

South Africa's Journey towards a Democratic Developmental State

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Abstract

This article analyses key policies and documents, which form the basis of democratic South Africa's desire to becoming a developmental state. In order to understand the notion of a developmental state, I provide a discussion on the theoretical foundations of the concept by drawing on examples from other countries (such as the Asian Tigers) that have embarked on a journey to become developmental states. Through a comparative analysis, and by probing the National Development Plan (NDP), as well as the work of the National Planning Commission (NPC) broadly, I examine South Africa's prospects of becoming a developmental state. To this effect, I argue that although the foundation that was laid for South Africa to become a democratic developmental state (DDS) was relatively solid, South Africa has veered far away from becoming a developmental state any time soon. But, given the existing institutional architecture, as well as an assessment of developmental outcomes, it would seem that South Africa can still become a viable developmental state—although South Africa has lost many of the salient attributes of developmental states. 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. The article makes suggestions with regard to what could be done to ensure that South Africa becomes a viable, fully-fledged, democratic developmental state.

Keywords: developmental state; planning; Asian Tigers; development outcomes; policy coordination

Introduction

The making of democratic 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 the ANC policy discussion, conference, as well as



Congress documents, confirms the ANC's aspiration for South Africa to become a democratic developmental State (DDS) in particular, a DDS that is informed by South Africa's historical and contextual realities. This aspiration became pronounced or was prominent in the 1990s than it was during the past years. Also, a developmental state that was envisaged was/is one governed by democratic principles. As Mohale (2019, 325) 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

It was announced formally in 2007 that South Africa aspired to be a developmental state. Netshitenzhe (2011) explains that the idea of a developmental state can be traced as far back as the 1992 *Ready to Govern* discussion document.

The main question that this article is addressing is the extent to which South Africa is becoming or not becoming a democratic developmental state (DDS). Other scholars have considered this question, but in this article I attempt to answer the question by examining both the institutional architecture and development outcomes broadly. In particular, the article juxtaposes the journey that South Africa has embarked on towards becoming a Democratic Developmental State with the National Development Plan (NDP), which was launched in 2012. The NDP envisages a "capable and developmental state"; and to this effect, I argue that indeed, there are some aspects of a developmental state that are still present in South Africa that the latter can build on to ensure that South Africa still becomes a developmental state—even though it has veered far off from where it was in the mid-2000. The envisaged review of the NDP would assist in determining areas that need further strengthening or tweaking, to ensure that South Africa does ultimately become an effective DDS. In addition, besides that the NDP is a long-term plan, it would be good that there is more clarity on what the NDP really is. There is a view that the NDP was essentially about promoting the vision of the South African constitution to translate it into development planning. Another view is that the NDP was mainly meant to guide long-term planning, coordination and oversight in the implementation of government policies and programmes.

After providing context, I then tease out the theoretical foundations of the developmental state concept. In the closing sections of this article I deliberate on whether or not South Africa is becoming a DDS—or whether there are prospects for South Africa to become a developmental state. The analysis suggests that although South Africa can still become a developmental state, it has drifted far away from becoming such as a state. Institutionally, South Africa has crucial attributes for becoming a DDS. However, in terms of developmental outcomes, socio-economic

development has slowed significantly of late. There are other crucial attributes of developmental states that are missing or have disappeared in South Africa.

