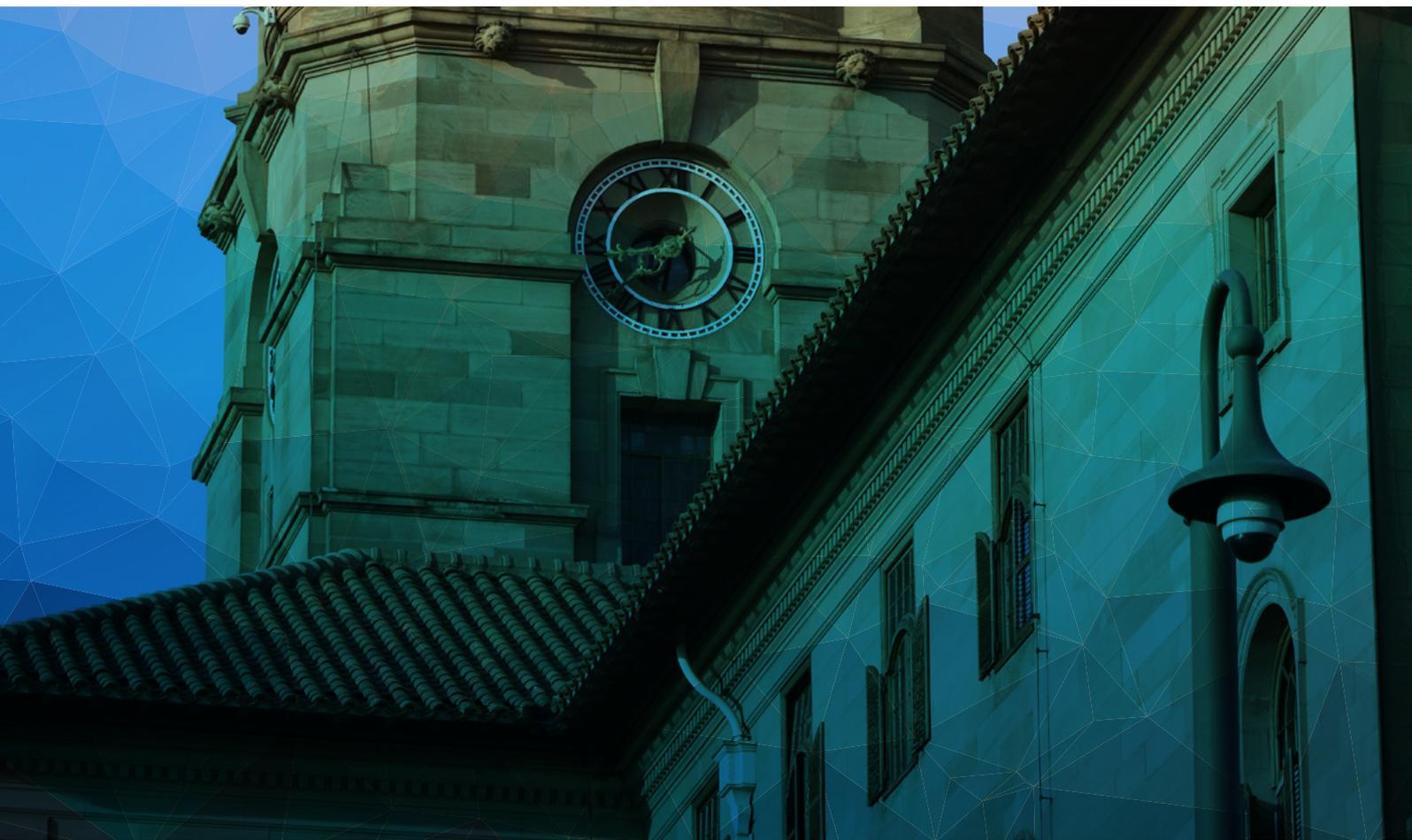


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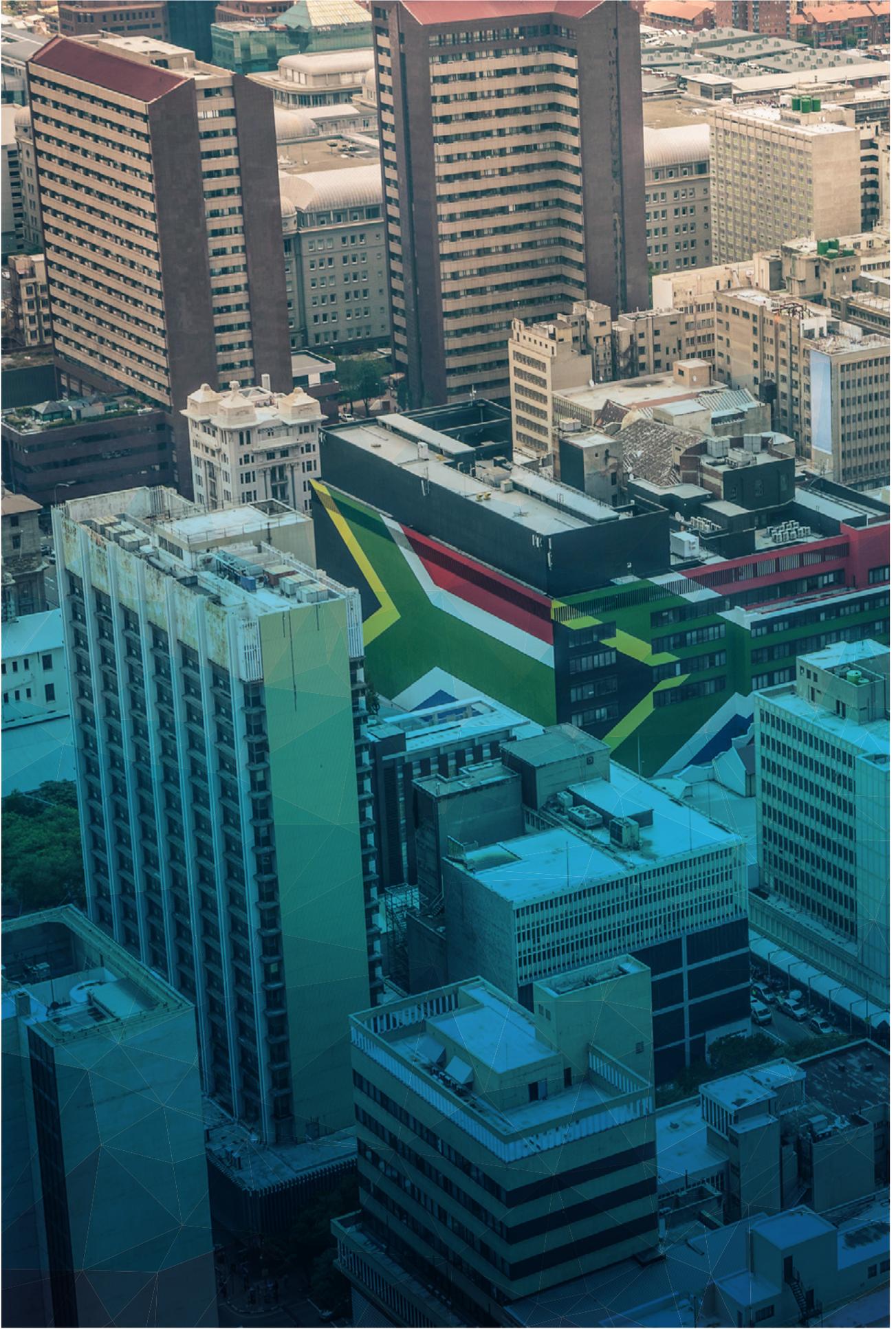
SOUTH AFRICA AS A DEMOCRATIC DEVELOPMENTAL STATE



