



## **Inclusive development in post-apartheid South Africa**

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### **Abstract**

The debate about 'development' continues unabated in South Africa, especially twenty one years since political independence. This essay, as a contribution to the important ongoing debate, reflects on what I think the fundamental 'development question' is for South Africa and perhaps for Africa more broadly – the post-apartheid development experience should also be examined within the context of the development experience of post-independent Africa. It is a given that any debate about development has to also, if not primarily, deal with social and economic inclusion, especially in the South African context. The essay also briefly or broadly examines the level of development in South Africa from a Fanonian perspective. This perspective on development – which is inspired by the works of Frantz Fanon – is particularly germane for South Africa for many reasons. In analyzing inclusive development, the constraints imposed by the global order and the relationship between people and capital should be considered. Overall, inclusive development remains shallow in South Africa. Viewed from the Fanonian perspective, development has not even started in neo-colonial post-apartheid South Africa. The essay explains the possible reasons why development remains a pipedream in South Africa. The main argument advanced in this essay is that, besides constraints imposed by the global neo-imperial order, inappropriate policies and or poorly sequenced reforms have limited the pace of development since 1994.

### **Introduction**

This essay reflects on what I think the fundamental 'development question' is for South Africa and perhaps for Africa more broadly. At this very onset, let me briefly explain what I mean by the term 'development' especially because this essay is a summary of my detailed or numerous analyses of development in the post-apartheid South Africa. The conception of development that this essay adopts is that development involves socio-economic progress or improvements in wellbeing of people. The improvements in wellbeing are normally quantified through the Human Development Index (HDI), which measures human development as a composite indicator made up of life expectancy, literacy and per capita income.

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 the people that need development – the people should be able to guide the development process and also have choices for their livelihoods (as Amartya Sen or Claude Ake would put it). For South Africa, the debate about 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 slow/low in the post-apartheid South Africa. Put differently, there is still a long way to go towards inclusive development in the post-apartheid South Africa.

There are also important aspects of development from other standpoints or rather there are other perspectives or conceptions of development. This essay also briefly or broadly examines the level of development in South Africa from a Fanonian perspective. This perspective on development – which is inspired by the works of Frantz Fanon – is particularly germane for South Africa because post-colonial and post-apartheid South Africa is about two decades old. Fanon has a lot to say about the post-independence period. Moreover, the Fanonian perspective is pertinent because South Africa is still grappling with the national question, arguably a more complex national question than in many other countries. Viewed from the Fanonian perspective, development has not even started in neo-colonial post-apartheid South Africa.

The next section provides a brief background with regard to what has informed and or shaped development initiatives pursued since 1994 in South Africa. That is followed by a broad review of the performance of the economy and society in the twenty one years since political independence. I then briefly examine development in the post-apartheid South Africa from a Fanonian perspective. That is followed by a theoretical and or conceptual treatment of the development challenges facing post-apartheid South Africa from thence conclusive remarks follow. The central argument that this essay makes is that socio-economic inclusion has been weak so far in post-apartheid South Africa, hence the use of the term 'post-colonial' in characterizing post-independence South Africa.

## Background

There are many standpoints, theories and ideas [of the national liberation movement] that have informed policies of the post-apartheid South Africa. Among the many perspectives, the main ones include or are captured in: the 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 the perspective presented in *Ready to Govern* (R2G) and its analysis, South Africa would probably be having better social and economic outcomes now. The clarity of thought encapsulated in R2G implies that the society envisaged by the liberation movement could have been accomplished within the two decades of post-political independence, or to a large extent there could have been successes, if R2G principles and policy propositions were followed.

Another important point, which is actually more fundamental, is that there appears to have been or there is a case to be made that there could have been a change/shift – in the thinking of the liberation movement – at some point during the 1940s and the mid-1950s. The shift, at least in emphasis, can be discerned in the Bill of Rights in the *Africans' Claims* relative to the *Freedom Charter*. The *Africans' Claims* understood the fundamental challenge confronting South Africa to be essentially that Africans were excluded, oppressed, brutalized and criminalized. In addition, the *Africans' Claims* opined that the resolution of the South African conundrum could only happen if and/or when Africans got their stolen land back and their stolen wealth returned. The *Freedom Charter*, besides being vague and not as detailed as the *Africans' Claims*, appears preoccupied with non- and multi-racialism when the fundamental development question should be about Africans.