Background

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 a DDS, or developmentalism in particular, dates back to when some of the ANC activists were in exile. The discussions and deliberations pertaining to the DDS for South Africa were prominent during the ANC's 49th National Conference in Mangaung (1994), the 50th National Conference in Mafikeng (1997), as well as the 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 those outlined in the documents point to the fact that the ANC had been searching for a guiding ethos to tackle complex issues that impact on socio-political and economic development in South Africa. Evidence of this assertion is supported by the various broad policies formulated during this period, namely the Reconstruction and Development Programme (RDP) (1994), Growth, Employment and Redistribution Framework (GEAR) (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 DDS, work in government started around 2004—and was aimed at the macro-organisation of the government with a view to ensuring that socio-economic development is advanced. Government introduced various institutional reforms and envisaged more reforms (which were announced later by the Jacob Zuma administration). The ANC's landmark decision for South Africa to become a DDS is explained in the 2007 Strategy and Tactics document, tabled and adopted at the 52nd ANC conference in 2007. It is important to note that the ANC held numerous discussions and debates, even before the unbanning of political parties (or rather, when the activists were in exile), that envisioned South Africa as a DDS. 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. As indicated in Gumede (2019), some of the debates that the ANC engaged in on the notion of a developmental state are captured in the 2001 *Umrabulo* publication. Interestingly, Peter Mokaba, in the piece he contributed to *Umrabulo* in 2001, made a point that “the South African Developmental State must lead and directly intervene in the black, particularly African, economic empowerment efforts on a programmatic basis” (Mokaba 2001; Gumede, 2019, 506). The 2007 Strategy and Tactics document elaborates this in greater detail, in respect of what a DDS in South Africa should be like, as discussed later.

Conceptual Issues

The concept of a developmental state owes its origin to the rise in economic status of East Asian states, such as Japan, the Republic of Indonesia, Federation of Malaysia, Hong Kong, Singapore, South Korea, and Taiwan (these four are sometimes called 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 achieve human development goals (Edigheji 2010).

Earlier analyses of the developmental state concept are attributed to the work of Chalmers Johnson and Alice Amsden, who explored how the various Asian states were able to develop economically from being struggling states to middle-income countries. This economic miracle, according to Johnson (1982), Amsden (1989), Woo-Cumings (1999), as well as other scholars, is attributed to government's intervention in the market, as well as the active role it plays in directing socio-economic goals. In this regard, the developmental state is said to drive economic development as well as industrialisation in the interest of public good—what the late Guy Mhone (2004) characterises as “developmentalism”.

However, there is no single definition of a “developmental state” as Gumede (2015) argues. It is generally understood that development must involve the very people that need development. These people should be able to drive the development that they desire, and also have choices for their livelihoods. In the context of Africa, development entails socio-economic progress or an improvement in the wellbeing of the people (Gumede 2018a). The developmental state has a number of features or multiple dimensions, namely ideological (i.e. the 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, improving local economies). The accepted logic, though, is that the “developmental state” emerges in stark contrast with neoclassical economics that has long argued that “state interference” impedes economic growth, as it disrupts market equilibrium with devastating consequences.

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 regarded as a state that actively intervenes in the economy, with the aim of advancing wellbeing, together with a growing economy. As Dikeni (2012, 37) puts it, developmental state, as a concept concerns itself primarily 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 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 epitomised by a “plan rational state”, where “the politicians reign and the state bureaucrats rule.” The “plan rational state” shapes economic development as it intervenes in the development process and establishes “substantive social and economic goals.” Similarly, Öniş (1991) argues that the East Asian model of a developmental state is a product of political and cultural forces, while Manuel Castells identifies three “cultural” dimensions that reinforce the conceptual makeup of a developmental state in East Asia, namely the Japanese communitarian approach, the Korean patrimonial logic, and the Taiwanese patrilineal logic. Öniş (1991) also recognises the importance of a historical context that sets the stage for the making of a developmental state. Öniş (1991) argues that East Asian developmental states were by and large, also shaped by their historical circumstances.

Bagchi (2000), 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 the fact 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 a general consensus that economic growth is central to a developmental state.

The argument I make that some important attributes of a developmental state that existed since 1994 no longer exist in South Africa is also informed by the recent performance of the South African economy. The South African economy has been performing poorly of late. The 25 Year Review Report (DPME 2019, 38) indicates that:

South Africa saw positive growth between 1994 and 2014 including modest job creation. However, the 2007–2008 financial crisis tested the resilience and sustainability of the economic growth path, when unlike other developing economies, the economy entered a period of decline, with pedestrian growth rate and rising unemployment.