**national planning
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NATIONAL DEVELOPMENT PLAN REVIEW COLLOQUIUM

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Summary

This paper analyses the key policies and documents which form the basis of South Africa's drive to becoming a developmental state. In order to understand the notion of a developmental state, a discussion of the theoretical foundations of the concept is provided. The paper draws upon examples from other countries (such as the Asian Tigers) that have undergone the journey of becoming developmental states. Through comparative analysis and probing the National Development Plan (NDP) as well as work of the National Planning Commission (NPC) broadly, the paper examines South Africa's prospects of becoming a developmental state. It is argued that although the foundation that was put in place for South Africa to become a democratic developmental state was relatively solid, South Africa has veered far away from becoming a developmental state any time soon. However, given the existing institutional architecture and an assessment of developmental outcomes, it would seem that South Africa can still become an effective developmental state although many of the salient attributes of developmental

states are no longer in place in South Africa.

It is also worth highlighting that it was always going to be difficult for South Africa to become a developmental state because of the political and economic history of the country as well as the global distribution of power/influence. Therefore, the review of the National Development Plan (and the work of the National Planning Commission) has to take these issues into account, including settler colonialism and the continued apartheid colonial character of the society and the economy as well as apartheid spatial planning which must be reversed. Most importantly, it would be critical that all role-players contribute towards making South Africa an effective developmental state – leadership by the government is, however, key for it to have policy clarity on critical issues in order that the social compact can be robust. Overall, fundamentally, South Africa needs a clear development agenda (which can be crafted from the NDP).

A magnifying glass is positioned over a blue textured background. The lens of the magnifying glass is focused on a quote. The background has a subtle geometric pattern of triangles. The quote is centered and reads: "This paper analyses the key policies and documents which form the basis of South Africa's drive to becoming a developmental state." The quote is enclosed in large white quotation marks.

“

This paper analyses the key policies and documents which form the basis of South Africa's drive to becoming a developmental state.

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Introduction and Background

The building of the Republic of South Africa into a developmental state (DS) has been the 'dream' of the African National Congress (ANC) and the democratic government since the late 1990s. A cursory read of 1990s ANC policy discussion, conference as well as congress documentation confirms the ANC's aspiration of developing a particular democratic developmental state (DDS) informed by South Africa's historical and contextual realities. As Mohale (2019, 325)¹ argues, "South Africa may not have used the phrase 'democratic developmental state' but expressions like people-centred and people-driven processes, from the Freedom Charter, Ready to Govern document, the RDP and various post-apartheid ANC and government policies reflect an open bias towards democracy-based and democracy-inspired developmental state."

In 2007, it was announced that South Africa aspires to be a developmental state. Netshitenzhe (2011)² explained that the idea of a developmental state can be traced as far back as the 1992 Ready to Govern discussion document. The nature and character of the developmental state that was to be constructed was well spelt out in the 2007 Strategy and Tactics document, which stated that the ANC intended to:

"...build a developmental state shaped by the history and socio-economic dynamics of South African society. Such a state will guide national economic development and mobilise domestic and foreign capital and other social partners to achieve this goal. It will have attributes that include: capacity to intervene in the economy in the interest of higher rates of growth and sustainable development; effecting sustainable programmes that address challenges of unemployment, poverty and underdevelopment with requisite emphasis on vulnerable groups; and mobilising the people as a whole, especially the poor, to act as their own liberators through participatory and representative democracy".³

The question that this paper is addressing is the extent to which South Africa is becoming a democratic developmental state. While others have considered this question, this paper attempts to answer the question by examining both the institutional architecture and development outcomes. In particular, the paper juxtaposes the journey that South Africa has embarked

on towards becoming a democratic developmental state with the National Development Plan which was launched in 2012. The NDP envisages a "capable and developmental state" and highlights the successes that can be built upon. The envisaged review of the NDP would assist in determining areas needing further strengthening or tweaking to ensure that South Africa does ultimately become an effective DDS. This paper addresses those areas.



After giving context, I clarify the theoretical foundations of the developmental state concept. The closing sections of the paper deliberates on whether South Africa is becoming a democratic developmental state or not and what the prospects are for South Africa becoming one. The analysis suggests that, although South Africa can still become a developmental state, South Africa has drifted far away from becoming one. Institutionally, South Africa has the critical architecture for becoming a DDS. However, in terms of developmental outcomes, socio-economic development has slowed significantly of late. There are other critical attributes of developmental states that are missing or have disappeared in South Africa.

Context

The ANC's desire for South Africa to become a developmental state was more explicit during the 1990s although some might argue that the pursuit of the DDS, or developmentalism in particular, dates to a much earlier period when the ANC was in exile. These discussions and deliberations pertaining to the DDS for South Africa are seen in the ANC's 49th National Conference in Mangaung (1994), 50th National Conference in Mahikeng (1997) and 51st National Conference in Stellenbosch (2002). While none of these conferences and their respective documents produced a clear and coherent developmental state policy, the outcomes of these conferences and documents point to the fact that the ANC was searching for a guiding ethos to tackle the complex socio-political and economic development in South Africa. Evidence of this assertion is supported by the various and broad policies emanating from this period, namely the Reconstruction and Development Programme (RDP) (1994), the Growth, Employment and Redistribution Framework (GEARF) (1996) and the Accelerated and Shared Growth Initiative for South (ASGISA) (2005).

Culminating in the explicit decision and subsequent announcement (in 2007) regarding South Africa becoming a democratic developmental state, work in

government started around 2004 aimed at the macro-organisation of the government with the view of ensuring that socio-economic development advanced. Various institutional reforms were pursued and others were envisaged (which were announced later by the Zuma administration). The ANC's landmark decision for South Africa to become a democratic developmental state is explained in the 2007 Strategy and Tactics document tabled and adopted at the 52nd ANC conference in 2007 (Polokwane). It is important to indicate that there had been numerous discussions and debates in the ANC, in exile even before the unbanning of political parties, that implied the desire to make South Africa a democratic developmental state. In the late 1990s and early 2000s, many of those who were in positions of influence had access to the works of Peter Evans, Thandika Mkandawire, Omano Edigheji and others who wrote on developmental states. The debates regarding the notion of developmental state in the ANC are captured in the 2001 Umrabulo publication. Interestingly, in his piece in the 2001 Umrabulo, the late Peter Mokaba 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"⁴. The 2007 *Strategy and Tactics* document elaborates on what a DDS in South Africa should be in greater detail, as discussed later.



What is the Developmental State?

