence the inevitability of elusive development.

For South Africa, the debate regarding development has to also, if not primarily, deal with social and economic inclusion. Viewed from this perspective (i.e. social and economic inclusion), inclusive development has been shallow in post-apartheid South Africa. It is praiseworthy that the South African economy stabilised from about 1996 to about 2006. However, comparatively, South Africa's economic performance has been pedestrian, relative to many comparable countries such as Brazil, India, Malaysia and Botswana closer to home for instance. The South African economy is an economy, in a sense, that has been performing below its potential – Nigeria recently overtook South Africa as the biggest economy in Africa. Among other issues, the South African economy is failing to create much needed jobs.

The challenge of achieving inclusive development has been exacerbated by various factors such as unstable regulatory regime, labour demands, deindustrialisation, capital flight among other obvious factors. A stable regulatory regime is a sine qua non for securing the confidence of both local and foreign investors. However, when there is unpredictability as it has been the experience in South Africa over the past few years, long term planning and business projection suffer. This has implication for macroeconomic stability.

The frequent strikes by labour unions, especially in the mining sector, are perceived to negatively affect productivity in the economy. This has implications for amounts of money available for the state to pursue redistribute policies. The failure of the government to adequately regulate movement of capital has major implications for achieving inclusive development. Liberalisation of the capital account of the balance of payments, also, predisposes multinational companies to taking out money, as they please, money should be used to facilitate an inclusive economy. In order to achieve inclusive development, it will be

necessary that government pays necessary attention to these variables, including the need for a robust inclusive industrialisation programme.

Another way of looking at the post-apartheid South Africa's development experience is comparing South Africa's level of human development with comparable countries. Again South Africa performs very badly. The level of human development in South Africa has not significantly improved since year 2000 in particular. There's another way of looking at this: if you look at, for instance, the various components of human development (i.e. education, healthcare and standard of living) life expectancy has declined during 1990 to 2005 while gross national income per capita has not really changed much since 2010.

There are many perspectives [of the national liberation movement] that have informed policies of the post-apartheid South Africa; 1943 Bill of Rights in the Africans' Claims, the 1955 Freedom Charter, the 1962 Road to South African Freedom, the 1992 Ready to Govern, the 1994 Reconstruction and Development Programme, the 1998 State, Property and Social Transformation as well as the 1996 Constitution. The Ready to Govern [discussion document] is probably the most important perspective or discussion document compared to others mentioned. I argue that if South Africa was able to stick to this [Ready to Govern] document and its analysis, we would probably be having better social and economic outcomes today.

The clarity of thought encapsulated in the Ready to Govern implies that the society envisaged by the liberation movement could have been accomplished by now, or to a large extent, if the Ready to Govern principles and policy propositions were followed. Another point worth considering is whether there could have been a change/shift in the

thinking of the liberation movement at some point during the 1940s and the mid-1950s. For instance, the Africans' Claims appears to have better understood colonialism and imperialism. Issa Shivji has, for instance, explains how devastating colonialism and imperialism were in the African continent and that we should be cognisant of that when examining development in Africa. The Freedom Charter on the other hand seems to downplay the negative impact of colonialism and imperialism by giving precedence to non-racialism, for instance. Another related point is that there might have been a departure from the Ready to Govern after 1994. It would seem that aspects of Ready to Govern were rescued in the 2007 Strategy & Tactics discussion documents but there has not been, arguably, any follow through.

Many people have argued that part of the challenge South Africa faces has to do with the political transition: Patrick Bond, Hein Marias and Sampie Terreblanche talk of the *elite transition*. In the main, the post-apartheid development experience has to be understood within the context of our transition from apartheid to post-apartheid society or to a democratic society. In other words, many compromises were made that do not allow society to move forward faster. There are some scholars (see recent books by Adam Habib and Gillian Hart) who are arguing that South Africa needs a new political settlement. I do not think that a new social pact is feasible yet, if one looks at issues such as cohesion and functioning of the ruling party.

The last point I have been making is that a new vision for South Africa's political economy is overdue: the NDP could have been about a new vision for the economy than the long list of issues, priorities and debatable targets. The historical experience of apartheid colonialism and its ramifications should be informing policies that post-apartheid South Africa pursues in order that South Africa could ultimately become the 'nation' that many sacrificed their lives for. Otherwise, there appears to

be a new equally unsustainable compromise: a compromise between the African majority rule and the white minority who hold greater economic power.

Given the socio-economic exclusion characterising post-apartheid South Africa as well as high levels of racial inequality, it is safe to conclude that inclusive development continues to elude South Africa so far. I have argued that the fundamental constraint to inclusive development has to do, largely, with policy paralysis. In other words, notwithstanding challenges imposed by the obtaining global socio-political and economic order, with effective socio-economic development policies South Africa would have had a better development record than it is the case.

As Mabogge More, applying a Fanonian perspective, puts it:

‘decolonisation entails the re-appropriation and return of national territory (country) to its original indigenous people and freedom from oppressive regime. Without decolonisation in the form of land reparations, reconciliation is impossible.’ Therefore, arguably, development has actually not even started in South Africa, if viewed through Fanonian lenses.