

South Africa as a developmental state in the making

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Abstract

This paper analyses the degree to which South Africa (SA) could be viewed as a developmental state. It interrogates the policy apparatus and estimates indices of human development in the post-apartheid SA. In terms of Evans' (1995) notion of 'embedded autonomy'; Leftwich's (1995) model of a developmental state; Cummings and Nørgaard's (2004) four dimensions of state capacity; definitions and features of developmental states by SA scholars, as well, such as Luiz (2002), Mhone (2004), Swilling et al (2006) and Edigheji (2007), it appears that SA can be described thus far as a developmental state in the making albeit a relatively weak one.

Keywords: developmental state, human development, South Africa, poverty, public policy, state capacity.

1. Introduction

This paper is an attempt to answer a question of the extent to which South Africa is a 'developmental state'. The term 'developmental state' has been dominating the development discourse, especially following the rapid economic growth of East Asian countries (such as Japan, Malaysia, Singapore, and South Korea). Going through literature regarding 'developmental state', it appears that there is no single definition of what is a developmental state.

The early studies that attempted to understand the causes and conditions which enabled some countries to be developmentally successful compared to other developing nations pointed to the nature of their politics, especially the character of

the state (Myrdal, 1970). The relevant studies came up with some key characteristic features of the two types of states: a 'strong' state and a 'weak' state. A 'strong state' was characterised as the one led by purposeful and determined developmental elite, who establish its legitimacy through its ability to achieve sustained economic growth. Such a state is supported by a technically competent and capable administration which implements economic policies wisely and effectively. An underlying factor for the early developmental states was the autonomy/independence of the state from social forces (corporate and civil society), which enabled the state to devise and implement long-term economic policies without being sidetracked by private interests (Leftwich, 1995).

Gumede (2008a: 9) defined a developmental state '[as] the one that is active in pursuing its agenda, working with social partners, and has the capacity and is appropriately organised for its predetermined developmental objectives'. This paper uses this working definition in its assessment of the extent to which SA is a developmental state, if at all. There have been many ongoing debates in SA as to whether or not SA is a developmental state – some have concluded that SA is a developmental state whilst others conclude that SA is not a developmental state¹. This paper, however, argues neither of the two. Instead it contends that SA is a developmental state in the making. In other words, although SA is not yet a fully fledged developmental state, it has some attributes of a developmental state and it would seem that concerted efforts are made to ensure that SA becomes a developmental state.

¹ For the recent collection of essays on the debate on whether SA is a developmental state or not refer to Edigheji (2010)

This paper provides both the conceptual and the quantitative substance in analyzing the extent to which SA is a developmental state – most studies, so far, merely debate the issue of whether or not SA is a developmental state. In addition, this paper presents a perspective on policy making and policy implementation in its quest to answer the question of whether or not SA is a developmental state – again, this has not been exhaustively undertaken before. It is important to also analyze both the policy formulation and the institutional architecture in order to arrive at a conclusive conclusion on whether or not SA is a developmental state. The paper attempts to answer the question from various perspectives, or through numerous methodologies, because SA has declared that it aims to be a developmental state – SA might be the only country that has publicly declared that it wants to be a developmental state².

The next section is on policy and institutional mechanisms for policy making and implementation in SA. It is followed by a section – *approach to policy making* – that assesses, conceptually, whether SA has the attributes that could qualify it to be classified as a developmental state. Section four examines the magnitude of human development and human poverty in post-apartheid SA, using quantitative methods. Section five examines the organization and capacity of the South African state, to arrive at some conclusion as to whether the manner in which the South African state is organised and capacitated could be associated with a developmental state. Section seven concludes.

2. Policy and Institutional mechanisms

² The ‘declaration’ that SA wants to be a developmental state is succinctly captured in the revised 2007 *Strategy and Tactics* document of the ruling party, the African National Congress (<http://www.anc.org.za/docs/pdf>)

South Africa has undergone deliberate policy reforms post 1994 at the helm of the leadership of the African National Congress (ANC) led government. In essence, the democratic government had to undo the legacy of apartheid, reforming institutional, legislative and administrative arrangements that were largely undemocratic and discriminatory. This has entailed governance arrangements that involve some form of coordination and decentralization. Notable reforms are reflected in the Medium-Term Strategic Framework (MTSF), Medium Term Expenditure Framework (MTEF), the Public Finance Management Act (PFMA) and others which all allow for sound, strategic planning and more accountability, auditing, reporting and so on. These have contributed to the identification and promotion of developmental goals in a more coherent manner and – as will be demonstrated further in the paper – has spurred on encouraging socio-economic achievements.

