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The stunted growth of SA's developmental state discourse

ABSTRACT

The failure of neoliberal macro-economic policies to address poverty and inequality has seen the revival of working class assertions within the African National Congress (ANC) and its alliances partners the Congress of SA Trade Unions (Cosatu) and the SA Communist (SACP), as well as through the rise of new social movements. This has opened up space for debate around a 'democratic developmental state' that is primarily embedded with the rural and urban working classes (broadly defined).

The ANC, however, has confined the discussion to the East Asian experience, where the state was embedded with a rising industrial bourgeoisie, and social and environmental justice was subordinated to economic growth. Cosatu, in its responses thus far, has not sufficiently broadened the debate to include alternative, substantive-democratic conceptions of the 'developmental state', where growth is specifically oriented towards addressing the social deficit. These include the local state of Porto Alegre, Brazil, the sub-national developmental state in Kerala, India, or possibly recent developments in Venezuela. Instead, it is argued that Cosatu and the SACP have, through their support for the newly elected ANC president Jacob Zuma, spurned an opportunity to galvanise a coherent counter-hegemonic alternative.

1 INTRODUCTION

The 1980s ended with the expectation of a national democratic revolution against apartheid led by the working class, pregnant with anti-capitalist, substantive-democratic content. For many, the 'seizure of power' was in the air (Wolpe, 1988; SACP, 1989). However, the 1990 release of Nelson Mandela, and the unbanning of the African Nationalist Congress (ANC) and the SA Communist Party (SACP), set in motion a chain of events that culminated in the 1994 election of the ANC into office. By 1996 it was clear that the ANC in government was determined to pursue a neoliberal path to economic development. This spectacular 'counter-revolution' was allowed to happen because the working class had been substantially demobilised, and its leadership, from exile and within the civic and trade union movement, had largely been co-opted into the ruling elite to manage the transition from racial to 'non-racial' capitalism.

The failure of neoliberal policies (globally and in South Africa) to address poverty and inequality has seen the revival of working class assertions in the country, both within the Congress of SA Trade Unions (Cosatu) and its ally the SACP, as well as through the rise of new social movements (see Ballard et al, 2006). This has opened up space for debate around a 'developmental state' that intervenes in the economy in the interests of the working class (broadly defined)¹.

The ANC, however, has thus far confined the discussion to the East Asian experience, where redistribution is subordinated to economic growth (to the exclusion of environmental justice). The main expression of working class power, Cosatu, has in its responses remained on the terrain of the East Asian experience, and not sufficiently broadened the debate to include alternative, substantive-democratic conceptions of the 'developmental state', where growth is subordinated to social (and environmental) justice. These include the local state of Porto Alegre, Brazil, the sub-national developmental state focussed on redistribution in Kerala, India, or possibly recent developments in Venezuela². Instead, it is argued that, in the articulation of a Weberian state struggling to be born and patrimonial, predatory relations that refuse to die, Cosatu and the SACP have, through their support for ANC president Jacob Zuma, spurned an opportunity to galvanise a coherent counter-hegemonic alternative.

2 WOLPE, ARTICULATION AND WORKING CLASS LEADERSHIP

In his earlier work that was critical of the 'internal colonialism' thesis which saw a dysfunctionality between apartheid and capitalism, Harold Wolpe (1972) argued that there was an articulation between the capitalist mode of production and pre-capitalist

¹ This includes all those dependent on wage labour in the spheres of production and consumption, as well as the self employed that eke out a living at the margins of the economy, in rural and urban areas. 'Worker' refers to those who are employed, while 'working class' (singular) is an expression in the abstract of highly differentiated concrete working classes or working class fractions.

2. SACP and Cosatu general secretaries Blade Nzimande and Zwelinzima Vavi recently visited Bolivia and Venezuela, and returned enthused by what they saw. Exactly what lessons they learnt, however, is unclear.

modes, which produced a complex articulation between white domination (race) and capitalist exploitation (class). This meant that an assault on racial domination was *necessarily* an assault on capitalism. This, of course, did not mean, as some in the black consciousness movement argued, that race was the same as class, but it suggested such a conflation of categories.³ Later Wolpe (1988), drawing on Stuart Hall, saw the mutual ‘interiorisation’ of race and class as a ‘conjunctural’ phenomenon which occurred at a particular moment in history, under very specific conditions. This implied an incomplete overlap between race and class, recognising the existence of a substantial if compromised white working class, on the one hand, and on the other hand a nascent or aspirant black capitalist class that began to grow under the post-1970s reform strategy of the apartheid regime. As such, Wolpe envisaged the possibility of the unravelling of the race/class inter-connection, in the form of a deracialised capitalism (or, alternatively, a deracialised socialism). In other words, unlike his earlier position, his later work saw this as a highly *contingent* phenomenon.