It is, however, not just the 2007–2008 financial crisis that caused a decline in economic growth in South Africa. Gumede (2016) explains that the critical factors that have affected the performance of the South African economy have to do with the lack of economic policy since the mid-2000s and poor sequencing of economic policy reforms. Put differently, South Africa took long to come up with an economic policy to replace GEAR, and when the new economic policy (i.e. AsgiSA) was unveiled it was not implemented because government introduced another economic policy (i.e. New Growth Path), which was also not effectively implemented because the National

Development Plan was introduced as a new (economic) policy. Gumede further explains that the New Growth Path (NGP) and the NDP were not policies, but rather programmes for socio-economic development. An economic policy is critical for economic performance as it focuses on a few economic indicators than the many issues of development.

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. As far as economic development is concerned, it can be argued that South Africa prioritised economic development in its policies since 1994 until mid-2000s.

There is, however, a problem in defining a developmental state, based on economic performance; because not all the countries that have accelerated 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 as a developmental state is drawn deductively from the economy. This produces the definition of a state as developmental if the state is doing well economically, 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, which, because of their economic performance, would have, up until the mid-1970s, been classified as developmental states, but which do not fit the classification, because political turmoil and other factors (such as structural adjustment programmes) brought their economic performance to a standstill. This recognition of episodes and possibilities of failure makes a case for the definition of a developmental state as one whose ideological underpinnings are developmental and puts serious attempts to deploy administrative and political resources to the task of economic development (Mbabazi and Taylor 2005).

A vast amount of literature on the notion of a developmental state shows that the “state-structure nexus” constitutes a fundamental component of a developmental state. It emphasises the importance of the organisational capacity of the state and technical capacity (i.e. implementation capacity) in building a developmental state (see Gumede 2015). 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, coordination, and strategic planning. Institutional reforms, alongside changes in economic development strategies, have contributed to the planning and promotion of developmental goals.

Although the majority of the developmental state has been modelled on the East-Asian Tigers, some scholars contend that the developmental state should be modelled against broader developmental paradigms, which include elements of democratic participation, consensus-building and cooperation among social partners. The concept of “democratic participation” and “embedded autonomy”, introduced by Evans (1995), highlights the centrality of cooperation, 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 can help to achieve national developmental goals. Edigheji (2005) 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 literature and the 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). He also asserts 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 2018b, 191). This means that the state has the requisite capacity, the elite is developmental in its approach, and is influenced by a developmental ideology and appropriately organised for predetermined goals.

Arguably, Evan’s “embedded autonomy” is one of the most important attributes of developmental states. It speaks to the extent to which a government is connected to the society it serves—as in working with all the relevant social partners. But, for government to be able to serve society, it must also be able to distance itself from social partners. 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 attributes of a developmental state:

- developmental ideology
- developmental elite
- embedded autonomy
- institutional capacity
- meritocratic recruitment
- insulated/neutral public servants

It is instructive that the ANC (as captured in the 2007 Strategy and Tactics document) says that “what it [the ANC] seeks to put in place approximates, in many respects, a combination of the best elements of a developmental state and social democracy” (ANC (2007, 11). As such, social policy should be a critical component of a democratic developmental state in South Africa.

Institutional Issues

The discussion on Development Planning (DP) in the context of developmental states usually relates to the ability of the state to plan its long-term trajectory, applying policy, and institutional processes (Chang 2011). For instance, in the case of Asian developmental states, public policy and institutional planning were guided by central planning agencies/departments. For example, Japan had the Ministry of International Trade and Industry (Johnson 1982) and South Korea had the Korean Economic Planning Board (Seunghye 2014). At the centre of these institutions’ inner workings was a 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 coordination (Bishop et al. 2018). As such, modern-day multinational companies such as 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 such as planning commissions to plot and sometimes lead economic development activities. As Kuye and Ajam (2012) argue, 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 the planning commissions or such institutions, the development plans/visions of countries regarded as developmental states are usually clear, concise, and robust. This cannot be said about the NDP. It might, however, be that a tighter and concise developmental agenda can be distilled from the NDP. It would be critical that the NDP has a sharper focus, and is mindful of the ramifications of apartheid and settler colonialism.