The developmental state concept owes much to the rise in economic status of East Asian states, like Japan, Republic of Indonesia, Federation of Malaysia, Hong Kong, Singapore, South Korea and Taiwan (these latter four are sometimes called the Asian Tigers/Dragons). These states have been vaunted and much celebrated because of how state power was used to provide strategic leadership in overcoming developmental challenges and to achieve human development goals (Edigheji 2010).

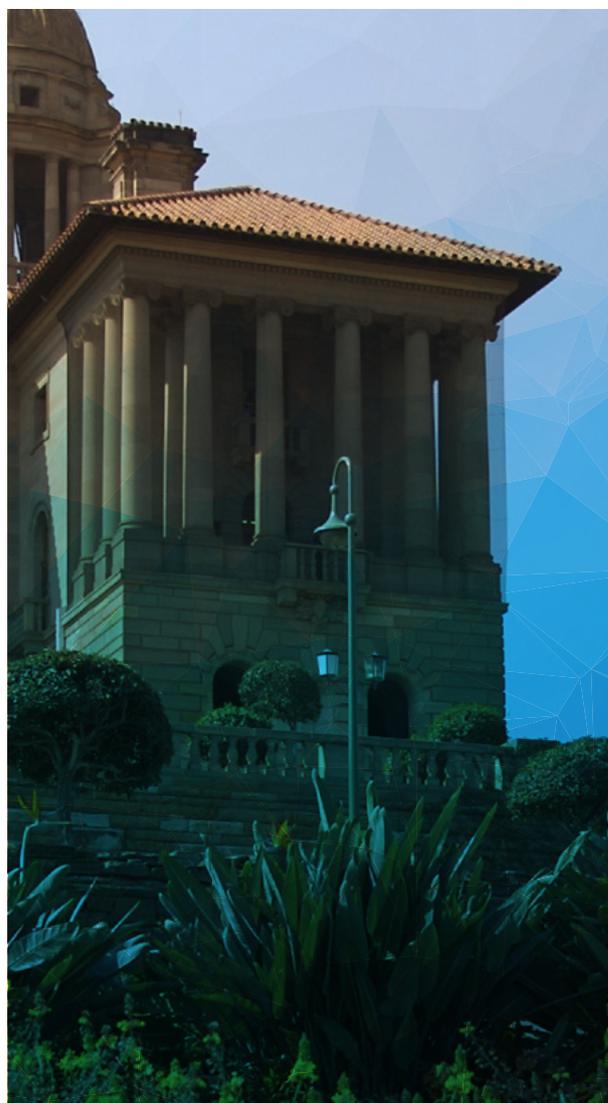
Early analysis of the developmental state concept can be traced to the work of Chalmers Johnson and Alice Amsden, who explored how the various Asian states were able to develop economically from struggling states to middle-income countries. This economic miracle, according to Johnson (1982), Amsden, Woo-Cumings (1999) and others is due to the governments of developmental states intervening in the market to direct socio-economic goals. In this regard, the developmental state is said to drive economic development, as well as industrialisation in the interest of the public good – what the late Guy Mhone (2004) characterized as “developmentalism”.

The DS concept is said to be an institutional model that adopts a statist approach to account for the high patterns of economic growth of the lately industrialised nations. It affirms the contributory function(s) of the state in economic development, and in ways that are distinct from Soviet-type all-encompassing communist states, Keynesian social-democratic states where state intervention is mainly intended to accelerate social equality and fairness and predatory states whose exploitative behaviour is an antithesis to a nation's economic development (Wai Yip So 2007)⁹.

However, there is no single definition of a 'developmental state' as argued in Gumede (2015)¹⁰. It is generally understood that development must involve the people that need development. These people should be able to guide the development needed and have choices for their livelihoods. Within the African context, development involves socio-economic progress or improvement in the wellbeing of people (Gumede 2018)¹¹. The developmental state is characterized by a number of features or multiple dimensions, namely, ideological (i.e. role of the state versus market forces), institutional (i.e. state autonomy

and capacity), cultural (collectivism versus individualism) and socio-economic attributes (i.e. economic growth, industrialisation, local economies). The accepted logic though is that the 'developmental state' emerges in stark contrast to neoclassical economics that has argued that 'state interference' tampers with economic growth as it disrupts the market equilibrium with devastating consequences (Gumede 2014)¹².

So, even though there is no single agreed-upon definition of a developmental state, there is consensus on the characteristics of a developmental state. In short, a developmental state can be viewed as a state that actively intervenes in the economy with the aim of advancing wellbeing together with a growing economy. As Dikeni (2012, 37)¹³ states, the term 'developmental state' primarily concerns itself with “the ways and means of how a state governs, intervenes in the lives of its citizens, and organises and mobilises resources for itself in order to transform and effect economic and social change in society for development purposes.”



Mkandawire (2001) argues that developmental states are “social constructs” by different role-players in a particular society, namely the political elite, industrial elite and civil society. This perspective is, in part, shared by Johnson (1982) who conceptualised the developmental state in Japan, for instance, as epitomized by a “plan rational state” where “the politicians reign and the state bureaucrats rule”. The “plan rational state” shaped economic development as it intervened in the development process and established “substantive social and economic goals”. Similarly, Onis (1991) argues that the East Asian model of a developmental state is the product of political and cultural forces while Manuel Castells¹⁴ identifies three “cultural” dimensions that reinforce the conceptual makeup of the developmental state in East Asia, namely: the Japanese communitarian approach, the Korean patrimonial logic and the Taiwanese patrilineal logic. Onis (1991) also recognises the importance of historical context that sets the stage for the making of the developmental state and argues that East Asian developmental states, were, by in large, also shaped by their historical circumstances.

Bagchi (2000)¹⁵, on the other hand, views a developmental state as “a state that puts economic development as the top priority of governmental policy and is able to design effective instruments to promote such a goal”. Critical to this perspective is that industrial policy and structural change in the production system drives economic expansion. In this instance, economic development is largely associated with industrialisation and liberalisation. This perspective seems to feature prominently in definitions of developmental states by leading scholars in the field. There is consensus that economic growth is central to a developmental state. According to Bagchi (2000, 398) a developmental state is a “state that has prioritised economic development in its policies, and one that designs policies that effectively enable the promotion of such a goal.” Based on this definition of a developmental state, Bagchi further identifies instruments which can be used in the construction of a developmental state. These include forging new formal institutions, the weaving of informal and formal networks of collaborations amongst citizens and officials, as well as the utilisation of new opportunities for trade and profitable production.

There is, however, a problem in defining a developmental state based on economic performance as not all countries that have good economic growth rates are developmental states. Mkandawire (2001, 290) argues that the definition of a developmental state which mainly focuses on economic performance runs the risk of being tautological since the evidence of a state

being developmental is drawn deductively from the economy. This produces a definition of a state as being developmental if the economy is performing well, and equates economic success to the states’ strength, while measuring the economy by the presumed outcomes of state policies, excluding situations in which exogenous structural dynamics and unforeseen factors can thwart genuine developmental commitments and efforts by the state.