Gill Hart (2007), in her appreciation of Wolpe’s nuanced approach, nevertheless quotes Neville Alexander’s criticism that Wolpe’s supposed defence of the SACP’s ‘two-stage theory’ helped pave the way for the ANC middle class to lead the national democratic struggle. Indeed, she goes on to quote Michael Burawoy’s observation that Wolpe did not see ‘two very different, opposed projects that existed side by side within the liberation movement’ (p6). A footnote quotes at length a passage from Wolpe which states that ‘the two-stage revolution ...envisages the first stage as merely a stage in which the conditions are established which will permit the inauguration of a process of further social transformation’ (1988:33-34).

What is missing from this implicit critique of Hart’s is, firstly, Wolpe’s relative marginalisation within the SACP for his earlier critique of the internal colonialism thesis; secondly, his continued criticism of a ‘*particular* representation of the notion of a two-stage revolution’ (my emphasis) within the SACP, which ‘presents the national liberation struggle as if it were free of class implications’ (1988:32) - in other words, to defer the struggle against capitalism to a stage after national liberation. Wolpe was part of the debates within the SACP, where he put forward the perspective, later adopted by SACP leader Joe Slovo, that there was no ‘Chinese wall’ between the struggle for national liberation and the struggle for socialism - the seeds of the latter had to be sown in the former. In order to enter that debate he had to accept the form of a ‘two-stage’ perspective, but succeeded in giving it a different, more nuanced content.⁴ Thirdly, Wolpe’s understanding of contingency spells out very specific conditions that have to be met for the seeds to be sown, namely the *working class leadership* of the national democratic revolution (NDR), and adherence to the Freedom Charter - including public ownership of the commanding heights of the economy and radical agrarian reform - as a minimum programme⁵. He quotes

3. The most crude expression of this view was that of the Azanian Peoples Organisation, which in the late 1970s declared, in a bizarre amalgam of vulgarised Marxist and Nationalist discourses, that all blacks were workers, and all whites were capitalists.

4. Discussion with Wolpe during 1988, while acting as my PhD supervisor.

5. The Freedom Charter's rather statist vision of transformation was re-examined by Slovo's critique of Soviet practice (Slovo, 1990), which Wolpe agreed with, and his view that state ownership (nationalisation) did not guarantee worker's power - rather, the *socialisation* of the means of production, a much more democratic conception involving various forms of social

Pallo Jordan as saying that 'the pre-condition for all of this is the revolutionary overthrow of the Pretoria-racist regime' (1988:34).

Wolpe did not envisage a negotiated settlement which would see the relative marginalisation and demobilisation of a working class that was, by the late 1980s, leading the liberation struggle inside the country. The settlement was designed to neuter this growing leadership, through the co-option of its leadership into the ranks of the ANC middle class and aspirant bourgeoisie. In other words, the middle class 'hi-jacking' of the liberation struggle cannot be seen as an *inevitable* outcome of Wolpe's fluid 'two-stage' or 'two-phase' conception of the national democratic revolution, as Alexander argues and Hart implies. Had the nascent working class leadership been allowed to mature, a much more radical outcome to the NDR might have been possible.

Nevertheless, despite its relative marginalisation, possibilities for a re-assertion of working class leadership remain. The two main organisations of the working class, Cosatu and the SACP, have in recent years begun to assert a more independent, critical profile within the triple alliance with the ruling ANC. This criticism has intensified as poverty persists and inequality worsens (see Cosatu, 2006 and SACP, 2006), notwithstanding ANC assertions, in response to Left critics, that it remains a 'social democratic' party (see ANC Political Education Unit, 2002 and Mbeki, 2002).

3 'NEOLIBERALISM' WITH A 'SOCIAL-DEMOCRATIC' HEART?