As indicated above, work in government that started in 2004 culminated in proposals for an institutional architecture that would ensure effective long-term planning. It was envisaged that the Policy Coordination 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 what is

stipulated in those proposals, and the PCAS was disbanded, probably the biggest mistake 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 is still lingering: *Is the existing institutional architecture and the NDP contributing to making South Africa a developmental state* (Davis 2017). 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). Similarly, the development plans of countries such as Japan, Malaysia, Brazil, India, China, and even countries that are not regarded as developmental states are not as long-winded as the NDP.

Regarding capacities necessary for a country to be a developmental state, the ANC was able to identify such requisite capacities, while the NDP also spells out the required capacity for a capable developmental state. However, many of the needed capacities are lacking, or have dwindled. Evidence of this assertion is found in the poor institutional performance of South Africa's local government and state-owned entities (SOEs) due to the poor calibre of people leading these institutions (Twala 2014). Moreover, there has been a shortcoming in the recruitment processes. For instance, it is not unheard of in South Africa that a particular politician has influenced who gets recruited and sometimes fired (Ntliziywana 2017). There is also, what seems to be a general challenge with many people rising to senior positions in government without the gravitas and experience required from such candidates. These concerns contravene the principle of a meritocratic recruitment in a developmental state.

In addition, while expansive in what it attempted to cover, the NDP has not been able to integrate and produce a clear economic development policy trajectory. This is evidenced by the fact that the South African economy has not been performing well over the last 10 years. Mining and manufacturing—the two sectors that have taken a knock—have always been seen as important—even after 1994—due to the fact that they have been identified as industries that can absorb numerous unskilled and low-skilled, young unemployed citizens (The Presidency 2015). Yet, the NDP and NPC have been unable to formulate the requisite policy to rescue a mining sector that has, from 1995, been shedding jobs at an alarming rate. The manufacturing sector has also not been doing well, and this implies that industrialisation is slowing down in South Africa. Economic policy is important as it also shows that South Africa lacks a development

agenda as indicated above, although there is the NDP and the NPC. Arguably, the development agenda would deal with the challenges of restructuring the South African economy, among other critical developmental issues.

Another critical issue relates to the ANC as a governing party. It would seem that the ANC has yet to formally align its political capital behind the NDP (Motsosi 2018). Öniş (1991) contends that developmental states that perform well are those that have clear development plans as well as the proper support of the political elite.

As indicated by Gumede (2008), South Africa underwent deliberate institutional reforms since 1994 at the helm of the leadership of the ANC-led government. In essence, the democratic government had to attempt to undo the legacy of apartheid and reform the institutional, legislative, and administrative arrangements that were undemocratic and discriminatory. This has entailed governance arrangements that involve some form of coordination and decentralisation. This 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's thinking (2010, 2), 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 10 years or so of democracy, it would seem, the focus was on institutional reforms, alongside the necessary legislative changes. This process continued for another 10 years or so of democracy, focusing more and more on building effective governance and service delivery institutions going forward. As literature on developmental states shows, institutional arrangements are critical to the success of a DDS, and the South African policy-making institutional mechanisms were trying to take that into account [see Gumede (2017) for a detailed explanation of policy processes since 1994].

While much progress has been made in tackling abject poverty through the social wage (combining access to basic services and social grants)—this has not had a significant impact on social and economic marginalisation, especially among the youth, women, and people in rural areas. This also raises questions regarding the kind of society that 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 do not necessarily translate into requisite quality of such services. At the same time, levels of inequality in respect of income, assets, and opportunity have not shown much improvement. And, as indicated earlier, the economy has been in decline for the past 10 years or so.

As Gumede (2017) indicates, another significant element in relation to the implementation process in South Africa is the involvement and/or participation of non-

state actors—what public policy literature broadly refers to as quasi-autonomous, non-governmental organisations (“quangos”). In a quest to achieve impartiality and independent views from the public, government had put in place, as mandated by the Constitution, several Chapter Nine institutions 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, allowing them to contribute to policy making, implementing and monitoring process “without fear, favor or prejudice” in respect of the different sectors that they represent. This is one area where 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 at least in the first 15 years of democracy. It could be argued that the cluster system remains a work-in-progress; as its governing principles are being revisited on an ongoing basis, in order to address the challenges of the specific post-apartheid administrations in South Africa. The initial mandate of clusters includes: (1) to harmonise the work of the departments and to reduce departmentalism, (2) to produce reports on the implementation of the Programme of Action (PoA), and (3) coordination or oversight over implementation of the PoA.