From an economic point of view, there are many macroeconomic policies or political economy interventions that have been pursued since 1994. Among the recent policies and political economy interventions, barring the 2013 *National Development Plan* (NDP) – because it is not a policy document and it is still unclear what it really is – the 2010 New Growth Path (NGP) has many shortcomings. Besides that the NGP sets wild targets, its preoccupation with public infrastructure leaves a lot to be desired. The NGP sees its proposed or the government's public infrastructure programme as a panacea to South Africa's socio-economic woes. Public infrastructure programmes are expensive and do not address the structural challenges the economies face. A clear or comprehensive industrial policy, coupled with supportive labor market and fiscal policies, is better placed to deal with underlying challenges confronting the South African economy.

The fundamental issue, from an economic or political economy point of view, regarding the economic performance of the post-apartheid economy largely has to do with inappropriate policies and/or inappropriately sequenced reforms. The NGP, for instance, besides that it is a weak policy framework, comes very late when the economy was already starting to decline. Arguably, the 2006 Growth, Employment and Redistribution (GEAR) Framework was a macroeconomic stabilization programme, akin to a structural adjustment programme, that needed to stabilize economic fundamentals in order to prepare the economy for expansion and inclusive economic development. The 2005 Accelerated and Shared Growth Initiative for South Africa (ASGI-SA), in a sense, could be said to have been about sharing the growth through inclusive development – ASGI-SA also came late, given that the economy had stabilized already by early 2000s.

Another set of perspectives that have influenced development initiatives since 1994 and/or perspectives that have shaped development itself in South Africa include: the Colonialism of a Special Type (CST) thesis, the National Democratic Revolution (NDR) and the Convention for a Democratic South Africa (Codesa). The following questions remain unanswered: was the NDR a correct theoretical basis for the liberation project? Similarly, was the CST an accurate conceptualization of colonialism and imperialism that South Africa was experiencing in the 1950s/60s? And, lastly, should the Bill of Rights, in the *Africans' Claims* or the *Freedom Charter* or the Constitution or some other theoretical framework, form the basis of post-apartheid South Africa going forward?

Norma Chalout & Yves Chalout (1979) and Peter Hudson (1986), among others, argued that CST thesis was not an appropriate characterization of South Africa even in the 1950s/1960s. In addition, Nicholas Visser (1997) argued that the CST thesis would easily impress any person with little knowledge about South Africa because it obscures rather than explains the South African conundrum – it could be argued that, the South Africa situation is simply colonialism without trivialization through the CST argument. Perhaps, even, a better or more accurate characterization is simply that South Africa is a settler colony. Pertaining to the NDR, Gillian Hart (2013:174) is not alone in concluding that 'the NDR shows no signs of giving way to socialism, as some of its proponents had confidently predicted'. Codesa, on the other hand, largely left white privilege – not white domination per se – unchanged. It is probably important to highlight that one of the lasting legacies of the Codesa meetings was that an interim South African constitution was drafted and it would later become the Republic of South Africa's 1996 Constitution.

All in all, as Mabogoe More (2011: 183) would put it, there has not been decolonization in South Africa because 'decolonization entails the re-appropriation and return of national territory (country) to its original indigenous people and freedom from oppressive regime.' The other critical issue – the land – remains in the hands of the minority. Also, there are psychosocial issues that remain unresolved, hence sporadic attacks on so-called foreign nationals as an example. The predominantly racial inequality that still characterizes South

Africa also bears testimony that development is still a very long way to go. I say more about this in the next section.