The ANC-SACP-Cosatu Alliance's 1994 *Reconstruction and Development Programme* (RDP), which originated in the labour movement, placed emphasis on a mobilised civil society that participated in all spheres of public policy formulation and implementation. Originally located in Cosatu's 'growth through redistribution' perspective, the final draft was infected by a degree of fiscal conservatism (see Marais, 1998). Nevertheless, it retained a critique of the orthodox 'redistribution through growth' perspective, stressing that

Growth – the measurable increase in the output of the modern industrial economy – is commonly seen as the priority that must precede development. Development is portrayed as a marginal effort of redistribution to areas of urban and rural poverty. In this view development is a deduction from growth. The RDP breaks decisively with this approach (ANC 1994: 6)

In 1996, the ANC in government's Growth, Employment and Redistribution (GEAR) policy reversed direction, leaving the country in schizophrenic limbo between two conceptions of the state: on the one hand, a neoliberal conception, where a procedurally democratic state is reduced to a facilitator of market-driven 'development', and obsessed with the fiscal deficit, and on the other, a substantively

power (workers and citizen's power in the process of production, distribution and exchange) was favoured after 1990. Unfortunately, in the rush to stabilise the political situation through the sunset clauses, this radical substantive-democratic idea, which had been promoted through the mass movements as the struggle progressed during the 1980s, was not vigorously promoted during the 1990s (apart from its muted expression in the RDP). Slovo himself, as housing minister, instead allowed the critique of public ownership to pave the way for public-private partnerships, a short step away from privatisation.

democratic developmental state that intervenes decisively to eliminate the social deficit.

Alan Hirsch (2005:3) argues that while GEAR was necessary for macro-economic stability at a particularly vulnerable moment, 'at the centre is a social democratic approach to social reform'. GEAR, argues Hirsch, was necessary during 1996-1999, but once the macro-economic conditions had stabilised there has been a 'rapid growth of the social security system after 1999' (2005:4).

Was GEAR a result of conjunctural factors, as Hirsch argues, or part of a dominant global 'best practice' ideological discourse at the time, which the ANC uncritically (or forcibly) adopted? Indeed, as Bond (2005) argues, a deal was struck with the International Monetary Fund (IMF) in 1993-4, whereby in exchange for a loan (ostensibly for drought relief), conditions were attached ensuring adherence to an orthodox economic trajectory. The way had previously been paved through various scenario planning exercises involving key business leaders, to rid ANC and Cosatu leaders of any socialist or social-democratic 'illusions'. The World Bank and its associated universities such as Harvard followed, by providing intellectual resources and training ANC officials in orthodox economics, thus ensuring an acceptance of the dominant discourse and practice ruling much of the world.⁶

Moeletsi Mbeki⁷ suggested recently that there was a secret Codesa 2⁸ involving ANC leaders and captains of the minerals-energy complex (*Business Report*, 14/5/06). A deal was struck between old (white) capital, and the new aspirant (black⁹) bourgeoisie. As long as the interests of the former were protected, the aspirations of the latter would be accommodated. According to Moeletsi Mbeki, this deal excluded manufacturing capital and of course labour.

Whatever view one takes of the ANC's policy trajectory, the key is whether the lives of the majority, who are poor and working class, have improved. Firstly, South Africa has not been exempted from the global trend (see ILO, 2004) of increased

6. See Peet (2003) on how the World Bank and IMF secure the hegemony of neoliberal ideas in developing countries around the world.

7. The president's brother, businessman and Deputy Chairperson of the SA Institute of International Relations. During the early 1990s he worked for Cosatu.

8. Codesa stands for the Conference on a Democratic South Africa, which met during the early 1990s to seek a political settlement between the apartheid regime and the liberation movements led by the ANC.

9. 'Race' terminology in South African can be confusing and is used here in lower case to signify discomfort in having to use them. Official statistics still refer to the apartheid divisions ('white', 'black/african', 'coloured' and 'indian/asian'), with the difference being that while under apartheid this was imposed by the state, it is now a matter of self designation (with some people refusing to designate themselves racially). 'Black' is used here in the generic Black Consciousness sense to identify all 'population groups' oppressed by apartheid, namely 'african', 'indian' and 'coloured'. This is also the sense used in Affirmative Action and Black Economic Empowerment legislation in post-apartheid South Africa (although in common discourse the term 'black' often refers to indigenous 'african' people only – usually excluding indigenous 'coloured' people). South Africans across the spectrum, however, increasingly identify themselves as 'African', and this term also refers to all citizens of the African continent. To avoid confusion, many researchers use the term 'black african' when referring to indigenous South Africans (excluding indigenous 'coloured' people) and this is the convention followed here.

unemployment (now approx 38% of the economically active population), and the increased informalisation of work, both within the formal sector (up to one third) and within a growing informal sector (see Altman, 2005; Makgetla, 2006 and Von Holdt & Webster 2005). While the country's post-apartheid labour legislation provide a range of protections for workers, a desperate attempt to create employment to meet Millenium Development Goals targets could accelerate the trend towards increased informalisation - especially if government gives in to demands by employers and opposition politicians for greater 'labour market flexibility'.