Socio-economic Development

It is important to note, as a starting point that social policy is often, an unmentioned and/or misunderstood concept, because of the paucity of literature on the subject, and the fact that the South African government does not seem to distinguish between social policy programmes and the actual social policy (Noyoo 2016). In most instances, the government and certain commentators equate social policy to social protection—when in fact, social protection is a component of a comprehensive social policy. While the critical role of social protection is acknowledged, access to social grants does not change the fact that the South African government lacks a comprehensive social policy or policies (Gumede, 2019).

It can be argued that the prevailing confusion between social policy and social grants (welfare) in South Africa is a definitional problem and distinction as Hall and Midgley (2004) suggest. Hall and Midgley (2004) further indicate that there are different conceptions of social policy: that is 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" (Gumedde 2018b). It can then, be argued that the South African government has not done enough to clarify this definitional problem, but rather, has led citizens to believe that the social grant system constitutes social policy. It has been argued that until Thabo Mbeki was recalled, efforts were made to formulate a comprehensive social policy. This is one area that the NPC can revisit to assess the proposals that were made between 2005 and 2008 with regard to social security reforms that could have culminated in a comprehensive social policy for South Africa.

The reason why it is important to arrive at a sound working definition of social policy is that 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 roles (Mkandawire 2009). This conception 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, then, raises a clear question on whether the South African government, in focusing on grants, has done so at the expense of deliberating and developing a clear coherent overall social policy.

The absence of an overarching social policy has resulted in the development of a worrisome financial and institutional challenge due to society's increased reliance on grants. Comparing 2009 and 2017, there were over 16 million recipients of grants in 2017, while there were about 13 million grant recipients in 2009. As Table 1 below shows, most of those receiving grants are female.

Table 1: Types of social grants

Social Grant type	2009					2017				
	Male		Female		Total	Male		Female		Total
	N ('000)	%	N ('000)	%	N ('000)	N ('000)	%	N ('000)	%	N ('000)
Child Support Grant	4591	50	4586	50	9177	6463	49.6	6561	50.4	13024
Old Age Pension	1023	35.8	1834	64.2	2858	1098	35.1	2030	64.9	3128
Disability Grant	67.2	47.7	736	52.3	1408	511	51.5	481	48.5	992
Care Dependency Grant	126	51.8	117	48.2	243	23	49.3	24	50.7	47
Foster Care Grant	325	47.7	356	52.3	681	148	51.1	142	48.9	289

Source: 25 Year Review, Department of Planning, Monitoring and Evaluation (DPME, 48)

The number of grants recipients has further increased since 2017, and it expected that the number of social grants beneficiaries would reach 18.1 million at the end of the 2019/20 financial year, pushing the expenditure in relation to grants to R175.6 billion (National Treasury 2017). The expected increase in social grants could be considered a negative development for South Africa’s aspiration to be a developmental state. This is due to the fact that the rising expenditure in relation to social grants is only satisfying one aspect of social policy, while ignoring longer-term aspects, such as intense and smart human capital investments.

South Africa’s inability to become a developmental state is in part, attributed to its lack of social policy. In addition, and more importantly, social policy should work in tandem with economic policy. Efforts towards formulating a comprehensive social policy appear to have been disrupted with the recall of former President Thabo Mbeki. It is in this context that Gumede (2019, 499) argues, as far as ensuring a developmental state in South Africa is concerned, that “the starting point should be revisiting comprehensive social security reforms that were stalled with the recall of Thabo Mbeki.”

The Journey so Far

There have been many debates in South Africa on whether or not South Africa is a democratic developmental state. Some of these debates have concluded that South

Africa is a developmental state; albeit a relatively weak one, while others have concluded that South Africa is not a developmental state. According to Mkandawire (2001, 291), sound 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, arguably, a significant amount of effort by the state and other sectors of the society has gone into devising policies and programmes that sought to bring to life the noble ideals of human dignity, equality, human rights and freedom. The public policies that have been implemented since 1994 can be said to have been deliberate attempts to engender human progress and socio-economic justices (Gumede 2008).