This section depicts the policy making process, the role played by various institutions, including non-state actors. The focus on the country's policy architecture and policy orientation is a firm recognition that it is these very institutions that will determine state capacity to formulate and implement policies and programmes of a democratic developmental state. This thinking is in line with Edigheji (2010) who also emphasizes 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' (Edigheji, 2010: 2).

Undoubtedly, social policy plays a critical role as an instrument of reform in the hands of the state in constructing a developmental state. The section therefore demonstrates how South Africa's public policy infrastructure or institutional

arrangement is comparable to the salient features of the development state described by Edigheji (2005) and Evans (1995).

The process of making law in South Africa is an extensive one, involving a number of structures at the national, provincial and local levels³. Normally, by the time the draft legislation reaches parliament (from government departments), where it is tabled as a Bill, it would have gone through a lengthy consultative process. The process generally begins with a discussion document, called a Green Paper, which is drafted in the ministry or department dealing with the particular issue at hand. After extensive stakeholder consultation, the Green Paper culminates into a more refined discussion document, called a White Paper, which is a broad statement of government policy. Once approved by the Law Commission and Cabinet, the White Paper is sent to the State Law Advisers who assess legal and technical implications of the draft law. Only after extensive consultation is it introduced in parliament as a Bill. Proponents of respective Bills are required by law to provide evidence before parliament, by form of explanatory memorandum, to prove of adherence to policy consultative processes. Although the law is passed by parliament in sittings of the two houses, such as the National Assembly (NA) and the National Council of Provinces (NCOP), it is only at Cabinet level and its committees and clusters where the details of the draft law are examined. The national legislative authority in South Africa, however, is vested with Parliament.

Figure I below presents the character of the 'interface' between various policy making structures in government, at a national level. As shown in the chart, Cabinet

³ This paper, however, will focus on the high-level structures that have shaped the policy discourse on the developmental state.

has committees that are mirrored by the clusters with one exception: there are two committees mirrored by one policy sector such as the economic sector)⁴. It could be argued that this was largely the function, in the Mbeki Administration, of further prioritization of job creation and the importance of investments or the economy broadly.

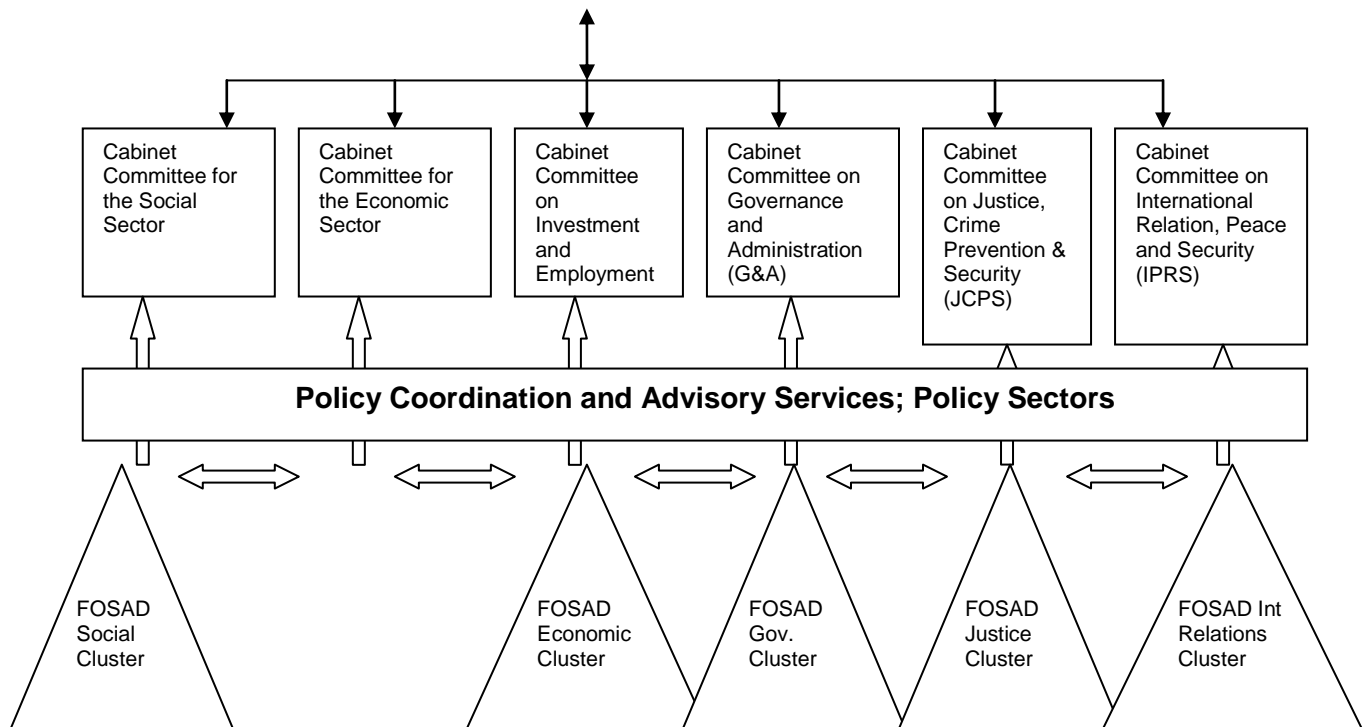
Not shown in Figure I below is the cabinet secretariat, which largely deals with logistics and documenting of decisions of cabinet and its committees. There is also a planning framework which guides the 'interface' between various policy making structures, by ensuring that specific activities are undertaken at specific predetermined and agreed upon dates.