Secondly, the question arises: if an increasing number of South Africans are no longer protected as *workers*, are they being protected as *people*? In other words, are citizens' basic needs being met through adequate social security, even if they do not have a job, or have a bad-paying, insecure job? Recent statistics indicate that poverty and social inequality have not improved, even though government has delivered impressively on a number of social needs, such as housing, water and electricity. A 2003 study by the United Nations Development Programme (UNDP) showed persistent inequality and only a marginal decrease in poverty (UNDP 2003). The *2004/05 South Africa Survey* published by the SA Institute of Race Relations (SAIRR) points to 'significant service-delivery progress' between 1995 and 2004 (Cronje 2006: 20)¹⁰. These improvements, however, have not kept up with population increases, and fall far short of the targets set by the president in his 2004 State of the Nation address, and the UN's Millennium Development Goal of halving poverty by 2015 (see Hemson & O'Donovan, 2006). According to the SAIRR survey, the number of black african households, for example, increased by 37% (2.4 million) during this period. This means that the percentage of black african households in formal housing only increased from 54% in 1995 to 58% in 2004; electricity provision only increased from 42% to 49%, while the provision of running water decreased from 33% to 23%, and toilets from 22% to 21% during this period.

While the SAIRR survey points to increased incomes for black african people, inequality has also increased, as a significant number of black people have moved into higher income brackets. The trend is towards a de-racialisation of class, as more white households fall into the lower income bracket. This, however, is a very slow trend, as most high-income households are overwhelmingly white (75%) and most low-income households remain overwhelmingly black african (75%).

Significantly, according to the SAIRR survey, most white incomes are derived from salaries and wages (75%), with the remaining coming from pensions and other sources. For black african households, however, only a half of their income comes from formal employment, while the rest come from state grants and remittances. However, despite child grants, pensions and disability grants, growing unemployment has meant an overall increase in poverty, according to the SAIRR survey. Defined as R3 000-00 per household, income poverty increased amongst whites from 2% in 1996 to 4% in 2004, and for black africans from 50.3% to 60.6%.

Former Cosatu economist Neva Makgetla (2006), using a lower poverty line (\$2 per person a day or R1500 per month) and taking into account free basic services (such as

10. All subsequent references to the SAIRR survey are sourced from Cronje, one of the SAIRR researchers .

education, water and electricity) which are not reflected in household expenditure statistics, notes from the 2005 official Labour Force Survey a slight decrease in poverty between 2002 (74% of all households) and 2005 (70%). This is despite an economic growth rate of 4%. The Survey also shows that inequality remains virtually unchanged from 2002, namely that the poorest 50% of those with jobs received 12% of income, whilst the richest 5% received 42%.

Bhorat and Kanbur (2006: 33), while acknowledging disputes regarding the measurement of poverty and inequality, nevertheless conclude that 'there is an increase in income inequality' and 'an increase in both absolute and relative income poverty'. Hemson and O'Donovan's detailed study of progress towards meeting the presidential targets of 2004 arrives at a telling conclusion:

While progress in many sectors is being made, in others (water, sanitation, and school infrastructure) the targets set out in 2004 are unlikely to be met. The cost of meeting fundamental social objectives is substantial and is not acknowledged in budgetary reviews. Clearly, many of the social goals will not be met unless there is substantial change in budgetary allocations in infrastructure delivery (2006:39).

In other words, despite official discourses of poverty reduction, detailed promises and even progressive policies in some cases, state incapacity and the political will to provide the necessary resources to substantively reduce and eventually eliminate poverty – which means shifting resources away from the rich towards the poor - has thus far been absent.

The failure of neoliberalism, in South Africa and throughout the world, to address poverty and growing social inequality, as well as pressures from within the country, has seen the ANC increasingly embracing the idea of a 'developmental state'. Government in early 2006 unveiled its Accelerated Shared Growth Initiative for South Africa (AsgiSA), which promises more decisive state intervention to boost growth and employment (Mbeki, 2006). Its vision is that of a state-centric developmental path that subordinates social redistribution and environmental protection to economic growth.

Cosatu, in its engagement with government and the ANC, and much of the recent commentary on the developmental state, do not go much beyond the relatively vanguardist East Asian models (see Southall, 2006 & 2007; Fine, 2007, Naidoo, 2006 and Freund, 2006). Where it does give a nod to civil society participation (see Edigheji, 2006 and ANC, 2007) a thin 'social compact' conception of institutionalised participation of mainly labour elites is envisaged, and not the substantive democratic model - i.e. mobilised civil society participation plus extensive redistribution - offered by other development experiences. Before looking more closely at the developmental state debate in South Africa, it is necessary to first clear the conceptual maze surrounding this concept.