In Africa there have been many examples of states whose economic performance up until the mid-1970s would have classified them as developmental states, but which now seem anti-developmental because political turmoil and other factors (such as structural adjustment programmes) brought their economic performance to a standstill. The recognition of episodes and possibilities of failure makes a case for a definition of a developmental state as one whose ideological underpinnings are developmental and put serious attempts to deploy administrative and political resources to the task of economic development (Mbabazi and Taylor 2005)¹⁶.

The majority of literature [(e.g. Robinson and White (1998), Leftwich (1995) model, as well as Cummings and Nørgaard (2004)] demonstrate that the “state-structure nexus” constitutes a fundamental component of a developmental state. The literature emphasises the importance of the organisational capacity of the state, as well as the technical capacity (i.e. implementation capacity) in building a developmental state. Important in this regard has been the ability to develop ‘industrial elites’, ensure relative state autonomy, ‘institutional coherence’, and economic performance. In essence, developmental states have, more often than not, successfully undone the legacy of ‘closed bureaucracies’, and reformed their institutional, legislative and governance arrangements in ways that have enhanced centralisation, co-ordination and strategic planning. Institutional reforms, alongside changes in economic development strategies, have contributed towards planning and promotion of developmental goals.



Though much on the developmental state has been modelled on the East Asian Tigers, there are scholars who contend that the developmental state should be modelled against broader developmental paradigms, which include elements of democratic participation, consensus-building and co-operation among social partners. The concept of “democratic participation” and “embedded autonomy”, introduced by Evans (1995)¹⁷, highlight the centrality of co-operation, negotiation and consensus-building around the developmental agenda. In this instance, the critical success factors lie in forging state-formed alliances with social groups in society that help to achieve national developmental goals. Edigheji (2005)¹⁸ suggests that a developmental state should, in principle, embody the following four principles: “electoral democracy and popular participation in the development and governance processes, economic growth, state driven socio-economic development, and ‘embedded autonomy’”.

Distilling from the literature and development experiences of many countries, Gumede argues that

a developmental state “is a state that is active in pursuing its agenda, working with social partners. It has the capacity and is appropriately organised for its predetermined developmental objectives” (Gumede 2008,9)¹⁹ and that “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” (Gumede 2018, 191)²⁰. This means that the state has the requisite capacity and is appropriately organised for predetermined goals, and the elite is developmental in its approach and is influenced by a developmental ideology.

Arguably, Evan’s “embedded autonomy” (which has to do with the extent to which a government is connected to the society it serves - as in working with all the relevant social partners while being able to distance itself from social partners when it must lead society) is one of the most important attributes of developmental states. In other words, a government in the developmental state context must be able to take decisions that it considers ideal and implement those decisions accordingly.

Overall, therefore, the following are the main characteristics of a developmental state:



It is instructive that the ANC (as indicated in the 2007 Strategy and Tactics document) says that “what it seeks to put in place approximates, in many respects, a

combination of the best elements of a developmental state and social democracy”. As such, social policy should be a critical component of the South African DDS.

Developmental Planning in South Africa

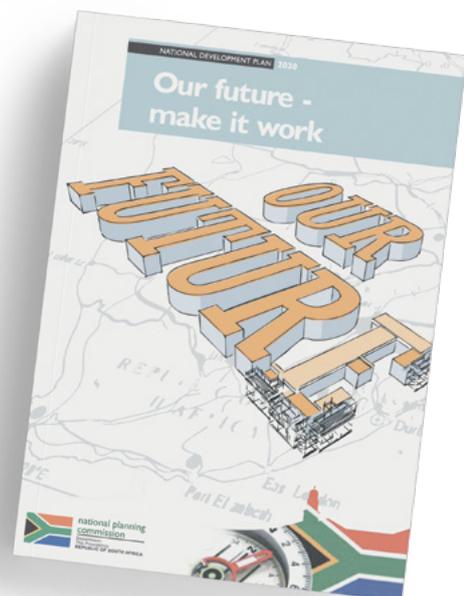
The discussion of development planning in the context of developmental states usually relates to the ability of a state to plan its long-term trajectory using policy and institutional processes (Chang 2011)²¹. For instance, in the case of Asian developmental states, public policy and institutional planning were guided by central planning agencies/departments. As an example, Japan had the Ministry of International Trade and Industry (Johnson 1982)²² and South Korea had the Korean Economic Planning Board (Seunghee Han 2014)²³. At the heart of these institutions' inner workings was the deep desire and operationalisation of a planning ethos for their respective states. These national planning agencies/departments were designed and instructed to bring together private sector finance, market know-how and entrepreneurship guided by public sector leadership and policy co-ordination (Bishop et al, 2018)²⁴. As such, modern day multinational companies like Samsung, Toyota, Sony, and others have been able to claim a stake as leading quasi-private multinational giants.

However, flowing from the developmental planning idea is the importance of national governments having lead institutions like planning commissions to plot and sometimes lead economic development activities. As argued by Kuye and Ajam (2012)²⁵, countries that have put in place the institutional architecture and capabilities for implementing development plans seem to perform better in terms of social and economic development. Over and above planning commissions or such institutions, the development plans/visions of countries viewed as developmental states are usually clear, concise and robust. This cannot be said about the NDP. It might, however, be that a tighter and more concise developmental agenda can be distilled from the NDP. It would be critical for the NDP to have a sharper focus and to be mindful of the ramifications of apartheid and settler colonialism.

As indicated above, work in government that started in 2004 culminated to proposals for an institutional architecture that could ensure effective long-term planning. It was envisaged that the Policy Co-ordination and Advisory Services (PCAS) would provide technical support to the Planning Commission, while improving its work on monitoring and evaluation. The Planning Commission was expected to be a high-powered

institution led by the Deputy President of the country. In fact, the proposal was that the Deputy President would be a Prime Minister working with senior Ministers – for each overarching function, departments/Ministries were to form a committee under the leadership of a senior Minister. What was implemented in 2009 deviated from those proposals and the PCAS was disbanded. This was probably one of the biggest mistakes of the Zuma administration.

In 2012 the NDP was unveiled, following the inauguration of the National Planning Commission in 2010 (the year when the PCAS was disbanded). The fundamental question that lingers is whether the existing institutional architecture and the NDP are contributing to making South Africa a developmental state²⁶. The analysis of relevant issues implies that while the South African government can argue that it bolstered its credentials of being considered a developmental state, through the creation of a planning commission (like Singapore, Malaysia, Hong Kong and India as examples), the South African NPC unfortunately failed to enact one of the most important features of a planning commission, namely, the systemic development of human capital to bolster government structures and performance. Human capital development was the lead reason for high calibre policy and institutional performance in countries such as Japan, Hong Kong and China (Mathebula 2016)²⁷. Similarly, the development plans of countries such as Japan, Malaysia, Brazil, India, China and even countries that are not viewed as developmental states are not as long-winded as the NDP.





Regarding capacities necessary for a country to be a DS, this was identified by the ANC as well as spelled out in the NDP. However, many of these requisite capacities are lacking or have dwindled. Evidence of this assertion is found in the weak institutional performance of South Africa's local government and state-owned entities due to the poor calibre of people leading these institutions (Twala 2014)²⁸. Moreover, there have been shortcomings in the recruitment processes. For instance, in South Africa it is not unheard of that a particular politician has influenced who gets recruited and sometimes who may get fired (Ntliziywana 2017)²⁹. There is also what seems to be a general challenge that many people rise to senior positions in government without the gravitas and experience needed for those positions. These concerns contravene the DS principle of meritocratic recruitment.