### South Africa at 21

Post-apartheid South Africa has generally performed below par, in the economic sphere in particular, notwithstanding that the size of the economy has grown substantially since 1994. The economy had stabilized from early 2000s, but comparatively South Africa's economic performance has been pedestrian, relative to many comparable countries. For example, Botswana next to South Africa has grown significantly from year 2000 or so. Brazil and India, two of the economies that are comparable to South Africa, have performed significantly better than South Africa, so is Malaysia. South Africa's Gross Domestic Product (GDP) growth rates, since 1994 to latest years where data is readily available, are lower compared to India, Botswana, Malaysia and Brazil, not to mention China.

Table 1 supports the view that the South African economy has performed poorly compared to its peers. The choice of the years is deliberate so as to exclude the Asian financial crisis of the late 1990s and the ongoing global economic crisis which started in 2008 (whose effects began to be felt in 2009 as Table 1 shows) – the immediate post-recession period in the global economy makes it difficult to make sound comparisons in economic performances of the various countries because the pace of recovery has significantly varied.

Table 1: Gross Domestic Product, South Africa and other countries (2000-2010)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
SA	4.2	2.7	3.7	2.9	4.6	5.3	5.6	5.5	3.6	-1.5	2.9
Botswana	5.9	3.5	9.0	6.3	6.1	1.6	4.5	4.8	2.9	-4.9	7.2
Brazil	4.3	1.3	2.7	1.1	5.7	3.2	4.0	6.1	5.2	-0.6	7.5
India	4.0	5.2	3.8	8.4	8.3	9.3	9.3	9.8	4.9	9.1	9.7
Malaysia	8.9	0.5	5.4	5.8	6.8	5.3	5.8	6.5	4.7	-1.7	7.2

Source: Gumede (2015a)

Barring 2009, South Africa's Gross Domestic Product is consistently below comparable economies such as Botswana, Brazil, India and Malaysia as Table 1 shows. As indicated earlier, economic development in South Africa is constrained by inappropriate policy and or lack thereof. This suggests that policy reforms were not well sequenced or at some point – around 2006-2008 to date – there has not been robust policy formulation in South Africa. Policy failure does not only mean lack of policy or lack of clarity on a policy issue. It also means that a 'wrong' policy is [was] implemented. A policy is 'wrong' if it is not contextually sensitive.

Socio-economic development policies in South Africa have been contextualized around the desire to become a 'developmental state'. To be clear, the policies that South Africa has pursued since 1994, and especially from 2005, have been focusing on ensuring that South Africa becomes a developmental state. A developmental state is 'a state that is active in pursuing its agenda, working with social partners, and has the capacity and is appropriately organized for its predetermined developmental objectives' (Gumede, 2008: 9). In principle, this is a unique and noble initiative: it is unique because I am not aware of any other government that has ever self-consciously set out to become a developmental state, and it is noble because such a project can only be achieved through reasonable levels of equality, redistributive growth and social equality, drawing inspiration from the experiences of countries that have achieved growth and equality. This therefore gives a clear sense of the kind of post-apartheid South Africa envisaged.

Arguably, since the dawn of democracy, significant amounts of efforts by the state and other sectors in South African society have gone into devising policies and programmes that seek to bring to life these noble ideals. A developmental state often reinforces its human capacity and invests in social policies and programmes. In essence, a developmental state must prioritize human capacity and social welfare as the means of ensuring that development takes place and that it is sustained. Given the development challenges confronting South Africa, South Africa is not yet a fully-fledged developmental state. In fact, South Africa seems to be drifting further away from becoming a developmental state.

Another important indicator of development, as indicated earlier, is a country's level of human development. Again South Africa has performed badly. For instance, from about 2000, human development in South Africa has been effectively standing still as Table 2 shows.