4 DEVELOPMENTAL, PREDATORY AND INTERMEDIATE STATES

Sociologist Peter Evans, in his seminal 1995 study *Embedded Autonomy: States and Industrial Transformation*, argues that a 'development state' needs to be both

autonomous from society, as well as deeply embedded with key interests in society that have a 'developmental agenda'. He calls this 'embedded autonomy'.

This is in contrast to a patrimonial, predatory or clientilistic state, which is characterised by personalised, informal relations reminiscent of the pre-capitalist absolutist state in Europe. The state is 'captured' by particular elites and used to advance their own narrow interests – a key feature of the state in post-colonial societies, including much of Africa. Evans refers to Zaire under Mobutu as a classical example of a predatory state. Predatory behaviour, however, is not absent from modern developed states. The awarding of contracts to US companies such as Halliburton in Iraq bears testimony to this. However, the key point is that while most states do not fit the ideal type, their *dominant* characteristics are what defines them.

For Evans, a key feature of a modern developmental state is the existence of a Weberian de-personalised, impartial and rules-driven bureaucracy that has a high degree of autonomy from competing interests in society. Unlike Weber, however, Evans argues that a developmental state is not insulated from society but is embedded with key social classes. A developmental state is by definition interventionist, and goes against the idea of a neoliberal minimalist state that leaves 'development' in the hands of market forces. A 'developmental state', however, can be authoritarian and narrowly focussed on economic growth, and easily degenerate into a patrimonial state, or it can be democratic and accountable to the needs of the poor and marginalised.

Evans suggests that many developing countries, such as India and Brazil, are neither predatory nor developmental, but 'intermediate'. This means that they display predatory features, where parts of the state bureaucracy are captured by local elites, and largely dysfunctional; but also have developmental features, where particular sectors or institutions function efficiently and in the general interest.

5 AUTHORITARIAN DEVELOPMENTAL STATES: THE FOCUS ON GROWTH

In the East Asian experience developmental states, apart from Japan and to some extent Hong Kong, were extremely authoritarian states. In their pursuit of rapid industrialisation, the state was embedded with a rising industrial capitalist class. 'Development' was focussed on economic growth, where physical infrastructure and the accumulation of capital were the primary objectives, and redistribution secondary (see Johnson, 1982 and Castells, 1992).

Such rapid growth rested on encouraging rampant consumerism, a squeeze on labour and other human rights, and environmental degradation. Democratisation came to countries like South Korea only after massive labour unrest and the growth of democracy movements during the 1980s. While much can be learnt about how the East Asian developmental states intervened to promote economic development, including an industrial policy oriented towards nurturing infant industries, directing investment flows and subsidising labour costs in various ways (including subsidised transport, food and housing), the costs of a narrow unbalanced focus on economic growth can be high (see Evans, 1995)

'Development' according to orthodox economists such as those found in the World Bank and IMF, is measured primarily by GDP per capita. While this is of great interest to investors, who seek to maximise the returns on their investments, it says little about the distribution of wealth and the development of human beings. Increased growth in India and China, for example, obscures the fact while a small section of society is getting rich, the vast majority remain poor. Indeed, the poor are being moved off their land in the name of 'development', forcing them to eke out a living in urban slums. Evidence is emerging that, contrary to World Bank figures, at least some of the poor are in fact getting poorer in India and China. In the process the natural environment has suffered severely (see Kamdar 2007; Pal & Ghosh, 2007; and Sengupta & Ghosh, 2007).

6 DEMOCRATIC DEVELOPMENTAL STATES: BALANCED, HOLISTIC DEVELOPMENT

The United Nations Development Programme (UNDP) has for a long time promoted the Human Development Index as a measure of development. In other words, the physical and emotional well-being of *human beings* in harmony with the natural environment, and not the growth of capital and physical infrastructure, should be the focus of development. Besides the European social democracies that achieved high levels of redistribution along with economic growth, there are examples of redistributive, democratic developmental states in the post-colonial world, where growth is subordinated to development.