In addition, while expansive in what it tried to cover, the NDP has not been able to integrate and produce a clear economic development policy trajectory. Evidence of this is seen in the fact that the South African economy has been deteriorating over the last ten years. Mining and manufacturing – the two sectors that are taking a knock – have always been seen as important even after 1994 because they were identified as industries that can absorb numerous unskilled and low-skilled young

unemployed citizens³⁰. Yet, the NDP and NPC have been unable to produce the requisite policy to rescue a mining sector that has from 1995 been shedding jobs at an alarming rate. Manufacturing has also been in decline, also implying that industrialisation is slowing down in South Africa. The issue of economic policy is important as it also demonstrates that South Africa lacks a development agenda as indicated above, despite the NDP and the NPC. Arguably, the development agenda would deal with the challenge of restructuring the South African economy, among other critical developmental issues.

Another critical issue relates to the ANC as a governing party. The ANC has yet to formally align its political capital behind the NDP³¹. Onis (1991)³² contends that developmental states that perform well are those where development plans are clear and have proper support of the political elite. In the case of the ANC, the political party has been at war with itself. For a long time, roughly since the recall of former President Thabo Mbeki, the ANC has not focused on development. It is encouraging to see that the policy unit in the Presidency is being re-established. Policy thinking, over and above policy co-ordination, would be critical both in the party and in government if South Africa is to become a developmental state.

South Africa's Institutional Architecture

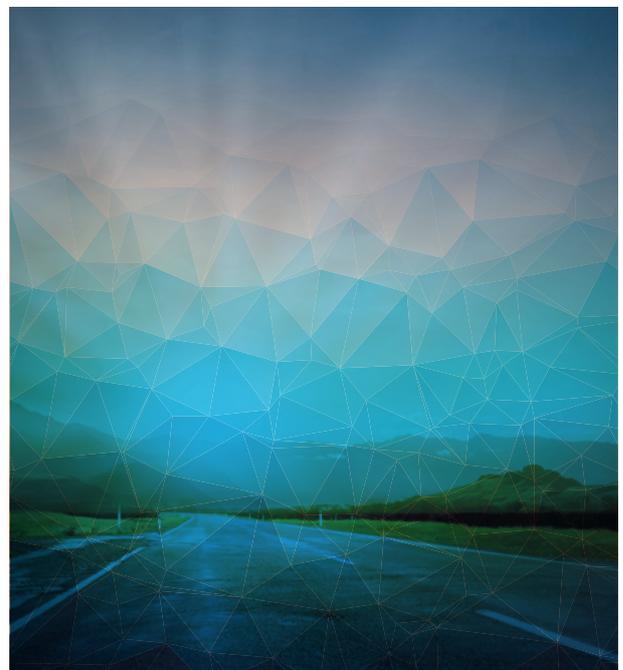
South Africa has undergone deliberate institutional reforms since 1994 with the ANC at the helm of the leadership in government. In essence, the democratic government had to attempt to undo the legacy of apartheid by reforming institutional, legislative and administrative arrangements that were undemocratic and discriminatory. This has entailed governance arrangements that involve some form of co-ordination and decentralisation. The focus on the country's institutional architecture is a firm recognition that it is these very institutions that will determine state capacity to formulate and implement policies and programmes of a South African DDS. This thinking is in line with Edigheji (2010, 2)³³ who also emphasises that "the real challenge is designing the requisite institutions for South Africa to be truly a developmental state, and formulating and implementing policies that will enable it to achieve its developmental goals".

During the first ten years of democracy, the focus was on institutional reforms along with the necessary legislative changes. This process continued for another ten years with an additional focus on building effective governance and service delivery institutions. As literature on developmental states indicate, institutional arrangements are critical to the success of a democratic developmental state, and the South African policy-making institutional mechanisms were trying to take that into account (see Gumede 2017 for detailed explanation of policy processes since 1994)³⁴.

While much progress had been made in attacking abject poverty through the social wage – taking a view that combines access to basic services and social grants – this has not made sufficient impact on social marginalisation especially among youth, women and people in rural areas. It also raises the question of the kind of society South Africa aspires to be, particularly because social grants have become a significant component of national expenditure. Improved access to basic services such as education, health, water and electricity did not necessarily improve the requisite quality of these services. At the same time, levels of inequality in terms of income, assets and opportunity have not improved much and, as indicated earlier, the economy has been in decline for the past ten years or so.

The development challenges that are highlighted above and in other parts of the paper are also a function of apartheid geography and spatial planning. The various attempts to reverse this challenge have not been successful. It is not surprising that poverty, as an example, is along racial and geographic lines. The government has also not differentiated between townships and rural areas sufficiently. It can be argued that the countryside seems not to have been taken into account in policy and programmatic initiatives although the majority of South Africans reside in rural areas. By implication, there needs to be more clarity in policy initiatives affecting the countryside and regarding the so-called 'township economy'.

Another significant element of the implementation process in South Africa is that of the involvement and/or participation of non-state actors, broadly referred to in public policy literature as quasi-autonomous non-governmental organisations ("quangos"). In a quest to achieve impartiality and to access independent views of the public, government had put in place, as mandated by Chapter 9 of the Constitution, several institutions in order to strengthen constitutional democracy. These institutions account to the National Assembly. The list includes the Public Protector, the South African Human Rights Commission, the Commission for the Promotion and Protection of the Rights of the Cultural, Religious and Linguistic Communities, the Commission on Gender and Equality, the Youth Commission, and the Electoral Commission.



Although these are state institutions, the Constitution protects their independence by allowing them to contribute to the policy-making, implementation and monitoring processes 'without fear, favour or prejudice', on behalf of the different sectors that they represent. This is one area in which some attributes of developmental states are confirmed in the context of South Africa.

One of the issues that is still highly debated, in the context of capacity and organisation of the South African state, is the cluster system. The cluster system (i.e. a committee of Heads of Departments dealing with similar

policy and implementation issues) played an important role in policy formulation and monitoring and evaluation in the first fifteen years of democracy. It could be argued that the cluster system remains a work-in-progress as it is continually being adjusted in order to address the challenges of the specific post-apartheid administration in South Africa. The original mandate of clusters include: (1) to harmonise the work of departments and to reduce departmentalism, (2) to produce reports on the implementation of the Programme of Action (PoA), and (3) co-ordination or oversight over implementation of the PoA.

Social and Economic Transformation

As a starting point, social policy is an often overlooked or misunderstood concept due to limited literature. Even the South African government does not seem to distinguish between social policy programmes and actual social policy³⁵. In most instances, the government and certain commentators equate social policy with social protection when in fact social protection is a component of a comprehensive social policy. While the critical role of social protection is acknowledged, the existence of social grants does not change the fact that the South African government lacks a comprehensive social policy or policies.

