



## **ANOTHER NEW DAWN FOR SOUTH AFRICA**

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Our society indeed has many things to celebrate, although a lot still to be concerned about. In the 25 years since the end of apartheid, as President Cyril Ramaphosa put it at the launch of the election manifesto of the ANC, “even as we celebrate the great benefits of democracy, we know that the promise of freedom is yet to be realised by so many of our people.”

But it is not just “mistakes” that have been made and need to be corrected. Perhaps the correct description of what has happened since 1994, and more so in the past 10 years, is that the government forgot that the fundamental task at hand is to redress the historical injustice. It was always going to be difficult to transform the South African society because of the centuries of apartheid colonialism which impacted all spheres of life and also because of a much more complex national question.

At the top of the list of issues that could have been better handled in the past 25 years is: the economy, the labour market and the national question. These three related issues, if not well managed still going forward, would burn the South African society ultimately. The challenge of the South African economy and, by implication, the labour market dates back to the colonial and apartheid period. It is also a challenge of labour reserve and enclave economies of southern and eastern Africa. The late Guy Mhone said our economies continued to face historical structural factors “as a consequence of the uncritical acceptance of the enclave formal sector as the engine of growth, as well as of the belief that trickle down effects from formal sector growth would eventually absorb the rest of the labour force into productive activities.”

Essentially, we needed to come up with lasting solutions in ensuring that the economy gets transformed, jobs are created and inequalities are reduced as well as that poverty is eradicated. But it seems we are still not able to deal with the historical structural factors. We talk about changing the structure of the economy but what gets implemented are interventions

mainly aimed at economic development. We also need to deal with the view that our economy is a rentier economy like other African economies. As explained by Thandika Mkandawire, rentier economies are those that derive significant state revenue from taxes on profits or from non-tax sources and such Amin spoke of coherent delinking as a “compromise between globalization and local and regional autonomy.”

The labour market, linked to the economy, needs to be transformed: it has to use the skills that are at hand rather than calling for other skills. Of course, training and upskilling remains critical but it is wrong to blame graduates for not getting jobs because they don't have certain skills or experience (after sweating through many years in higher education institutions). This issue of jobs is oversimplified by some people. It requires serious thinking.

The national question (i.e. the complex ensemble of relations between state, nation, ethnicity and civil society as explained by Amin) and inequalities facing South Africa need proper attention, so is the challenge of poverty. Policies and programmes (even if effective) though important are not enough in dealing with this intractable challenge. Essentially, the answer is in the reconfiguration of societal relations and redistribution. It is encouraging that the aspiration of a democratic developmental state is still in the agenda of the ruling party.

Among the critical factors that have not been properly prioritized in the 25 years of democracy is social policy. Indeed, the aspiration for a democratic developmental state implies that social policy had to be at the center of socio-economic development. As a series of public policies that ensure that the quality of life in a society improves, social policy also has an important role in nation building (or rather social cohesion).

The president is right that “the most pressing task for our country is therefore to set the economy on a higher path of shared growth and to transform the structure of our economy to provide opportunities for millions of South Africans.” This has been a pressing task since 1994. Mhone argued in the 1990s that “pro-active measures by the state are necessary to restructure the productive base of the economy by making it more inclusive of the majority of the labour force.” Where are these “pro-active measures”?

Overall, not to sound like a broken record, South Africa has not been able to come up with an approach to socio-economic development that can work better. In addition, there is no clear economic policy. Arguably, the Growth, Employment and Redistribution (GEAR) framework has been the only attempt at a clear economic policy in the post-apartheid dispensation.

The plan for the future of South Africa has to be informed by the reality that South Africa is in Africa. It is in this context that the African agenda is critical for South Africa. The whole of Africa needs development and South Africa, as a relatively developed economy compared to other economies in Africa, must play its part.

But it would be difficult for South Africa to implement a different socio-economic development model without pan-African unity. African countries need to get together and pursue that which is in the best interest for Africa and the peoples of the African continent. African economies are still largely labour reserve, enclave, rentier and merchant economies. The structural transformation of African economies needs the whole of Africa.