Cuba can be regarded as a developmental state that intervened decisively on behalf of the subordinate classes to achieve impressive results in terms human development. Since the revolution of 1959, inequality has been reduced drastically, and despite limited resources the state has developed impressive education and health systems. However, despite strong evidence of mass mobilisation and participation in decision-making at various levels of society, and the massive popularity of Cuban leader Fidel Castro (see Eckstein, 1994 and Saney, 2004) the Cuban state does not allow for competitive multi-party elections, and certain freedoms, such as of speech and movement, are limited (see Dilla, 1999 and Farber, 2003). Cuba's state socialism therefore contains features of both the authoritarian and democratic developmental state.

The state of Kerala, in south-west India, is one of the best examples of a democratic developmental state. There has been widespread distribution of resources within a context of low economic growth. Patrick Heller, drawing on the work of Peter Evans, shows in his book *The Labor of Development: Workers and the Transformation of Capitalism in Kerala, India* how a different form of 'embedded autonomy' can be achieved, where the state develops strong links with subordinated classes in society, in particular the working class and peasantry. The Communist Party of India (Marxist), or CPM, played a critical role forging a unique synergy between the centralising power of the political leadership and the state, and the decentralising power of a mobilised civil society. The fine balance of power between the CPM and the Congress party allowed for a democratic renewal of the CPM each time it was voted out of office, with a progressive fine-tuning of its participatory practices. A basic substantive-democratic consensus was established, however, such that redistributive policies continued to be pursued when the Congress party was in power.

In the last elections the CPM-led coalition returned to power with one of its largest majorities. Kerala has been widely praised for its high human development indices, particularly in health, education and nutrition (see also Williams 2002 & 2006 and Parayil, 2000).

The city of Porto Alegre in southern Brazil, under Workers' Party rule since 1989, has developed an impressive participatory budgeting process, where a significant portion of the city's budget is opened up to public debate. Local communities are encouraged to determine spending priorities for their areas, and this has resulted in major improvements in the quality of life of the city's poor (see Wainright, 2004; Goldfrank, 2003 and Baiocchi, 2003).

Another nascent democratic 'developmental state' that places emphasis on building links with the poor and marginalised is Venezuela. After Hugo Chavez won the presidential election in 1996, the country adopted one of the most democratic constitutions in the world. His government proceeded to redistribute the country's vast nationalised oil wealth to the poor, and earned the wrath of the US-backed elite who ruled the country for centuries. An attempted coup in 2002 saw the people rushing to the defence of Chavez, and restored him to power. In 2004 he won an internationally monitored referendum on his rule, with almost 60% of the vote, and was re-elected president with a similar margin in 2006. Chavez has used the state to actively promote the interests of the poor, and recently declared that was pursuing '21st century socialism' (Weisbrot, 2006). Despite glowing accounts of the achievements of Venezuela under Chavez (see Gott, 2005)¹¹, others point to signs of authoritarian practice in an attempt to curtail the virulent rightwing opposition (see Guilermoprieto, 2005). It is, therefore, perhaps too early to make definite judgements about the extent to which Venezuela has become a democratic developmental state.

Drawing from the discussion above, Table 1 is a representation of the key features of an 'ideal' predatory state, and the different forms of developmental states. Between these, of course, are the many variations of 'intermediate' states that display features of both predation and development.

11. See also the special edition on Venezuela of the *New Internationalist* No 391, June 2006.

Table 1: Typology of predatory and developmental states

	Predatory	Developmental (state-capitalist)	Developmental (state-socialist)	Developmental (substantive - democratic)¹²
State Bureaucracy	Dysfunctional; based on patron-client relations (corruption);	Functional; serves general interest; meritocratic recruitment; rules-driven; efficient. Close synergy with political leadership: shared development vision	Functional; serves general interest; meritocratic recruitment; rules-driven; efficient. Close synergy with political leadership: Shared development ideology	Functional; serves general interest; meritocratic recruitment; rules-driven; efficient. Close synergy with political leadership: shared development vision
State-society relations	State captured by particular sets of urban elites	Embedded autonomy: state acts autonomously, but embedded in dense networks with rising industrial capitalist class (state centric)	Embedded autonomy: state acts autonomously, but embedded in dense networks with subordinate classes (state-centric)	Embedded autonomy: state acts autonomously, but embedded in dense networks with mobilised and organised subordinate classes (society-centric)
Development vision	None	High economic growth; diversified economy; redistribution subordinate to growth;	Balanced, sustainable development; economic growth subordinate to human development; protection of natural environment	Balanced, sustainable development; economic growth subordinate to human development; protection of natural environment
System of government	Personalised Dictatorship	Authoritarian (military rule or multi-party)	Limited participation within restricted one-party state	Participatory multi-party democracy
Key agents of development	None	Dominant leaders	Working class Party (Dominant leader)	Working class party and a mobilised civil society
Examples	Zaire	South Korea; Taiwan	Cuba	Kerala (India); Porto Alegre (Brazil); Venezuela?