There are many other points of government interface and integration that are informal but do improve coordination and integration. There are also interactions between the top management of the Policy Unit and the political party leading government.

Figure I: Cabinet, Cabinet Committees and Clusters



⁴ It should be noted that the institutional mechanisms for policy making, including the cluster system, keep evolving. The original thinking and focus, however, seems to remain – the institutional mechanisms appear fundamentally focused on 'joined-up' governance.



Source: Gumede (2011: 175)

One of the key institutions in the policy making process in South Africa over the years, besides Parliament, has been the Policy Unit, formerly located in the South African state Presidency. The policy unit as it was has recently been dissolved. However, some of its functions remain, and have merely been moved to newly constituted departments housed in the Presidency. The unit not only dealt with policy making and its various components (such as policy analysis, policy coordination and policy advice) but also led medium to long range planning as well as government-wide monitoring and evaluation. The Policy Unit worked closely with the 5 FOSAD (Forum of South African Directors-General) Clusters, which mirror policy sectors,

and act as a link between the Cabinet⁵ and its Committees and the respective FOSAD Clusters⁶.

Another significant element to the policy making and implementation process in SA is that of the involvement and/or participation of non-state actors, what public policy literature broadly refers to as quasi-autonomous non-governmental organizations ('quangos'). In a quest to achieve impartiality and independence of views of the public, government has put in place, as mandated by the Constitution, several Chapter 9 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 allowing them to contribute to the policy making, implementing and monitoring process 'without fear, favor or prejudice', for the different sectors that these institutions represent.

Broader forums, more inclusive and participative, were also initiated in the Mbeki Administration. The most common one came to be called *Izimbizo*, meaning public gatherings. One of important advantages of *Izimbizo* is that government gets to better understand the realities of each locality, and also of various households –

⁵ Cabinet is comprised of the President, Deputy President and Ministers. Its main role is to give strategic direction to government, ensure effective decision making, ensure the coordination, implementation and monitoring of the implementation of public policies, and maintaining the effectiveness and integrity of government systems.

⁶ With the introduction of the National Planning Commission, the new departments of Monitoring and Evaluation and of Economic Development in 2009, the national policy planning process has somewhat been slightly reconfigured. The Commission is responsible for national strategic planning.

government learns of different pressing issues that different localities face. In a nutshell, *Izimbizo* is about taking government to the people. The President and Cabinet members as well as provincial and local government leadership spend a couple of days in a particular locality interacting with people from different walks of life in a particular locality. Although the monitoring and follow up mechanisms have been contested, there are good examples of solutions deployed on the spot during the *Izimbizo*.