It can be argued that the confusion that currently exists between social policy and social grants (welfare) in South Africa is a definitional problem as Hall and Midgley suggest³⁶. Hall and Midgley (2004) indicate that there are different conceptions of social policy: aspects concerned with "social and welfare services or safety nets to alleviate immediate crises...[and] social policy as encompassing any planned or concerted action that affects people's lives and livelihoods"³⁷. It can then be said that the South African government has not done enough work in understanding this definitional problem, but rather continues to believe the existence of the grant system is a social policy. It is argued that there were efforts aimed at a comprehensive social policy until the recall of former President Thabo Mbeki. This is one area that the NPC can revisit i.e. to assess whether the proposals that were made in 2005-2008 regarding social security reforms could have culminated in a comprehensive social policy for South Africa.



The importance of a sound working definition of social policy is because scholars such as Thandika Mkandawire link functional developmental states with clear social policies. Mkandawire argues that social policy (what he terms transformative social policy) is underpinned by three key factors (1) productive functions (i.e. producing human capital), (2) redistributive and (3) protective roles³⁹. This view of social policy brings into stark focus the fact that the democratic South African government has of late approached social policy in a one-dimensional manner, equating the rollout of the grant system with a singular social policy. This raises the question of whether, in focusing on grants, the South African government has done so at the expense of deliberating and developing a clear coherent overall social policy. This question unfortunately has yet to produce the necessary public policy deliberations by government and other social actors in South Africa.

The absence of an overarching social policy has resulted in the development of a worrisome financial and institutional problem due to the increased reliance by society on grants. South Africa's National Treasury details this problem,

“The number of social grant beneficiaries is expected to reach 18.1 million by the end of 2019/20. The child support grant will reach an estimated 12.8 million beneficiaries and the state old age grant 3.6 million beneficiaries. Due to increases in beneficiary numbers and inflationary adjustments to grant amounts, expenditure on grants is expected to increase at an average annual rate of 8.2 per cent over the medium term, reaching R175.6 billion in 2019/20”³⁹.

The expected increase in social grants as described here could be considered a negative development for South Africa's developmental state aspirations. This is due to the fact that the rising expenditure on social grants is only satisfying one aspect of social policy while ignoring longer term aspects like intense and smart human capital investments.

Part of South Africa's inability to become a developmental state is the lack of social policy. In addition, and more importantly, social policy should work in tandem with economic policy.



South Africa as a Developmental State?

There have been many debates in South Africa about whether it is a democratic developmental state. While some of these debates have concluded that South Africa is a developmental state albeit a relatively weak one, others have concluded that it is not. According to Mkandawire (2001, 291) good economic performance and social transformation are positive outcomes of development, which implies that a developmental state is about institutions, processes and their management. Since the dawn of democracy in South Africa, a significant amount of effort by the state and other sectors of the society have gone into devising policies and programmes that seek to establish the noble ideals of human dignity, equality, human rights and freedom (Constitution of South Africa 1996, 30). The public policies that have been implemented since 1994 can be said to have been deliberate attempts to engender human progress and socio-economic justice (Gumedede 2008)⁴⁰.

Onis' (1991) contention that the East Asian developmental states were shaped by their historical circumstances is similar to the ANC's aspiration to "build a developmental state that is shaped by the history and socio-economic dynamics of South African society" within the "National Democratic Revolution" paradigm (ANC 2007, 5). The ANC's ideology (i.e. the national democratic revolution) is clear in many government documents and political discourse (i.e. ANC Strategy and Tactics 2007 & 2012, National General Council 2005, 52nd National Conference, ANC manifestos for general elections). This is one aspect of a developmental state alluded to by Mkandawire (2001).

The ANC's policy discussion documents, for example, highlights that South Africa's developmental state will be informed by and customised to respond to local realities, such as the country's history of colonialism. These emphasise state capacity to intervene in the economy in the interests of national development, higher rates of growth and social inclusion. The ANC's approach to economic transformation proceeds from the understanding that socio-economic development cannot emerge spontaneously from the invisible hand of the market. It is necessary for the state to play a central and strategic role in shaping the contours of economic development. It is in this regard that the ruling party has mobilised social partners/all sectors of society to take

part in policy formulation and planning, and directing society's resources towards common national goals. The construction of a South African model is intended to restructure the economy in such a way that it will ensure broadened participation by black people, expand beneficiation efforts, allow for higher rates of export, increased taxation for redistribution, strengthened competition authorities, etc.

The second aspect, the structure, is clear in the detail of what the ANC deems a developmental state. The 2007 *Strategy and Tactics* document says that the developmental state would have the capacity to intervene in the economy, implement social programmes that address unemployment, poverty and underdevelopment, and have the capacity to mobilise the people. With some exceptions, the ANC seems to be adopting Leftwich's (1995) model of developmental states and combining that with Evans' (1995) "embedded autonomy" recommendation and trying to ensure the "ideology-structure nexus" of Mkandawire (2001).

From Leftwich's model, the following components seemed to feature in the South African case: determined developmental elite; relative autonomy; the effective management of non-state economic interests; and legitimacy and performance. With regard to the "ideology-structure nexus", the attributes that the ANC lists of the (envisaged) South African developmental state include issues such as strategic orientation (which emphasised people-centred and people-driven development) and the capacity to lead the definition of an overarching developmental agenda and the mobilisation of people around it. The ANC appears to also draw from Cummings and Nørgaard's (2004) dimensions of state capacity in that it highlights organisational capacity (i.e. organisation of the state) and technical capacity (i.e. implementation capacity). It seems to have also tried to apply the notions of "state-structure nexus" and "institutional coherence" that Robinson and White (1998) see as important institutional attributes of a democratic developmental state.

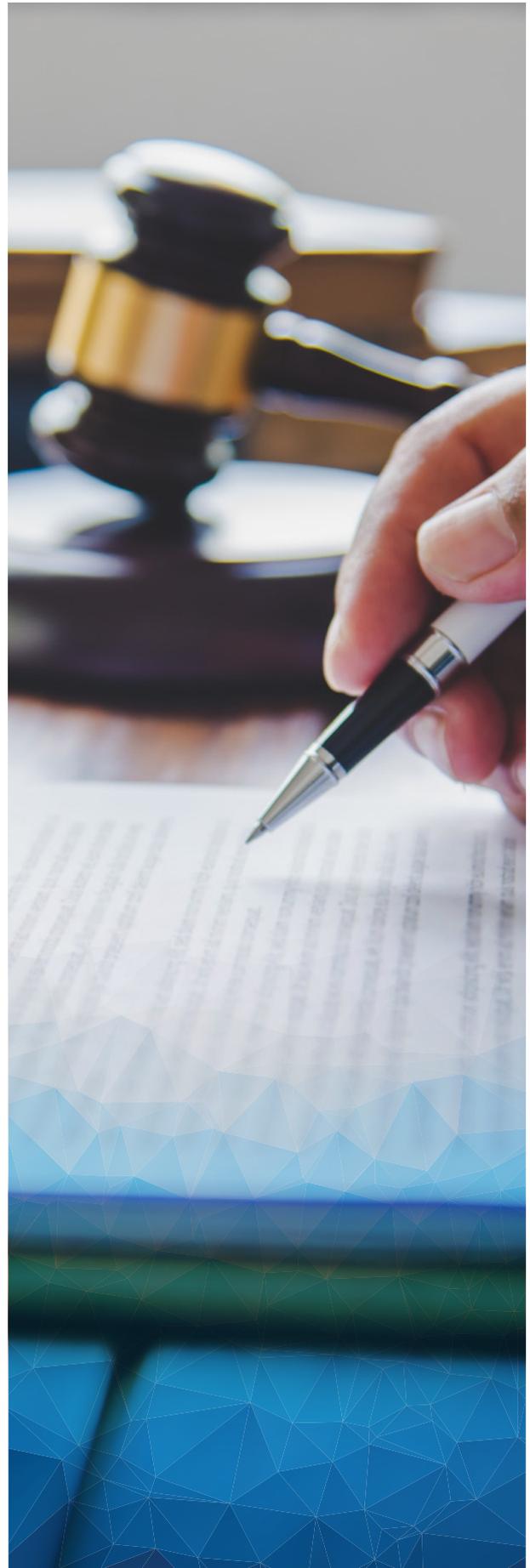
Lastly, public policies in South Africa have largely been influenced by the commitments of the National Democratic “Revolution” alluded to above. These commitments are elaborated in many policy documents of the ANC. Government, through respective structures and policy instruments, translates those noble ideals into implementable programmes of action within respective policy (and political) platforms (i.e. Parliament’s budget processes, Medium-Term Strategic Framework). The core of that programme of action is explicit about the trade-offs that should be made. This correct approach is a case of “politics” positively influencing public policy-making.

