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SOUTH AFRICA: A BALANCE SHEET

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For most South Africans, the achievements of the Government of National Unity will be assessed by the degree to which it meets the targets spelled out in its Reconstruction and Development Programme (RDP). Originally drafted by a team drawn from the ANC, the trade union movement and allied organisations, the RDP has two objectives: the alleviation of poverty, and the reconstruction of the economy. The RDP will try to promote these two goals through five broad programmes:

- * Meeting basic needs.
- * Upgrading human resources.
- * Strengthening the economy.
- * Democratising the state and society.
- * Making the state and the public sector more efficient.

In particular there are two concerns which informed the drafting of the RDP: the unusual degree of social inequality (for a country of South Africa's degree of development) and the sluggish performance of the economy in the last two decades, a performance which reinforces inequality. Specific proposals which arise from the RDP include a range of redistributive measures, including limited land reform, the re-allocation of government expenditure in favour of poorer communities and a series of undertakings which will spread ownership of the economy while at the same time making it more competitive and more attractive to foreign investors.

To date the story is one of a mixture of successes and disappointments. In the field of poverty alleviation there have been some quite impressive achievements. For almost a year now, five million schoolchildren in rural districts have been receiving free mid-day meals, snacks which meet about 25 %

of their calorific requirements. Free health care has been available to pregnant women and infants. Nearly 200 clinics have been constructed and about 1.3 million people have or are about to become beneficiaries of water supply schemes. Over 4,000 landless households have been resettled on new land reform schemes. Meanwhile the electricity supply commission has kept up its programme of adding about 300,000 new domestic electrical connections to the national grid, concentrated in rural areas and impoverished urban communities. The government has devised a set of financial arrangements which will make cheap owner occupied housing available to homeless people and the first of the new low-cost houses are under construction. Educational reforms include the opening of all state schools to everybody of school-going age irrespective of the ability to pay fees, the development of a national qualifications framework, and the expansion of teacher training. Institutional arrangements have almost been completed to provide cheap credit to small businessmen, a programme of tariff reform has started (with the more or less willing acceptance of trade unionists), inflation is down to single digit figures, and foreign investment is beginning to trickle in.

I could list all the positive achievements in more detail but I think this gives the broad picture. The picture is one of incremental improvements of state welfare services to the poorer people, particularly those living in the countryside, and the slow creation of an enabling framework to rejuvenate the economy. It is not a picture of dramatic social reform or astonishing economic miracles. It would be unreasonable to expect either, given the constitutional restraints on the government's power, themselves a reflection of the limits imposed by a negotiated political transition to liberal democracy,

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and given an international economic climate which is especially unfavourable for the prospects of structural transformation of developing economies, particularly those governed by democratic administrations. What has been achieved in poverty alleviation and the development of new institutional frameworks for development, has been achieved without massive increases in government expenditure and without huge increases in taxation.

Even so, the achievements fall short of what might have been expected after eighteen months of the Government of National Unity. There have been several problems.

First of all, the RDP's drafters, and the new political leadership more generally, underestimated the technical complexity of what they have been attempting to achieve. Development programmes of any kind are notoriously difficult to administer. If they are to work properly they depend on the consent and participation of the communities who embody their targets and if they are to be economically costed they depend upon partnerships with the private sector: both these require complex and prolonged negotiation. For example, the government does not have the resources to build by itself the million houses the ANC promised in its electoral campaigning. At best it can provide the funding to guarantee loans by the private sector, supply a very small subsidy to prospective homeowners, and underwrite technical research and design. Before the houses could be built a number of preconditions had to met. Firstly, people had to be persuaded to pay for services and bonds; this meant reversing a habit of non-payment which had become entrenched during the 1980s when rent boycotts were one of the main civil disobedience tactics used by popular resistance movements in black townships. Secondly, banks and mortgage companies had to be persuaded to develop small loan programmes. Thirdly, builders had to be persuaded to conform to a minimum set of construction standards - a precondition demanded by the banks. Fourthly, small loans institutions had to be created. Fifthly, people needed to be educated about how to gain access to finance. All this has taken time. Comparable agreements and institutional arrangements have accompanied the creation of just about every other poverty alleviation programme. Where they have not, in those cases in which programmes have been implemented in an *ad hoc* fashion without full consultation and careful administrative arrangements, serious set-backs have been established. For example, the newspapers recently have reported that in at least two of the nine provinces the school-feeding scheme has been characterised by high levels of corruption because

much of the task of supplying and distributing food has been allocated by venal officials to dishonest small contractors. In any case, nutritional experts have questioned the value of the programme - to be more effective it should target younger children and be coupled with nutrition education directed at parents. Here we see another reason for the government's apparent lethargy in launching poverty alleviation: its almost wilful dismissal of the services of hundreds of private NGO organisations which have worked in rural areas and poor urban communities for decades.