Outside the state umbrella, there are a number of institutions, bodies and agencies that are active role-players in policy making processes. Herein, I discuss but a few that represent different sectors such as business, women, trade unions, community, and so forth. The National Economic Development and Labour Council (Nedlac), established in 2005, is one body through which government comes together with organised business, labor and community groupings at a national level to discuss and try to reach consensus on issues of social and economic policy. The organised business is represented by the Business Unity South Africa (BUSA), the organised labor by the main labor federations in South Africa and the organised community made up by the South African Youth Council, National Women's Coalition, South African National Civics Organization, Disabled People South Africa, Financial Sector Coalition and the National Co-operatives Association of South Africa. Nedlac⁷ works very closely with departments of labor, trade and industry, finance (National Treasury), public works and others with an aim to make socio-economic decision-making more inclusive, to promote the goals of economic growth, equity and social inclusion. Since its inception, Nedlac has arguably served as a critical point of

⁷ There is, unfortunately, no scholarly assessment of the functioning of Nedlac to date.

interface between government and its social partners (business, labor and civil society) to improve policy planning, coordination and integration. Nedlac is playing an increasingly important role, often taking centre stage in the formulation of macro-economic and labor market strategies. This is evidenced by the dominant role it played in the formulation of a South African response to the global economic crisis as well as its policy propositions in shaping the national response to the challenges of labor brokering in South Africa.

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.

3. South Africa's public policy making approach – the making of a South African developmental state

As indicated above, there are numerous definitions of a developmental state. One thing that is clear, as Mkandawire (2001) argues, is that developmental states are 'social constructs' by different role-players in a particular society. This is in a way not very far from Onis' (1991) argument that the East Asian model of a developmental state is the product of unique historical circumstances. In fact, Castells (2010) identified three 'cultural areas' in the case of East Asia: the Japanese communitarian approach, the Korean patrimonial logic and the Taiwanese patrilineal logic. Johnson

(1982) saw the developmental state in Japan as epitomised 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'. In addition, Onis (1991) indicates that the manner in which Amsden (1989) describes South Korea shows a case of a developmental state in action. For instance, Amsden's analysis suggests a Korea that is a 'prototype case of guided market economy in which market rationality has been constrained by the priorities of industrialization... government performed a strategic role in taming domestic and international forces and harnessing them to national economic interests' (Onis 1991: 112).

It is not surprising therefore that Evans (2007) argues that the twentieth century developmental state (model) can no longer be used as a model for developing countries, for a number of reasons, especially given developments in new growth theory and institutional approaches to development. This is line with Bagchi's (2000) review of various country experiences on developmental states which leads to a conclusion that social capital and nationalism are critical factors for successful construction of a developmental state.

Some scholars in this field have proposed numerous ways of examining whether any state is developmental. Mhone (2004), for instance, suggests that one needs to look at whether the state is developmental in its thinking and action and also whether it is organised in a way that 'developmentalism' is feasible. Mhone defines developmentalism as a 'proactive role of the state in pursuing and defining a developmental vision to be attained in the long-term, in coordinating economic

activities and steering them toward desired outcomes, mobilizing and synergizing class and social forces in support of the developmental agenda'. In a sense this is similar to Mkandawire's (2001) differentiation between two components of a developmental state; the ideological and the structural.

Another point around the meaning or characteristics of developmental states is that they are traditionally associated with economic development. Bagchi (2000), for instance, defines 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'. Economic development is largely associated with industrialization and/or industrial policy. This perspective seems to feature prominently in definitions of developmental states by leading scholars in this field [see for instance Johnson (1982; 1999), Amsden (1989) and Evans (1995; 2007)]. A different perspective, which emphasizes broader development, is presented by other leading scholars. However, it appears that all scholars highlight similar characteristics of the developmental states. For instance, although Leftwich's (1995) definition of a developmental state seems to be focusing on broader development his model contains characteristics similar to Evan's (1995) notion of 'embedded autonomy'.

The starting point in a democratic South Africa, it would seem, was institutional reforms side by side with necessary legislative changes. This process is continuing, focusing more and more on building effective governance and service delivery institutions going forward. This is reflected in South Africa's constitution (as the cornerstone of South African law), in the general enforcement of the rule of law, in

relatively healthy democratic institutions, a well performing bureaucracy and the strategic alliances between the state and civil society, notably the alliance partners, viz. the Congress of South African Trade Unions (COSATU) and the South African Communist Party (SACP) and to a lesser degree, community based organizations (CBOs).

The second major step was getting the economy right. In 1994, when the first democratic government was voted into office, the economy was in an appalling state in all respects; over-indebted, having attained negative growth rates throughout the early 1990s. Moving from the premise that a growing economy will increase the pace of service delivery and expansion of human capabilities and cohesion of peoples of SA, it would seem, the government engaged on an intricate economic restructuring project. This is still underway, as the legacies of apartheid colonialism remain evident.