Table 1 : Human Development in South Africa and Selected Countries

	1980	1990	2000	2005	2009	2010	2011
South Africa	0.564	0.615	0.616	0.599	0.61	0.615	0.619

India	0.344	0.41	0.461	0.504	0.535	0.542	0.547
Brazil	0.549	0.60	0.665	0.692	0.708	0.715	0.718
Botswana	0.446	0.594	0.585	0.601	0.626	0.631	0.633
Mauritius	0.546	0.618	0.672	0.703	0.722	0.726	0.728
Malaysia	0.559	0.631	0.705	0.738	0.752	0.758	0.761

Source: 2012 Human Development Report

The level of human development in South Africa has not significantly improved from about 2000. There's another way of looking at this: for instance, if you look at the various components of human development (i.e. education, healthcare, and measure of standard of living and so on) life expectancy has declined from about 1990 to 2005. The gross national income per capita, also, has not really changed much from 2010 in particular to the latest data available. In a comparative context, India is gradually catching up with South Africa, Botswana has overtaken South Africa, Brazil and Mauritius remain ahead of South Africa while Malaysia is ahead of all the countries as indicated on Table 2.

Another statistic worth highlighting is the average years of schooling. The 2013 Human Development Report compares all countries' average years of schooling with expected years of schooling. In other words, a society should have a particular number of years of schooling, on average, if the whole population is taken together. And for post-apartheid South Africa, the average years of schooling has just remained the same: data implies that South Africans, on average, school five years less than expected. Since 1995, according to the 2013 Human Development Report, the expected years of schooling in South Africa are 13.1 years but the mean years of schooling have remained 8.5 years since 2010. So, there is all this money we are pumping into education but there is no change – we are not catching up with the expected years of schooling, let alone the quality of schooling.

South Africa's public healthcare system is another issue worth touching upon given the challenges that continue to bedevil it. There is a view that South Africa's public healthcare sector is stretched and under-resourced. Government contributes about 40% of all expenditure on health, but the country's public health sector remains under pressure to deliver services to about 80% of the population. The private sector, on the other hand, caters to middle- and high-income earners who tend to be members of medical aid schemes. Consequently, South Africa has a two-tiered healthcare system that is not only inequitable and inaccessible to a large portion of South Africans but institutions in the public sector have suffered poor management, underfunding and deteriorating infrastructure. It is disturbing that South Africa is ranked third in the world for tuberculosis (TB) infections. HIV and Aids and TB infection rates vary across age, race, gender, socio-economic status and geographical location but they predominantly affect black Africans.

Moreover, there is an issue of income inequality and poverty – with regards to poverty, it is generally accepted that poverty remains very high in South Africa and there is a view that poverty might be increasing particularly as the South African economy deteriorates further (see Gumede, 2014a). When looking at the Gini Coefficient, a commonly used measure of income inequality, either from the expenditure side or from the income side, the trend is similar. Contrary to what many people say, it is not true that income inequality in the African population group has been the main driver of income inequality in post-apartheid South Africa. In fact, the cohort that is driving high income inequality in South Africa is the white population group.

The increase in income inequality within the white population group makes sense because of the privileged economic status of the white population in South Africa. This group of people already enjoys benefits from investments which ensure whites become better off overtime. This is taking place in the context of high unemployment rates that affect Africans which hampers the ability to alter their socio-economic circumstances. Numerous Africans are unemployed relative to whites, Indians and Coloureds. It is the African population that mostly bears the brunt of hardship disproportionately compared with other population groups in South Africa. It should be acknowledged though that the income inequality within the African population group had increased in the 1990s to mid-2000s as some Africans were getting well-paying jobs while many Africans remained unemployed. However, from mid to late-2000s income inequality within the African population group has remained effectively unchanged while that of the white population has increased.

As indicated above poverty in South Africa remains very high – at least 40 per cent of South Africans still live below the poverty line. The challenge of poverty in South Africa is multidimensional, as it is in most parts of the developing world. In the main, though, poverty in South Africa is structural – it is the structure of the economy that perpetuates poverty through its capital intensity, mineral-energy-complex character, and high-skill demand in the labor market. South Africa's economic growth over the years derives from capital-intensive sectors and very few jobs have been added to the labor market. There is also a widely held view that a mismatch exists between the kinds of job opportunities available in the economy and the skills of most jobseekers. Thwala (2011), for example, argues that the South African economy has not been creating sufficient jobs for the unskilled and semi-skilled laborers who are concentrated mostly in the townships and rural areas. Thus, in the context of continued weaknesses in South Africa's education and training system, there has been limited success in efforts to absorb a significant portion of the unemployed population.