As Patrick Heller (2001) observes, unlike Kerala and Porto Alegre, the potential for participation from below in South Africa rapidly diminished under the post-apartheid regime, as the ANC adopted a state-centric, neoliberal developmental path, albeit within the formal wrapping of a Constitution that entrenches many democratic freedoms.

7 SOUTH AFRICA: AN INTERMEDIATE STATE

The debate around the developmental state (see Southall 2006), as well as the turmoil

12. Heller (1999) refers to the Kerala experience as 'social-democratic', while Williams (2006) insists that the aim of the CPM is 'socialist democracy'. Others might use the term democratic socialist. To avoid this terminological confusion, and to capture a broad range of experiences, the more general term substantive-democratic is used here, to capture both the participatory and the redistributive dimensions of democracy.

within the ANC over the dismissal of Jacob Zuma as the country's deputy president in June 2005, is revealing. The South African state, like Brazil and India, can be classified as an 'intermediate' state, with predatory, clientilistic features as well as Weberian features. The country has well developed bureaucratic administrations, especially at national level, and since 1994 has developed a constitutional state that entrenches regular, competitive elections, a Bill of Rights and a range of institutions that seek to protect the rights of ordinary citizens. However, at the same time the state is dysfunctional at various levels, particularly local and provincial government (Southall, 2007). Many public institutions, including the police force, are beset by corruption and incompetent management, and fail to service the public adequately. This dysfunctionality is compounded by authoritarian management styles inherited from the past, as well as budget constraints imposed by the country's fiscal conservatism¹³

The Scorpions – the independent prosecuting authority that has brought charges against the former deputy president - is held up as representing the highest ideals of the modern Weberian state. Many argue that it has lived up to its mandate of targeting organised crime and corruption in an impartial, efficient manner (see *Business Day* 10 April 2006). If it means going after the deputy president of the country on suspicion of corruption, then so be it. This is unprecedented in most countries, let alone developing countries.

However, the counter-charge by Zuma supporters, that the Scorpions are mere pawns in the hands of Mbeki or other elites vying for power, paints a picture of dysfunctional, clientilistic behaviour. Apart from the indiscretions of former Scorpions head Bulelani Ngcuka, however, no evidence has been brought forward to convincingly counter the image of the Scorpions as a substantially impartial body fulfilling its mandate – a view upheld by independent bodies such as the Centre for the Study of Violence and Reconciliation and the Institute of Security Studies.

In the absence of such evidence, the conclusion must be that the attack on the Scorpions (and indeed the entire judiciary) reveals a clash between a Weberian state struggling to be born, and patrimonial, clientilistic relations that refuse to die. This view is strengthened by the demand by some, including Cosatu, that Zuma be reinstated as deputy president of the country, without it being established by a court of law whether or not he is indeed guilty of corruption (see Cosatu 2005).

This is perhaps to be expected from quarters such as the ANC Youth League who, despite their occasional resort to Marxist rhetoric, exemplify the post-colonial elites who seek to capture the state and use it for their own narrow purposes. They mask their aspirations by claiming to fight the 'capitalist agenda' of Mbeki and others associated with him, although a cursory inspection reveals that they merely belong to one aspirant bourgeois faction pitted against another within the ANC.

What is more difficult to understand is why the champions of democratic accountability and the developmental state, Cosatu and the SACP, find themselves associated with one set of aspirant bourgeois elites against another. It is one thing to

13. See Von Holdt (2005) for a case study of Baragwanath Hospital which highlights these problems.

uphold the rule of law and the justice system – a key pillar of a democratic developmental state – and demand a fair trial for Zuma. However, it is quite another to seek to undermine the justice system through careless and unproven accusations, in the belief that Zuma represents the best hope for the Left within the alliance.

8 CONCLUSION

During the 1980s, through his writings and activism in the ANC and SACP (including his influence over SACP leader Joe Slovo), Harold Wolpe played an important role in shifting the SACP away from a rigid, mechanical conception of a ‘two-stage’ national democratic revolution, to a more fluid and nuanced inter-connection between the democratic and anti-capitalist phases of the revolution. A key to this is working class leadership of the liberation movement, in order to shift the balance of power within the state and society towards the interests of the poor and marginalised. This implies the construction of a substantive-democratic developmental state that articulates mobilised power within civil society (power from below) with a relatively autonomous, rules-driven and efficient state apparatus at all levels of governance, in tandem with an ideologically coherent, pro-development political leadership (power from above).