The third major step, it would appear, was a direct and explicit social policy focusing on eradicating poverty and strengthening social cohesion. This will probably occupy, alongside further restructuring of the economy, government business and its partners, for many years to come. Bagchi's (2000) points around social capital for a developmental state is very pertinent for this. Similarly, Evans' (2007) recommendations for twenty-first century developmental states, in relation to the new kind of 'embedded autonomy' would be critical. Lastly, the various dimensions of state capacity that Cummings and Nørgaard (2004) describe would have to be in place to fully accomplish a fully-fledged developmental state for South Africa.

The manner in which the democratic South African government sequenced the country's transformation agenda has aspects of a developmental state approach. Literature on developmental states highlights institutions, economic growth and broader development involving various sectors in society. The institutional set-up, as described in section two, is improving. South Africa's situational analysis confirms that the South African government has made concerted efforts to deal with the challenges of economic growth and underdevelopment, as well as poverty and unemployment.

4. Human Development and Human Poverty in South Africa

According to Robinson et al (1998), one of the salient features of a democratic developmental state is innate state ability to promote human development. This not only assumes state ability to achieve economic growth, but also assumes a state with an innate ability to improving the living conditions of its citizenry as Robinson et al (1998: 28) contend that 'development includes a process of economic change involving the construction of more complex and productive economies capable of generating higher material standards of living'.

As Mahbub ul Haq – a pioneering scholar of the human development approach – puts it, the HDI has three components: longevity, knowledge and income (Haq 1995, in Fakuda-Parr and Kumar, 2003). In essence, the HDI is a synopsis of a country's human development and combines statistics on life expectancy, education and income. Global HDI estimates range from 0.34 (in Niger) to 0.97 (in Norway); higher values represent higher levels of human development (Human Development Report 2009). The HDI is calculated by first creating an index of all the three (life

expectancy, education and income) dimensions. It is then computed by averaging the three dimensions as shown in equation 1 below:

$$\text{HDI} = 1/3 (\text{life expectancy index}) + 1/3 (\text{education index}) + 1/3 (\text{GDP index}) \dots\dots\dots 1$$

The Human Poverty Index (HPI), introduced in 1997, is an attempt to bring together in a composite index the different features of deprivation in the quality of life to arrive at an aggregate judgment on the extent of poverty in a community. Anand and Sen (1994: 229), in Fukuda-Parr and Kumar (2003) indicate that 'both [the HDI and the HPI] have to use the rich categories of information that are associated with human development: characteristics of human lives and the quality of living that go much beyond what income information can provide'.

There is a human poverty index (HPI) for developed countries and a human poverty index (HPI-1) for developing countries – each of these indices take into account the different contexts of the developing and the developed world – Anand and Sen (1994) provide detailed descriptions and technical properties of the two indices. The Human Poverty Index for developing countries (HPI-1) combines measures of life expectancy, child nutrition status and access to improved water sources, and income. The following equation is used to calculate the HPI-1:

$$\text{HPI-1} = \left[\frac{1}{3} (P_1^\alpha + P_{21}^\alpha + P_3^\alpha) \right]^{\frac{1}{\alpha}} \dots\dots\dots 2$$

where P_1^α = Probability at birth of not surviving to age 40 (multiply by 100), P_2^α = Adult illiteracy rate, P_3^α = Unweighted average of population not using an improved water source and children under the weight-for-age, and $\alpha = 3$. Global HPI-1 estimates range from a high of 59.8 (in Afghanistan) to a low of 1.5 (in the Czech Republic).

As Figure II shows below, the aggregate, national, HDI for 2008 is 0.69. There is no substantial difference in the HDI for women and men separately. Blacks have the lowest HDI at 0.63, compared to that of Whites at 0.91. As such, the black population group in South Africa has comparable human development estimates to those of Bhutan, while white South Africans are at the level of Cyprus and Portugal. Figure II below shows estimates of HDI and those of HPI-1.

