



South Africa's flipflopping developmental state journey

The Star Opinion Article

01 August 2019

Some argue that even in exile the liberation movement yearned for South Africa to become a democratic developmental state. A democratic developmental state can be viewed as a state that pursues higher levels of socio-economic development in a participatory manner, guided by a robust long-term plan. In the 2000s, the ANC became more explicit and in 2007 it declared that South Africa should be a developmental state. Peter Mokaba, in a 2001 Umrabulo essay, made the point that “the South African developmental state must lead and directly intervene in the black, particularly African, economic empowerment efforts on a programmatic basis.”

Discussions in government in the mid-2000s dealt with the organization of the State and what capacities were needed to ensure that South Africa becomes an effective developmental state. Those discussions culminated to proposals that were implemented by the Zuma administration in a modified if not watered-down form. For instance, the National Planning Commission (NPC) had been envisaged to have significant power and influence. Seniority among Cabinet members was proposed and significant technical capacity was planned as support to the NPC. In short, the Policy Unit that was disbanded in 2010 was going to increase its capacity so that monitoring and evaluation as well as long-term planning would be better undertaken. Put differently, the understanding was that, over and above implementation capacity, organizational capacity is critical. Coordination and policy thinking were priced highly.

There appears to be new energy in pursuing a developmental state dream, which seemed to be deferred in the past 10 years or so. The Presidency's new Policy Unit recently convened a conference on the 25 years of democracy and that was followed by a colloquium of the NPC on the National Development Plan (NDP). The Policy Unit's conference was aimed at taking stock of the various socio-economic and political dynamics since 1994 in order to craft a new Macrosocial Report – the erstwhile Policy Unit of the Mbeki administration had drafted the 2006 Report which raised many issues that if were taken into account we would not be finding our society at the present crossroads.

Linked to the envisaged new Report, the Department of Planning, Monitoring and Evaluation (DPME) is undertaking a 25 Year Review. These reviews are very important. The NPC colloquium was part of the process towards a review of the NDP (Vision 2030). The analysis suggests that the institutional architecture should be ameliorated in order that development outcomes improve.

That said, it was always going to be difficult for South Africa to become an effective democratic developmental state because of continuities of colonialism that do not only constitute neo-colonialism but make South Africa a post-colony. Also, the

skewed global distribution of power and the behaviour of capital make it hard for countries like South Africa to be effective developmental states.

In both the conference and the colloquium, there appears to be an air of inertia that would need decisive leadership to take the society forward. It is as if time has been standing still. Take for instance the issues that pertain to the economy, everyone still talks very broadly about the structure of the economy. I published a book in 2015 that was an attempt to explain in a detailed non-technical manner the various aspects of the South African economy.

Essentially, a structure of an economy entails: (1) the distribution of sectors and their contribution to total output, (2) respective capital and labour intensities of the sectors, (3) the dominance of certain sectors and their linkages across the economy and (4) relationships of the main sectors with other big sectors in an economy. For South Africa, like the mineral-energy complex, ownership in the economy is an additional critical factor. Another critical issue has to do with the colonial character of economies in Africa.

We therefore have to take these issues into account if we are serious about taking our society forward – these issues have been raised endlessly since early 2000s. In the meantime though, as argued elsewhere, while we confront the intractable issues of the structure of the economy and its colonial character, a robust industrial policy to deal with industrial structure and an effective labour market policy to deal with unemployment should be implemented.

In conclusion, it is important to undertake a comprehensive analysis of why has certain objectives not been achieved. A lot of work went into bringing about a social compact for South Africa in the 2000s, for instance. We are still talking about crafting a social compact, seemingly without an understanding of why we have failed. We also have to determine the kind of society we aspire for, not a broad idea of becoming a developmental state as an attempt to be like other societies because context matters.

Lastly, the issue of economic policy should be a priority – and how could economic policy interface with social policy needs serious consideration. Contrary to the view that South Africa has policies and that the challenge relates to implementation, it would seem that there are still critical policy issues that should have been addressed or at least clarified. Overall, a development agenda for the country is overdue. And it can be easily distilled from the NDP.