In addition to income inequality and poverty, race remains a persistent fault line in South Africa's unemployment trends. The unemployment rate, using the narrow definition, is about 25 per cent in South Africa, twenty one years since political independence. The continuing decline in the labor force participation rate is indicative of an increase in the number of discouraged job-seekers. Also, the South African youth remain disproportionately affected by unemployment compared to the adult population, so are females relative to males.

South Africa is further faced with the complexities relating to an uneven labor market environment, the changing nature of work, lack of labor market measurement instruments, and that of serving a multi-class of service beneficiaries: vulnerable workers and unemployed/job-seekers. The fragmented nature of South Africa's labor market, increasing informality, 'causalization' and externalization of the labor market has undoubtedly worsened the job crisis and affected economic status of ordinary working class. It is in this context that some have argued that South Africa needs labor market reforms and or a clear labor market policy. In the meantime, or what is overdue, the initiatives such as the labor market incentive schemes should be expedited so as to ameliorate the youth unemployment challenge in particular. The purported labor market reforms and or a clear labor market policy should prioritize job creation for the black African population in particular. In the main, however, the fundamental issue has to do with restructuring the South African economy.

### **Theoretical reflections**

South Africa's democracy coincided with the rise of the hegemony of global capitalism in the closing years of the twentieth century. The country's insertion into the 'global matrix of power' under the hegemony of global capitalism thus limited the country's capacity to foster inclusive development. As a result South Africa has many of the features of a post-colonial state. The country has gone through various tragic experiences of 'plunder, exploitation and enclave or bifurcated development', and the post-colonial/post-apartheid moment is a variation of that trend. Even though the economy has undergone some restructuring with the transition to democracy, there has been no significant change since the economy is still subject to the control, manipulation and exploitation of the global capitalist system.

The corporate sector in South Africa has aligned itself with global capitalist power brokers to exert pressure on the State to relinquish its control over economic policy. The acquiescence of the African National Congress (ANC) to such pressures came to many as a surprise. However, it is said that it was largely borne out of a fear that the country could lose credibility with potential investors thereby affecting its credit ratings. Indeed, the corporate sector, in alliance with international financial institutions and neo-liberal governments in the United States and Britain, controls the movement of capital and therefore can wreak havoc on a country within a short period of time. It is widely accepted, for instance, that the Asian financial crisis of 1997/98 was worsened by the sudden withdrawal of speculative investments by Western-based investors in countries such as Thailand, Hong Kong and Indonesia.

Despite the staggering failure of neo-liberal policies, the hegemonic control of the global capitalist system looms large over the post-apartheid neo-colonial South African state. According to Seraaj Mohamed, notwithstanding the glaring and potentially dangerous level of poverty and inequality, 'the State has become hesitant about implementing progressive economic policies that could address unemployment and poverty for fear that these policies would drive down share prices and create a negative view of South African policies in international financial markets and business media'.

In Gillian Hart's estimation, 'neoliberalism, understood as a class project and manifestation of global economic forces, as well as rationality of rule, has become the dominant frame for many critical understandings of post-apartheid South Africa'. Although Hart says that such framing is inadequate to an understanding of the conundrum that currently characterizes the development project in South Africa, I argue that the framing has disproportionately shaped the country's political economy. The latitude that the ANC government gave the corporate sector to define the terms of reconnection with the global economy worsened the social and economic problems in South Africa. In short, the powerlessness of the state in getting the corporate sector to serve the interests of the society is a testimony to the hegemonic control of global capital over the state, not only in South Africa but over Africa as a whole.