Figure II: Estimates of the Human Development Index (HDI) and the Human Poverty Index (HPI-1)

	HDI	HPI-1
Total	0.691	27.1
Male	0.693	25.8
Female	0.689	28.2
Black	0.630	31.2
Colored	0.752	10.9
Indian	0.886	5.0
White	0.914	10.1
Western Cape (WC)	0.760	14.4
Eastern Cape (EC)	0.646	23.4
Northern Cape (NC)	0.695	27.2
Free State (FS)	0.630	37.3
KwaZulu Natal (KZN)	0.599	48.1
North West (NW)	0.677	25.5
Gauteng (GP)	0.806	10.2
Mpumalanga (MP)	0.676	40.4
Limpopo (LIM)	0.677	19.3
Poorest 20%	0.488	40.0
20-40% poorest	0.563	36.3

40-60% poorest	0.586	32.9
20-40% richest	0.675	22.2
20% richest	0.868	17.3

Source: Own calculations, based on NIDS 2008

Gauteng has the highest average HDI and KwaZulu-Natal the lowest. At 0.81, Gauteng can be compared to countries like Turkey and Mauritius, while KwaZulu-Natal with 0.60 would rank next to Congo and just below India. It would seem that the HDI estimates for KZN and the FS have primarily driven the low average life expectancy rates in those provinces.

It appears that income poverty is not the only cause of human poverty. As shown in Figure II, the HPI-1 is higher on average in KwaZulu-Natal than the average for the poorest 20 per cent of households, which suggests that households in KwaZulu-Natal have worse human development on average than can be attributed to their income status. Whites and Indians also have better human development indices than the average for the richest 20 per cent of all South Africans, which suggests that there are additional factors than household income that determine inter-racial differences in human development and is captured in much lower life expectancy rates for non-white population groups. It is in this context that an argument is made that the legacy of apartheid remains profound and/or that government has not yet succeeded in racial redress.

Although human poverty as measured by the Human Poverty Index (HPI-1) remains high, most studies suggest that all dimensions of poverty are declining in magnitude. Various income poverty measures indicate that the number of people living in

poverty has declined, particularly between 1999 and 2007. The Living Standard Measure (LSM), for example, shows that between 2000/01 and 2006/07 there has been a significant decrease in the proportion of people in lower LSMs (1 to 3) and an increase in the size of the middle bands (LSM 4 to 6)⁸. This improvement in people's lives is attributed to economic growth and expanding employment as well as government's poverty alleviation initiatives, amongst others, provision of basic services to indigent households, social assistance support and better housing.

Some studies, however, indicate that some dimensions of poverty are not declining fast enough. Gumede (2008b) reviews relevant studies and concludes that 'the question of the extent, of both poverty and second economy challenges, remains unresolved. Different researchers give different estimates, although the trend seems to be showing a decline in poverty in South Africa which appears to have began around year 2000 or so'. As indicated above, living standards, as measured by Living Standards Measures, seem to have improved.

It is in this context that a conclusion is reached that the South African developmental state in the making is a weak one. As indicated above, this could be because the legacy of apartheid remains profound and as such the post-apartheid government has not yet succeeded in racial redress.

5. The paradigm of South Africa's developmental state in the making

As Onis (1991) argued in the case of East Asian developmental states, that they were shaped by their historical circumstances, the African National Congress (the

⁸ Refer to Gumede (2008b)

ruling political party in government since 1994) 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 (such as the national democratic revolution⁹) is clear in many government documents and political discourse (such as ANC Strategy and Tactics 2007, National General Council 2005, 52nd National Conference, ANC manifesto for 2009 general elections). This is one aspect of a developmental state that Mkandawire (2001) alludes to. 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 our 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. In the opening paragraph of ‘Building a Developmental State as an Instrument of Economic Transformation’, it is clearly stated that 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 away 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 and so forth.

⁹ The gist of the ‘National Democratic Revolution’ is the creation of a ‘National Democratic Society’; a society where all citizens have equal rights, access and responsibilities – a society free of poverty and underdevelopment, in the ANC lingo.

The second aspect, the structure, is clear in the detail of what the ANC deems a developmental state to be. The revised *Strategy and Tactics* (ANC 2007) says 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 trying to ensure the 'ideology-structure nexus' of Mkandawire (2001).

From Leftwich's model, the following components seem 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 'ideology-structure nexus', the attributes that the ANC lists as the main attributes of the (envisaged) South African developmental state include issues such as the proposed strategic orientation (which emphasizes people-centered and people-driven development) and capacity to lead the definition of an overarching developmental agenda and the mobilization of people around it. The ANC appears to also draw from Cummings and Nørgaard's (2004) dimensions of state capacity. It highlights organizational capacity (such as organization of the state) and technical capacity (such as implementation capacity). It seems to have also tried to apply notions of 'state-structure nexus' and 'institutional coherence' that Robinson and White (1998) see as important institutional attributes of a democratic developmental state.