As Öniş (1991) argues, that in the case of East Asian developmental states, these states were shaped by their historical circumstances, the ANC explained that South Africa aspires 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 clearly expressed in many government documents and political discourses (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 that Mkandawire (2001) alludes to.

The ANC’s policy discussion documents, for instance, highlight that South Africa’s transition into a developmental state will be informed by and customized to respond to local realities, such as South Africa’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 is guided by 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 higher rates of export, increased taxation for redistribution, strengthened competition authorities, and so on.

The second aspect, which is the structure, is clear in the detail of what the ANC deems a developmental state. The 2007 Strategy and Tactics stipulates that the developmental state would have the capacity to intervene in the economy; implement social programmes that address unemployment, poverty and underdevelopment, and also 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 try to ensure the "ideology-structure nexus" of Mkandawire (2001).

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

Lastly, public policies in South Africa have been, to a large extent, 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 a respective policy (and political) platform (i.e. Parliament's Budget processes, Medium-Term Strategic Framework processes). Always at the core of that programme of action is explicit ought to be trade-offs that should be made. This is the right approach, and is a case of "politics" positively influencing public policy making.

As indicated earlier, Edigheji (2005) suggests that a democratic developmental state is a state 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 hold true for South Africa, to a certain extent, although the economy has performed poorly in the recent past as explained earlier. Edigheji further emphasises the prevailing institutional arrangements as an important variable to the success of a democratic developmental state, as well as the South African policy-making institutional mechanisms.

Even in respect of 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; it could then, be argued that the "industrial elites" are, to a certain extent, under the guidance of the state. The guidance provided by the state to the "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 resembles to some extent, 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 being taken seriously in South Africa.

Evan's (1995) concept of "embedded autonomy", which is central to the effectiveness of a developmental state seems to play itself out in the South African context. Evans (1995) asserts that state institutions have to be autonomous as this 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 the much-needed impetus to the achievement of development goals. Broader forums, which are more inclusive and participative, were also initiated by the Mbeki administration. The most common one came to be known as Izimbizo. The Zuma administration changed the name to *Siyahlola*.

There are a number of institutions, bodies and agencies that are active role-players in policy-making processes outside the state umbrella. Herein, I discuss but a few that represent different sectors such as business, women, labour, community, and so on. The National Economic Development and Labour Council (NEDLAC) is one such a body, where government comes together with organised business, labour and community groupings at a national level to discuss and try to reach consensus on social and economic policy issues. NEDLAC works very closely with the departments of labour, trade and industry, National Treasury, public works and others, with the aim to make socio-economic decision-making more inclusive, to promote the goals of economic growth, equity and social inclusion. Since its inception in 1995, NEDLAC has served as a crucial point of interface between government and its social partners (business, labour, and civil society) to improve policy planning, coordination, 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 that South Africa continues to respond to the immense challenge of building a society that concretely advances the human development of all the people. This, however, remains a much-contested terrain. In the South African context, this appears to be a case in point; through the role of the state and its partners. Linked to this is the state's commitment to "meritocratic" recruitment; the appointment of skilled bureaucrats that would ensure the important political "neutrality", which would in turn, facilitate sound networks and delivery of developmental goals. This, however, remains a matter subject to much debate; that is whether top civil servants are appointed on merit, and whether they are insulated from political manoeuvres.

Given the different attributes of developmental states and aspects relating to the definitions of democratic 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, when the pursuit of a democratic developmental state was publicly declared 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 “will guide national economic development and mobilise domestic and foreign capital and other social partners...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” (ANC 2007, 13). In the 2017 Strategy and Tactics document, the ANC (2017, 7) says it “seeks to build democracy with social content, underpinned by a capable developmental state...reflect elements of the best traditions of social democracy.” This is a different way of saying what the 2007 Strategy and Tactics document says (i.e. “combination of the best elements of a developmental state and social democracy”) as indicated earlier. So far, this has been a pipedream.