The obtaining hegemonic control manifests in the interference of the agents of what William Robinson calls the transnational capitalist class in policy-making, in knowledge production and in consumption patterns. Susan Strange talks of the internationalization of production networks as an inevitable outcome of global capitalism, in which corporations seek cheap labour, higher returns on investments and a freer regime of trade, investment and capital.

The fact that the World Bank and the International Monetary Fund (IMF) continue to carry out the diagnosis of socio-economic problems in Africa also deserves further elaboration. The World Bank and the IMF have both acknowledged that the structural adjustment programmes imposed upon Africa in the 1980s were wrong-footed. The IMF has also recently shifted ground with respect to its fixation on the sanctity of capital account liberalization and the general neo-liberal dogma that has plunged the world economy into an ongoing crisis since 2008.

In what Sabelo Ndlovu-Gatsheni calls the 'myths of decolonization and illusions of freedom', post-apartheid South African leaders have not been able to escape the tyranny of the 'global matrix of power' in terms of leverage to adopt home-grown development strategies that will help to correct many years of injustices on the issues of

economic opportunity, land redistribution and of improving the living conditions of the majority of South Africans. Although South African leaders are acutely aware of the need to take bold steps to correct these anomalies, and have in fact tried through various initiatives, these have not translated into true freedom for the majority of South Africans.

According to Sabelo Ndlovu-Gatsheni, 'the post-1994 South African situation speaks volumes about how the liberation movement was disciplined into an emancipatory force that finally celebrated the achievement of liberal democracy instead of decolonization and freedom'. The liberal democracy or democracy of the market, as Claude Akewould put it, that South Africa embraced is not the type of democracy that can bring about development of the people. It is a democracy whose *leitmotif* is the protection of the property of the bourgeoisie and monopoly or finance capital. For as long as liberal democracy is based on the logic of the market and individualism, concerns about income redistribution and empowerment of the masses will remain secondary to infighting and competition over resources among the political elite. These contradictions have played out in the various fights, broken alliances, policy somersaults and ideological convolutions within the ruling ANC during the first two decades of democracy in South Africa.

In closing this brief historical and theoretical overview, it is important to emphasize that the road to true freedom in South Africa – and Africa in general – is through self-awareness of the subservient position that the continent occupies in the 'global matrix of power', through a strong aspiration to break loose from this chain, through the acquisition of relevant endogenous knowledge and through a commitment to fundamentally alter the socio-economic and political structures that make the perpetual exploitation and domination of Africa possible. Such fundamental changes will not come easy. They will be fiercely resisted by domestic and foreign capital and their cronies in the corporate sector and inside the state.

### **Fanon and development in South Africa**

Frantz Fanon remains very relevant when examining development, not only in South Africa but in post-independent/colonial Africa broadly. Almost similar to Amartya Sen's 'development as freedom' notion, Fanon views development as associated with socio-economic freedom. Fanon goes a step further because he also approaches development from a psychosocial perspective. He was very concerned with socio-economic inclusion in post-independent/colonial Algeria. Similarly, as captured in the *Wretched of the Earth*, Fanon was indeed concerned with apartheid colonialism in South Africa too.

Fanon (1968: 38-39) succinctly describes colonial-apartheid South Africa as 'a world cut into two...[the] zone where the natives live is not complimentary to the zone inhabited by settlers. The two zones are opposed, but not in the service of a higher unity. Obedient to the rules of pure Aristotelian logic, they both follow the principle of reciprocal exclusivity'.

Undoubtedly, there were two explicit zones during apartheid colonialism. In the post-apartheid dispensation, borrowing from decolonial scholars, there are subtle ones: zone of being on one hand and the zone of non-being on the other. Many Africans remain in the zone of non-being in a sense that they are socially and economically excluded. Africans in South Africa also find themselves in the zone of non-being because of racial discrimination and related appalling acts of injustice. It is in this context that South Africa can be viewed as a post-apartheid neo-colonial and post-colonial corporatist state.

