



Our Future is in Our Hands
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About 5 years ago, Thandika Mkandawire – the eminent Malawian economist – elaborated the point he had made in 2007, arguing that: “social compacts tend to survive if they are around substantive issues” and that what is needed is a “social pact that produces both patient labour and patient capital and ensures that the burden and returns of economic development are fairly shared and permit redistribution that does not undermine economic development.”

I have, since we first publicly pronounced that South Africa would become a democratic developmental state, been thinking about how we can build a uniquely South African developmental state given our circumstances as dictated by our political economy, especially as South Africa is increasingly, if not speedily, drifting further away from becoming a democratic developmental state. As we argued when we were in government, it seems that a South African developmental state can only be an outcome of a social pact/social compact, hence the 2017 Strategy and Tactics of the ANC boldly states that “there is a long way to go in building a capable developmental state...” Recently, Joel Netshitenzhe has clarified that what South Africa needs is to “combine the best attributes of a developmental state with those of social democracy... [that] South Africa needs to sue for sustained high rates of growth of the kind attained in Southeast Asia, conjoined with redistributive mechanisms that are akin to the Scandinavian variant of capitalism.”

Part of the fundamental challenge confronting South Africa has to do with the ramifications of apartheid colonialism, as many have argued. The effects of apartheid and colonialism would, understandably, take a long time to undo. One of the most complex tasks that can alleviate the effects of apartheid colonialism is the proper restructuring of the South Africa economy so as to ensure the redistributing of wealth, income and

resources. These issues were highlighted in the event launching the national dialogue initiative.

The society finds itself at a point when it needs a social compact much more than ever since the end of apartheid rule. Conceptually, the state is in any case in a contract with the citizenry, and government ought to work with the whole of society towards achieving what the liberation struggle envisaged. It is therefore a matter of concretizing such a 'social contract' and the ongoing conversations across our society need to be structured so as to guarantee a practical set of solutions for the challenges we face. The national dialogue initiative is critical and probably overdue.

Among the key issues is that all of us need to change behaviour. This would also need to be accompanied by mindset change. For instance, the South African corporate sector benefits from the hegemony of global capitalism and it is well connected globally and roams all over the world as it wishes. While making profits, the South African corporate sector must also serve society. It must create in-service training opportunities for the youth as an example. It can invest in the real economy. It can finance infrastructure etc. It can do all these things while making profits.

For government, while exercising its leadership function it should manage public funds better. Wasteful expenditures such as in depreciating assets must be minimized. The huge wage bill can be reduced. The quality of public services can be improved. The perception that government is corrupt and that it mismanages public funds need urgent attention.

For everyone else, each and every South African should make the social pact a reality. As members of communities, every South African can play a role in bringing about a better society. Community integration culminates to social cohesion. All South Africans should play their part in building the South Africa that we can all be proud of – and we would be at peace to leave behind for future generations. Community governance can go a long way in mitigating many social ills affecting communities. All South Africans should reach out to one another. The consequences of the inability to find each other could be devastating.

Another area of concern for some relates to policies pursued since 1994 and or the implementation thereof. Policies, the social compact and the creation of a developmental state all require a clear development agenda. If we accept the National Development Plan – *Vision 2030* – as the South

African vision, though imperfect, what is missing is a clear development agenda.

The national dialogue should play an important part in shaping an ideal national agenda, especially as it seems that the ANC will co-govern with other political parties from the next general elections.

Through the national dialogue communities can reintegrate and we can build our society. Progress and prospects should be acknowledged while we deal with our challenges. For instance, South Africa can still be a developmental state. Of course it would be a uniquely South African developmental state.

The national dialogue is also a chance to clarify what is meant by radical economic transformation, the second transition, state-capture and white monopoly capital – and for all stakeholders to play their parts in the pursuit of inclusive development.