Given the failure of neoliberal policies to reduce the social deficit after twelve years of democracy, space has opened up for the working class to assert its power. However, Cosatu and the SACP, by tying their project for Left renewal within the ANC to Zuma’s fortunes, are in danger of reducing the demand for a democratic developmental state to that of a typical patrimonial state that acts in the interests of a few elites. Such a ‘captured’ state will use revolutionary or even socialist rhetoric to legitimise its rent-seeking behaviour, as in Mugabe’s Zimbabwe - thus delaying the prospects of true democratic Left renewal even further.

SACP deputy secretary-general Jeremy Cronin recently distanced himself from such support. He told the Cape Town Press Club:

We’re deeply concerned about some of the things that have been said by him, or his supporters... But it’s no secret that many communists, and particularly lots of young communists, are supporting Zuma. Not just in some broad, general humane kind of way, but politically and presidentially. I think it’s wrong (*Mail & Guardian* online, 27 June 2006).¹⁴

Zuma and Mbeki are two sides of the same coin – Zuma is merely a spin-off from what the SACP (2006) calls the 1996 class project of the ANC, instituted by Mbeki. The failure to realise this is perhaps indicative of the compromised position the SACP and Cosatu find themselves in as Alliance partners (see Pillay, 2007). This is reflected in the timid nature of Cosatu’s response to the ANC’s recent flirtation with the ‘developmental state’.

The ANC, despite more recent nods towards elements of a democratic developmental state model in the form of a ‘social compact’ (ANC, 2007), has in essence confined

¹⁴ See also the critique of then Young Communist League deputy general secretary Mazibuko Jara (2005).

the discussion to the East Asian models of the developmental state, and Cosatu, in its response, has remained on that terrain. This is perhaps a reflection of Cosatu's distance from NGOs and social movements that are more assertively pursuing alternative sustainable development paths.¹⁵

Indeed, one can pose the questions: Why has Cosatu simply followed dominant 'international best practice' and looked only to the Far East, and not other, more democratic examples of redistributive development? Is Porto Alegre's example of participatory budgeting too 'community focussed' for organised labour? Is Kerala's holistic development path too radical for a relatively urbanised South African society, including members of Cosatu, who are oriented towards mimicking individualist, western consumption patterns? Is Venezuela's example of taking on vested interests, and inviting the wrath of US imperialism, too risky for our delicate, post-conflict democratic transition?

Cosatu's relative conservatism may be a function of the changing nature of its membership and relations of patronage within the Alliance,¹⁶ which has forced it to remain within the limiting embrace of Alliance politics. It, however, also resonates with the corporatist tendencies found in trade union movements generally. Indeed, in Kerala, the CPM-aligned trade unions (what Heller (2001: 162) calls the state-centric 'corporatist faction' in the CPM) were resistant to the society-centric proposals of CPM's 'social movement' faction. The latter placed more emphasis on 'the nurturing of democratic practices, both through institutional reform (making the state more responsive) and nurturing democratic capacities (participation and empowerment at all levels of governance)' (Heller, 2001: 162). That the latter perspective became dominant may be due to the party having to continually renew itself in order to win the confidence of the working class through the ballot box.

Cosatu and the SACP's state-centric vision of power obliges it to see Zuma (or another ANC leader) as the best hope for the working class. An alternative, society-centric vision will see Cosatu and the SACP more focussed on mobilisation within civil society, in partnership with other social movements locally and internationally. Only then will more radical, participatory-democratic development options rise to the surface.

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¹⁵ Indeed, a 2005 discussion document asks: 'Is there a contradiction in the short run between the democratic state's welfare orientation and a rigorous prioritisation of economic development?' (Cosatu, 2005a: 11). This contradicts Cosatu's support for a basic income grant, and reflects the influence of Neva Makgetla, Cosatu economist at the time. Cosatu has supported participatory democratic initiatives, such as the People's Budget campaign, but these have not been linked to its conception of a developmental state.

16. Cosatu's membership remains primarily that of relatively better paid, better educated, permanent workers in a sea of informalised and unemployed labour (see Buhlungu, 2006), leading some to characterise organised labour as a 'labour aristocracy' and as such is no longer a transformative actor (see Lehulelere, 2005). Cosatu on the other hand insists that it primarily represents the working poor, although much more needs to be done to organise the informalised and the unemployed (see Pillay, 2007).

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