As indicated earlier, Edigheji (2005) suggests that a democratic developmental state is one that principally embodies the following four principles: electoral democracy and popular participation in the development and governance processes; economic growth; state-driven socio-economic development; and “embedded autonomy” as coined by Evans (1995). All of these seem to obtain in South Africa, to some extent. Edigheji further emphasises that the prevailing institutional arrangements, as an important variable to the success of a democratic developmental state, and the South African policy-making institutional mechanisms seemed sound.

Even with regard to perspectives of leading scholars on developmental states (of East Asia), South Africa seems to have been trying to prioritise economic development. There have been various attempts to get the industrial policy off the ground and it could be argued that the ‘industrial elites’ are under the guidance of the state to some extent. The guidance of ‘industrial elites’ has taken various forms, including Presidential Working Groups on business matters. There are elements in the South African state, in the manner in which it determines the developmental agenda and mobilises society, that to some extent resembles Japan as described by Johnson (1982), Korea as described by Amsden (1989) and Taiwan as described by Evans (1995). However, it is not clear whether this attribute of developmental states is still taken seriously in South Africa.

Evan’s (1995) concept of “embedded autonomy” which is central to the effectiveness on a developmental state seemed to play itself out in the South African context. Evans’ (1995) point is that state institutions have to be autonomous in so far as it facilitates the identification and promotion of strategic developmental objectives. The embeddedness lies in the state’s ability to establish and sustain working partnerships with key social groups which would add much-needed impetus to the

achievement of development goals. Broader forums, which were more inclusive and participative were initiated in the Mbeki administration. The most common one came to be called *Izimbizo*. The Zuma administration modified that to *Siyahlola*.



Outside the state umbrella, there are a number of institutions, bodies and agencies that are active role-players in policy-making processes. I discussed a few that represent different sectors such as business, women, labour, community, etc. The National Economic Development and Labour Council (NEDLAC) is one body through which government comes together with organised business, labour and community groupings at a national level to discuss and try to reach consensus on issues of social and economic policy. The organised business component is represented by Business Unity South Africa (BUSA), organised labour by the main labour federations in South Africa and the organised community component is made up by the South African Youth Council, National Women's Coalition, South African National Civics Organisation, Disabled People South Africa, Financial Sector Coalition and the National Co-operatives Association of South Africa. NEDLAC works very closely with the Departments of Labour, Trade and Industry, National Treasury, Public Works and others with the aim of making socio-economic decision-making more inclusive, and to promote the goals of economic growth, equity and social inclusion. Since its inception in 1995, NEDLAC has served as a critical point of interface between government and its social partners (business, labour and civil society) to improve policy planning, co-ordination and integration. NEDLAC has played an important role, often taking centre-stage in the formulation of macro-economic and labour market strategies.

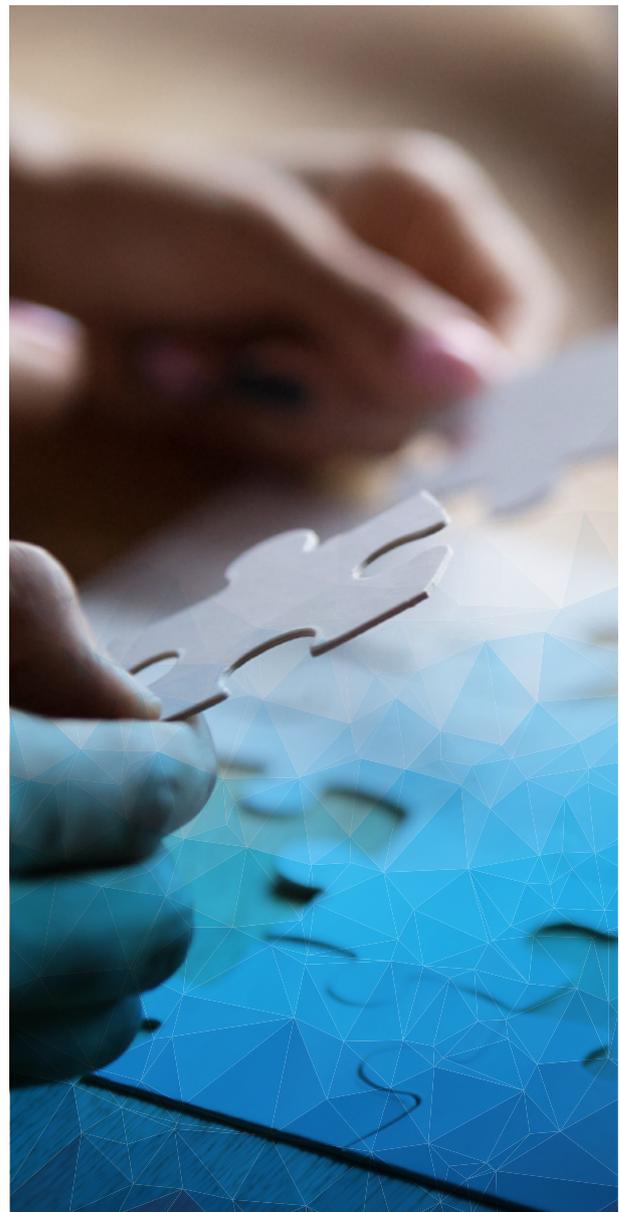
It is through these and other bodies that the dynamic interaction on policy debates between government and non-state actors has ensured that South Africa continues to respond to the immense challenge of building a society that concretely advances the human development of all. This, however, remains a much-contested terrain in relation to the role of the state and its partners. Linked to this is the state's commitment to meritocratic recruitment i.e. the appointment of skilled bureaucrats that would ensure the important political neutrality which would in turn facilitate sound networks and delivery of developmental goals. The matter of whether top civil servants are appointed on merit and whether they are insulated from political manoeuvres, however, remains the subject of debate.