Weiss (2000) had a model of a developmental state which highlights three factors that determine the extent to which a state is developmental. It would seem that her model suggests that South Africa is developmental. Firstly, it South Africa has demonstrated a commitment to create a developmental state as demonstrated above. Second, it could be argued that the political and technocratic elite have maintained their independence and have been relatively insulated from external influence. Thirdly, that the government appears connected, to some extent, to the private sector. Government has employed various strategies to promote economic development, including forging a synergistic and co-operative relationship with business through Nedlac as an example.

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 (such as ANC Strategy and Tactics 2007, National General Council 2005, 52nd National Conference, ANC manifesto for 2009 general elections). Government, through respective structures and policy instruments, translates those noble ideals into implementable programmes of action within respective policy (and political) platform. Always at the core of that programme of action is explicit sense of trade-offs that are being made, almost always reprioritizing human development within an economic growth 'construct'. This is a correct approach and we see a case of 'politics' positively influencing public policy making. Leftwich (1995) emphasised the importance of 'politics' in the analysis of whether a country has a developmental state or not. According to his definition, South Africa's policy making appears to be sufficiently influenced by political dynamics and it can be argued that the South

African state's 'politics' has amassed sufficient authority, autonomy and capacity in its pursuit of its developmental objectives. So certainly, South Africa is arguably way on its way there.

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 obtain in South Africa. Edigheji further emphasizes prevailing institutional arrangements as an important variable to the success of a democratic developmental state, and the South African policy making institutional mechanisms seem 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. 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 resembles to some extent Japan as described by Johnson (1982) and Korea as described by Amsden (1989) and Taiwan as described by Evans (1995).

Also drawing from Robinson and White (1998), some salient characteristics – such as ‘institutional coherence’ – of a democratic developmental state seem visible in the South African state. Also, Evan’s (1995) concept of ‘embedded autonomy’ which is central to the effectiveness on a developmental state seems to play itself out in the South African context. Evans (1995) point is that state institutions have to be *autonomous* in so far as that facilitates the identification and promotion of strategic developmental objectives, while *embedded* in a sense that the state would be able to establish and sustain working partnerships with key social groups that would add much needed impetus to the achievement of development goals. 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 on developmental goals. This, however, remains a matter subject to much debate, whether top civil servants are appointed on merit and whether they are insulated from political maneuvers.

The role of the state in the domestic accumulation regime is definitely an important indicator of a trajectory towards a development state. The Reconstruction and Development Program of 1994, the Accelerated and Shared Growth Initiative of South Africa (ASGISA) of 2006, the Joint Initiative on Priority Skills Acquisition (JIPSA) of 2006, the Growth and Development Summit (GDS) of 2003, the National Industrial Policy Framework of 2007, and more recently the New Growth Path of 2010 and the various strategic plans and policy action plans (economic, industrial, international trade and labor) are among many policy instruments that demonstrate

political will and dedicated leadership towards building a developmental state. These policy instruments have played a central role in posturing and shaping the interventionist role of the state. However, South African scholars such as von Holdt (2010) have argued that policy reforms are likely to fail if the deficiencies in the institutional architecture of the state bureaucracy are not addressed.

Overall, South Africa can be said to be a developmental state in the making. The state has made maximum use of the means at its disposal to achieve this including the programmes of development finance institutions and regulatory bodies, through government procurement and public incentive rules, in industrial, trade, competition, labor market and other policies as well as in the 'new' approach in the management of public enterprises. The South African government has often used its fiscal strengths, its financial regulatory frameworks, and the resourcefulness of its people and institutions to give concrete expression to the development state as a way of responding to systematic development challenges.

6. Organization and capacity of South Africa's developmental state

The World Development Report (1997) describes state capacity as the ability of the state to undertake collective actions at least costs to society. This is broader than administrative or technical capacities of civil servants. It entails, also, as the Report puts it, institutional mechanisms that give politicians and civil servants the flexibility, rules, and restraints to enable them to act in the collective interest. This resonates with Cummings and Nørgaard (2004) conceptualisation of state capacity along four dimensions: ideational, political, technical and implementation. Cummings and

Nørgaard (2004) define ideational state capacity as the degree to which the state – its actors, role and policies – is legitimated and embedded in state institutions.