As Maboge More (2014: 2) puts it, 'Fanon... has been a major player in anti-colonial and anti-apartheid formations in South Africa.' There are many who, sometimes not explicitly, wear Fanonian lenses when examining the development challenge confronting post-apartheid South Africa. The Fanonian perspective would view political independence, that South Africa is said to have attained in 1994, as a façade. In other words, there has not been genuine political independence in South Africa when the land, for instance, is still in the hands of the few, hence the characterization of post-coloniality. Fanon viewed land as the most important of all aspects of political freedom (see Gumede, 2014b). (More, 2011: 175) also argues that Fanon conceived political freedom as entailing 'the way in which an individual makes choices and assumes responsibility for those choices.' Another aspect of political freedom, over and above the act of freeing the land, is the psychological aspect of freeing the consciousness of the oppressed.

Therefore, development has actually not even started in South Africa, if viewed through Fanonian lenses. As More (2011: 183) argues, 'without decolonization in the form of land reparations, reconciliation is impossible'. Given the socio-economic exclusion characterizing post-apartheid South Africa as well as high levels of racial inequality, as discussed in Gumede (2015b), 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 (see Gumede, 2013). The policies pursued have not yielded desired results. In addition, policy reforms have not been appropriately sequenced. Therefore, besides the challenge of global power relations, which often dictate the pace of development as Thandika Mkandawire (2011) and others have illustrated, the appropriate policies and well sequenced reforms could have gone a long way towards respectable socio-economic inclusion during the 21 years of political independence in South Africa. The next section deals with this issue and other pertinent issues.

### **South Africa's development challenge**

Many people have argued that part of the challenge South Africa faces has to do with the transition, our transition from apartheid to post-apartheid society or to a democratic society –Patrick Bond, Hein Marias and

SampieTerreblanche talk of the *elite transition*. The people who have written about South Africa's political transition make their case well even though some readers may disagree with them – in arguing that 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.

Roger Southall (2010), for instance, has characterized South Africa's transition as a 'reform bargain' drawing from Scott Taylor's 'reform coalition'. Southall (2010: 5) explains the reform bargain as a "mechanism that facilitated South Africa's success which was underpinned by the new government's commitment to providing the opportunities for large-scale business to internationalize". Again, a particular compromise was reached. And at the more radical side, as indicated earlier, John Saul argues that nothing much has really changed in South Africa because the economy is still subject to the control, manipulation and so forth of the global capitalist system. There are other scholars who argue that South Africa needs a new political settlement, something along the lines of a social pact, something along the lines of a social contract.

More broadly in the context of the [African] continent as a whole, many scholars have looked at the socio-economic transformation of the continent and made a point that the challenge that the developing world and Africa in particular face or faces has to do with the 'development merchant system' – Adebayo Adedeji (2002: 4), in a powerful speech he gave in a conference in 2002, argued that 'the implementation of exogenous agenda has, perforce, been pursued because of the operation of the development merchant system under which foreign-crafted economic reform policies have been turned into a new kind of special goods which are largely and quickly financed by the operators of the development merchant system, regardless of the negative impact such policies have on the African economies and polities.'

Taking what Adedeji says and what other like-minded scholars say, the development merchant system ensures a deliberate design by the global capitalist order to perpetuate a socio-economic and political system that advances the interests of the West and maintains the peripheralization of the African continent. As indicated earlier, some of our colleagues at the University of South Africa, take for instance Sabelo Ndlovu-Gatsheni, characterize the development merchant system, broadly or differently, as an aspect of the 'colonial matrix of power' – In his 2012 Inaugural Professorial Lecture, Sabelo Ndlovu-Gatsheni (2012: 3) argued that 'African political economies have remained hostage to invisible colonial matrices of power'. So, it is not by chance that the African continent remains at the bottom, and every time it comes up with a programme, an alternative development programme (such as the Lagos Plan of Action, the Abuja Treaty, the African Alternative Framework to Structural Adjustment Programme for Socio-Economic Recovery and Transformation, the New Partnership for Africa's Development etc) there is some interference that slows down progress – many others have made this or similar points. I think we need to think about it from a theoretical perspective, particularly whether this also applies in our context in South Africa.