Given the different attributes and definitional aspects of developmental states, it is clear that the foundation that was put in place during the first two decades of democracy in South Africa has been eroded. The government and the ANC, in particular, indicated in 2007, that a "developmental state shaped by the history of socio-economic dynamics of South African society"

was to be created and that such a state:

"...build a developmental state shaped by the history and socio-economic dynamics of South African society. Such a state will guide national economic development and mobilise domestic and foreign capital and other social partners to achieve this goal. It will have attributes that include: capacity to intervene in the economy in the interest of higher rates of growth and sustainable development; effecting sustainable programmes that address challenges of unemployment, poverty and underdevelopment with requisite emphasis on vulnerable groups; and mobilising the people as a whole, especially the poor, to act as their own liberators through participatory and representative democracy".³

The ANC also made it clear that it intended to "put in place [that which] approximates, in many respects, a combination of the best elements of a developmental state and social democracy." All of this is increasingly becoming a pipedream.



Whilst in terms of Evan's (1995) notion of 'embedded autonomy' and Cummings and Nørgaard's (2004) four dimensions of state capacity, it appears that South Africa can be described as a developmental state in the making - albeit a relatively weak one. The 'outcome' of the South African state since 1994 particularly does not support the view that it is a developmental state. This is similar to Ben Turok's⁴¹ view in 2008 that "South Africa could not presently be characterised as a developmental state but that it has taken several significant steps in this direction" Turok (2008, 4).

A critical factor to be taken into account is South Africa's history as countries that have undergone settler colonialism have many developmental challenges. South Africa experienced both settler colonialism and colonialism of a special type as characterised by the Communist Party of South Africa. The South African Communist Party (1962) described colonialism of special type as the form of colonialism "in which the oppressing White nation occupied the same territory as the oppressed people themselves and live side by side with them". Although South Africa has developed a constitutional framework that seeks to incorporate the various nationalities into a nation state, the continuity of the old patterns of relations and privilege by one race over the other (i.e., the European settlers over the African hosts) have tendentially undermined the efficacy of the Constitution by blurring the racial divides. What has happened and continues to happen in South Africa is that, despite the freedom that post-independence has yielded, emancipation in the form of access to economic justice and equity remains an illusion.

The continuities of colonialism do not only constitute neo-colonialism but the post-colony in a democratic South Africa. As argued in Gumede (2016)⁴², South Africa needs to deal with policy constraints experienced since 1994 that have to do with limitations imposed by the global socioeconomic and political order. It is in this context that making South Africa a developmental state is not an easy task. For instance, South Africa's economy continues to reflect similar attributes of the apartheid colonial economy where the apartheid patterns of relations are systematically and purposefully entrenched. The majority of South Africans continue to be restricted from meaningful participation in the economy. Access to assets, economic opportunities, and skills continues to be racially determined. As in apartheid colonialism wherein accumulation and the creation of wealth were confined to a racial minority, the process of economic empowerment today seemingly mirrors apartheid colonial patterns. The result is an economic structure that still reflects much of the character and contents of

colonial apartheid South Africa, which is the basis of the call to de-racialise the economy.

Given this, and data on various socio-economic indicators, South Africa, or specifically its government, is experiencing what some call 'power without hegemony'. The private sector has not sufficiently come to the party, so to speak. There were many attempts to work with the private sector in the Mbeki administration, as an example, but the private sector could not fully commit⁴³. The process culminating in the NDP also involved commitments by the private sector but it has not done much. The same could be argued regarding organised labour, to some extent. The various partners do not fully work together in ensuring that South Africa can become an effective developmental state. At a global geo-political level, the global south remains at the periphery (some of global south countries are at the semi-periphery). It is not the interest of the dominant countries or regions that Africa, including South Africa, succeed⁴⁴. It is, therefore, not only the impact of the various partners not playing their roles in ensuring that South Africa becomes an effective developmental state, it is also the behaviour of global capital (which has a relationship with South African capital) and the skewed global distribution of power/influence.

Overall, therefore, the analysis seems to suggest that South Africa has been a developmental state in the making but government has not undertaken social and economic policies in a sound manner. It could be argued that South Africa has not been a very effective state owing to its lack of technical and implementation-state capacity. This challenge is more glaring at local government levels as recent theses by Kagiso Pooe⁴⁵ and David Mohale⁴⁶ demonstrate.



Conclusion

The paper examined the extent to which South Africa, in a bid to overcome its development deficits, is a developmental state. The paper defined the developmental state based on its historic and cultural context, institutional attributes as well as state capacity to deliver on national growth and human development. The paper demonstrates the importance of the relationship between an effective and capable state and strong institutions, and achieving sustainable economic growth and human development goals. It analyses the institutional mechanisms and associated 'outcomes' of other developmental states in drawing important lessons for (re)building state capacity in South Africa.

Besides the need for a social pact or compact, part of the reason why South Africa has not achieved the ideal of becoming a fully-fledged developmental state is largely because it is riddled with weak policies, at times a lack of policy and in some instances, policy confusion. Policies, or lack thereof, are at the centre of the problems confronting South Africa, even 27 years after democracy. This does not ignore the importance of policy implementation. Gumede (2016) explains that though implementation is critical, appropriate policies are more important than implementing the wrong policies. Policies are deemed wrong or inappropriate if they do not directly respond to the problem at hand and if they do not take the context into account. Good policies can become wrong and or inappropriate if reforms are not pursued timeously and if the sequencing of reforms ignores the context. There is, therefore, a need for a multi-pronged approach to bring about a, still feasible, democratic developmental state in South Africa.

Policies, the social compact and the creation of a developmental state all require a clear development agenda. This key ingredient for success is evident in most of the countries that South Africa is compared with. If we accept the National Development Plan: Vision 2030 as the South African vision (though imperfect), what remains missing is a clear development agenda. This point has been made by many who do not see the NDP as a developmental agenda. As many have argued, a South African development agenda or programme has to take into account the ramifications of apartheid colonialism. All role players would need to play their part in the pursuit of a South African development agenda or programme as informed by Vision 2030 including explicitly addressing the ramifications of apartheid

colonialism.

Using the African post-colonial development experience and the post-apartheid South African development experience, Gumede (2016) also illustrates that complete liberation and thorough decolonisation as well as the reconfiguration of the global matrix of power relations are needed for South Africa to be a developmental state. The same applies to many countries, if not all, on the African continent. For South Africa, the reconfiguration of state-market relations would be a prerequisite for a serious agenda towards a fully-fledged developmental state.

Overall, South Africa can still be a developmental state although the institutional architecture needs strengthening. In this regard, the review of the NDP (and the NPC) is well-timed. The points highlighted in the paper as areas for attention should be taken into account, especially a revisiting of the proposals that had been put together before the recall of former President Thabo Mbeki. The most complex issue relates to settler colonialism and the global distribution of power. A proper social pact and robust social and economic policies should still help South Africa become an effective developmental state. The starting point could be to distil a development agenda from the NDP and use that to form a social compact and to implement the appropriate policies.



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