Political state capacity refers to effectiveness of state institutions in terms of governance structures and technical and implementational state capacities refer to administrative capacities.

An issue of public contestation in SA, however, has always been the question around state capacity; whether or not there exists sufficient technical capacity, especially for planning and implementation towards a developmental state. When compared with countries that are said to be having developmental states, South Africa's policy units have been said to have relatively less numbers of technocrats.

As indicated above, the organisation of the South African state remains a matter of debate. Some scholars have argued that government is too large. For instance, Luiz (2002) finds it 'worrisome' that the proportion of government expenditure going to salaries and wages keeps increasing. Others argue that the amount of technical capacity of government is scarce. For instance, Mhone (2004) argued for 'nodal or pilot planning super-agency' as well as more capacity for policy formulation and implementation.

One of the issues that is still highly debated, in the context of capacity and organization of the South African state, is the cluster system referred to above. The cluster system, as discussed above, plays an important role in policy formulation and monitoring and evaluation. 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 administrations 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) coordination or oversight over implementation of the PoA.

Figure III below depicts the mandates, objectives and so on for the clusters.

Figure III: Summary of the original mandates of the clusters

Mandate	Objectives	Intended outputs	Intended outcome	Type of mechanism
1. Harmonise the work of departments	Counter departmentalism and working in 'silos'	<ul style="list-style-type: none"> - Departments align their activities with overall government priorities - Departments collaborate on cross-cutting government objectives 	Improved achievement of cross-cutting government objectives	Integrating and harmonizing mechanism
2. Produce reports on implementation of the Programme of Action (PoA)	Generate peer group pressure and a culture of collective leadership	<ul style="list-style-type: none"> - Progress reports - Culture of collective leadership - Keep the public informed of progress - Pressure on 	Improved implementation of the PoA and improved achievement of cross-cutting	Monitoring and reporting mechanism

		government to implement	government objectives	
3. Coordinate or oversee implementation of the PoA	<ul style="list-style-type: none"> - Execute Cabinet decided priorities - Identify and resolve blockages constraining implementation - Identify opportunities to speed up implementation of projects 	Cluster oversees / manages implementation of PoA	Improved implementation of the PoA and improved achievement of cross-cutting government objectives	Project management mechanism

Source: Gumede (2011: 177)

To some extent there is merit in the argument that the South African developmental state requires additional capacity. The organizational aspects require further consideration. The fundamental question, arguably, is more of whether the systems, such as monitoring and evaluation and performance assessments, are effective in detecting inefficiency and deploying appropriate responses.

Chibber (2002: 952) argues that for any state to be effective, 'bureaucratic rationality must also be structured in an appropriate apportionment of *power* among state policy agencies'. In short, Weberian bureaucracy is not enough just like the bureaucracy based on Confucius' perspectives was not enough, 'interagency relations' are

critical. Bureaucratic rationality, if the institutional setting is not supportive, can easily lead to processes that are not developmental or rather ineffective, as Chibber (2002) found in the case of India.

One conclusion is that South Africa has not been a very effective state owing to its technical and implementational state capacity. This does not imply that the state should be organised differently, though coordination could be further ameliorated. It simply means that the capacity that was said to be lacking, such as long-term planning expertise, should be created¹⁰. As Gumede (2007) argued, in government there are 'various planning instruments and tools mainly focused on medium-term planning, not long-term developmental planning'. The new planning function in government is meant to close this gap and others, such as further improving coordination.

7. Concluding remarks

This paper assessed the extent to which SA could be classified as a developmental state. It defined the developmental state based on its institutional attributes, its objectives, as well as state capacity to deliver on economic growth and human development objectives. It also presented findings on human development and human poverty in SA, showing an upward HDI trend.

¹⁰ The former head of the policy unit in the state Presidency (Joel Netshitenzhe), in his opinion piece ('The shift is not ideological', 31 October – 6 November 2008, in the Mail and Guardian, p. 23) gave an extensive historical background and specific proposals on the long-range planning function that was envisaged in government.

In terms of Evan's (1995) notion of 'embedded autonomy' and Cummings and Norgaard's (2004) four dimensions of state capacity, as well as other scholars' methodologies and the analysis presented here, it appears that South Africa can be described as a developmental state in the making albeit a relatively weak one. In essence, the South African developmental state in the making – for it to be a fully fledged developmental state – has to have the capacities and systems that ensure that human development is further improved.

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