A second set of problems relate to the character of the state bureaucracy. Since April 1994, South Africa has had to merge separate administrations in almost every field of government which existed for each of the different designated racial populations - white, Indian, coloured and African, and, of course for the black homelands, four of which had become formally independent and had developed their own bloated and especially ineffectual bureaucracies. The central civil service was in its upper reaches almost entirely white and affirmative action to make its staffing more socially representative remains an indispensable requirement if it is to acquire legitimate authority and broad social acceptance. Corruption and wastage are also problems, a consequence of secrecy, authoritarian predispositions, and the demoralisation of recent years. Here one should, however, add the caveat that South African government corruption is on a smaller scale than is characteristic of African administrations generally. But there is an urgent need for government reform which would render administration cheaper (about half of what the state receives in revenues it immediately spends on salaries, more if you count pensions), would make it more sympathetic and accessible to ordinary people, and would make it more socially representative with more black people in command positions. To achieve all these things quickly would by itself be a tremendous challenge, yet at the same time the RDP requires government to undertake a massive range of fresh tasks.

A final set of problems relate to South African society. Despite a long tradition of authoritarian government, South African civil society is very strong. There are four characteristics of South African society which inhibit development and transformation. Firstly, there are very strongly entrenched interest groups which primarily respond to the needs of their respective constituencies rather than to broader social imperatives. Into this category should be placed both business and labour groups. Business is by international standards inefficient, archaic, and self indulgent - and generally hostile to social reform. To date there has

been very little evidence of business responding seriously to the quite sensible prescriptions contained in the economic sections of the RDP, beyond a little unbundling and very tokenistic affirmative action appointments. There is little evidence of technological adaption to South African needs or socially useful investment or much effort at serious development on internal linkages between different sectors. Labour union leadership have been equally unrealistic in setting their priorities, sponsoring wage demands and a style of industrial protest which can only alarm investors and which will probably inhibit redistribution of resources to where they are needed most: in these respects badly disciplined and poorly organised public sector unions are especially culpable. Secondly, South African society includes a socially conspicuous and numerically very large middle class (large, that is for a country at its level of development), which sets a highly visible pattern of consumption which entrenches unrealistic social expectations and which inhibits domestic saving. Thirdly, South Africa society, despite a long history of formal political independence, remains an intellectually dependent colonial society, with quite limited intellectual capital which in recent years has deteriorated. And finally, South Africa inherits from its past a heavy burden of violent social conflict expressed today in high levels of criminality, bloody political vendettas, and a general disrespect for the law.

Given this overall context and these circumstances why should one be optimistic about South Africa's future? I think there are grounds for qualified optimism. One should not judge achievement, though, by a shopping list of development projects and economic indicators: with our history and social configuration it really is too early to expect economic miracles. I think we can draw comfort from the development of a democratic political system which really does seem to be working rather well, which is genuinely informed by faith and belief in the merits of doing things democratically, and which rests upon a much

stronger tradition of democratic values than exists in most developing countries. Here there have been definite advances.

We now have a parliament which functions as a critical sounding board for government, despite the dominance within it of one large nationalist party. *Our press is freer and livelier than it ever has been.* In almost every institution - schools, businesses, community organisations, government departments, and so on - a culture of accountability and openness is growing. Though this is often frustrating for those who occupy managerial positions, in the end it will generate stronger ethics of service than those which exist at the moment. The government has also been very successful in promoting a shared national identity, whether this is expressed by popular affection for new patriotic symbols, general jubilation over sporting achievements, or the personality of its new president.

Finally, I am impressed by the new leaderships' capacity to learn, both from the experience of its own mistakes and from the experience of the rest of the world. Almost every social, political or economic initiative has been the subject of really extensive debate and discussion, *informed by popular viewpoints and an extraordinary range of expertise.* For example, four years on from the inception of constitutional negotiations we are still trying to develop a final constitutional blueprint. This degree of investment in planning and this refusal to take even the most simple question for granted suggests to me that our development experience in the next few years may be different from the political and economic disappointments which have characterised so much of the post colonial world.

This Update is based on Professor Lodge's address to the Korean Delegation from Yonsei University, at Jan Smuts House, 14 September 1995.

STATEMENT OF PURPOSE

The South African Institute of International Affairs is an independent organisation which aims to promote a wider and more informed understanding of international issues among South Africans.

It seeks also to educate, inform and facilitate contact between people concerned with South Africa's place in an interdependent world, and to contribute to the public debate on foreign policy.