Lastly, as argued in Gumede (2015b), part of the development challenge confronting South Africa relates to the relations between the private sector and the government. The government appears to be captured by the private sector or the state-capital relations favor profits over people (as Noam Chomsky would put it). It is in this context that political inequality and political patronage have caused a rift between the political leadership and the people in general. The many public protests and confrontations between the police officers and the people are symptomatic of the challenge epitomized by skewed state-capital relations. Inclusive development has given way to personal enrichment by those closer to political power or those in political office. We are dealing with a case of 'incomplete liberation' as some have put it or 'incomplete transformation' as SampieTerreblanche names it. Lawrence Hamilton (2014) concludes that South Africa is a case of 'revolution still pending' while Adam Habib (2013) concluded that South Africa is a case of 'suspended revolution'. It might very well be – judging from the frequency and the violent character of protests – that revolution has started.

### **Concluding remarks**

The broadpoint that this essay makes is that post-apartheid South Africa has performed poorly, if not below expectations, with regard to development and that inclusive development in particular remains elusive. The main argument is that, besides constraints imposed by the global neo-imperial order, inappropriate policies and or poorly sequenced reforms have limited the pace of development since 1994. This is a consequence of state-capital relations that are fundamentally in favor of the private sector at the expense of the people or development. It is in this context that South Africa could be viewed as a post-colonial neo-colonial corporatist state. To change this characterization, South Africa needs to reconfigure the state-capital relations.

Broadly, countries, at minimum, need appropriate policies and or should sequence reforms accordingly. It could be argued that South Africa has done relatively well in some instances of policy making: GEAR, for instance, was a macroeconomic stabilization intervention in which the immediate and obtaining context at the time was perhaps dictated by the post-Cold War dispensation. I am not discussing the merits, or lack thereof, of GEAR. I am simply saying that it could be argued that GEAR was attending to a pertinent context at the time. Once the economy stabilized, a different economic policy or political intervention should have been pursued. Before AsgiSA, arguably, there was a gap in economic policy. After AsgiSA, I argue, there has not been a comprehensive economic policy. As indicated earlier, the NGP and the NDP are not policies. Perhaps these are broad political economy interventions. One area that comes closer to being an economic policy is the Industrial Policy Action

Plan but it is mainly about the industrialization of the South African economy, not a comprehensive policy for the economy as a whole.

I take it for granted that it is generally agreed that implementation is critical. With regards to policy, I argue that the hard choices that need or needed to be made have not been made. The essay also makes a point – a theoretical issue that still needs further elaboration – that the post-apartheid South African economy appears to be a compromise between the African majority rule and the white minority who hold greater economic power while during the elite transition or elite compromise the private sector was given a tabular rasa to operate as it deemed fit. South Africa's political economy, after 1994, appears to have been defined by a paradox of growth, stagnation and recession. From a Fanonian perspective, in particular, post-apartheid South Africa is, so far, essentially a post-colonial neo-colonial state where development is yet to take place.

Over and above reconfiguring the obtaining state-capital relations, 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 the post-apartheid South Africa pursues, particularly two decades since political independence, in order that South Africa could ultimately become the 'nation' that many sacrificed lives for.

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Frank Meintjies (2013) argues that 'CODESA (Convention for a Democratic South Africa) did nothing to rearrange economic power. It was silent on the need for ownership changes in major corporations. It sent no message about the need to reverse injustice in land ownership.'

My forthcoming book on post-apartheid South African political economy deals with this issue in detail

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Decolonial thought scholars talk of colonial or global matrixes of power in the context of coloniality – where coloniality essentially refers to the colonisers' suppression of African cultures, languages, worldviews (beliefs and value systems) and their production of indigenous knowledge and meaning, painting them as inferior and primitive, while on the other hand, presenting those of the colonisers as superior and rational and imposing them on the oppressed. See S Ndlovu-Gatsheni, *Coloniality of Power in Postcolonial Africa: Myths of Decolonization* (Dakar: CODESRIA, 2013).

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