Meanwhile, in terms of Evan’s (1995) notion of “embedded autonomy”, as well as 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 still—albeit a relatively weak one. The “development outcomes” of the South African state, since 1994, do not support the view that it is a developmental state. This view is in line with what Ben Turok expressed 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). The interventions by the Ramaphosa administration seem to take forward the agenda of making South Africa a developmental state. For instance, the government is being reconfigured institutionally and various support structures such as the Presidential Economic Advisory Council are being put in place, as well as others such as the Policy Unit in the Presidency are resuscitated.

One critical factor that needs to be taken into account is the history of South Africa. Countries that have been under settler-colonial rule experience many challenges related to development. South Africa experienced both settler colonialism and colonialism of a special type (as espoused by the Communist Party of South Africa). The South African Communist Party [SACP] (1962) describes colonialism of a 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” (see Gumede 2016). Indeed, 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 privileges by one race over the other (i.e. the European settlers over the

African hosts) has tendentiously undermined the efficacy of the constitution in blurring the racial divides. What has been happening and continues to happen in South Africa is the fact that in spite of 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 creates the post-colony in a democratic South Africa. As Gumede (2016) argues, South Africa needs to deal with policy constraints experienced since 1994 due to limitations imposed by the global socio-economic 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. 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 during apartheid colonialism, wherein accumulation and the creation of wealth were confined to a racial minority, economic empowerment today seemingly mirrors apartheid colonial patterns. The result is an economic structure that today still reflects much of the character and attributes of colonial apartheid South Africa—hence the call to de-racialise the economy. The legacy of apartheid colonialism lingers on, and rears its ugly head prominently, of late.

Overall, therefore, the analysis seems to suggest that South Africa has been a developmental state in-the-making—but government has not formulated effective social and economic policies. One can, therefore, argue that South Africa has not been a very effective state, owing to its technical and implementational state capacity. This challenge is more glaring at local government level, as demonstrated in recent studies by Kagiso Pooe (2019) and David Mohale (2018).

Conclusion

The article examined the extent to which South Africa is a developmental state in its bid to overcome its development deficits. The article explained the notion of a developmental state, based on its historic and cultural impetus, institutional attributes, as well as the state's capacity to enhance national growth and human development. The article further demonstrated the importance of the relationship between effective and capable states and strong institutions, and achieving sustainable economic growth and human development goals. It unpacked the institutional mechanisms and associated “outcomes” of other developmental states, drawing important lessons for (re)building state capacity for South Africa. The main conclusion of the article is that South Africa is still very far from becoming a democratic developmental state.

Besides the need for a social pact or compact, part of the reason why South Africa has not achieved its ideal of becoming a fully-fledged developmental state is largely because

South Africa is riddled with weak policies, and at times, lack of policy, whereas in some instances there are policy confusions. Policies, or the lack thereof, is at the centre of the problems confronting South Africa, 25 years after independence. It is this factor more than any other, which has constrained the creation of a democratic developmental state in South Africa. There is, therefore, a need for a multipronged approach to bring about a democratic developmental state in South Africa—and this is still feasible. As other scholars have argued, indeed, implementation is crucial, but effective policies are far more important, for it is not beneficial for South Africa if ineffective policies are implemented. Policies are ineffective and/or inappropriate if they do not directly respond to the problems at hand—and if they are not taking the context into account. Well-formulated policies can be ineffective and/or inappropriate if reforms are not pursued timeously, and if the sequencing of reforms does not take into account the context.

Policies, the social compact, and the creation of a developmental state, all require a clear development agenda. As observed in most of the countries I have compared South Africa with one of the key ingredients of success in development is a clear development agenda. If we accept the National Development Plan–Vision 2030—as the South African vision (although imperfect), what is missing is a clear development agenda. Also, the point made by Gumede (2016), and as the African post-colonial development experience and the post-apartheid South African development experience show, complete liberation and thorough decolonisation, as well as the reconfiguration of the global matrix of power relations are required if South Africa has to be a developmental state—the same applies for many countries, if not all countries 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.

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