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SOUTH AFRICA'S SECOND LIBERATION: HOW TO MAKE RECONSTRUCTION AND DEVELOPMENT WORK

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Introduction

To many countries in the post-Cold war era the key issue is to bring about a stable and sustainable transition to political democracy. The so-called Washington consensus, namely that political democracy will automatically create the conditions for economic development and growth has now been proven an erroneous assumption. History has shown that there are indeed different routes to development: From political reform to development; from economic liberalisation to political reform; and a simultaneous process of political reform and economic liberalisation.

Only a few countries in the world, the G7-group and a few others, fall in the third category of political democracy and economic efficiency. Despite the progress with extending democracy to other parts of the world during the past 5-6 years, many countries are marked by civil wars, social unrest and social disintegration. The latter turn of events pose a new threat to the progress with political democracy.

The poor are vulnerable during political and economic transition

Despite the promise to improve living conditions, it is often the poor who suffer most during transition (cf Streeter 1994). In Africa political democracy has not changed the plight of the poor - in fact the continent is today poorer and more marginalised than before, conditions which are often being aggravated by Structural Adjustment Programmes (SAPs). In the former Eastern Bloc countries the quantum leap from centrally planned to free market economies, has left the poor unprotected and more vulnerable than before.

Having made a miraculous transition to political democracy, the challenge for South Africa is how to bring about sustainable democracy that will accommodate the diverse political aspirations; alleviate the most pressing development problems such as poverty, unemployment, inequality and environmental degradation (cf Coetze 1994); and reduce the cycle of violence and criminality which has plagued the country during the past few years. These factors have led to a less than optimal risk classification of South Africa by international risk assessment agencies and they have exerted a direct influence on the prospects for overseas and local investment.

South Africa's Second Liberation

From the above it could be gleaned that South Africa's First Liberation has been more successful than had been expected across the globe. However, some daunting political, security, developmental and economic problems are still unresolved. This calls for a Second Liberation which may be even more challenging than the first one.

The Second Liberation will have to establish a plural democracy which will go beyond a mere integrationist model. The challenge for the future is how to live "in and with diversity" (Max-Neef 1994), giving a new content to ethnicity and to exploit the possibilities which corporate federalism could offer. The criminality and violence calls for a comprehensive approach, which entails both short and long term measures.

The rising tide of violence is in no small way linked to the developmental problems of the country. With all its potential, South Africa remains a highly unequal society with an unacceptably high incidence of poverty and unemployment. The focus of the Second Liberation will therefore largely have to be on socioeconomic transition of the country, i.e. reconstruction and development. Here some complex developmental and economic problems await us and, as the new policymakers have discovered, it will be no easy ride to the Second Liberation.

The legacy of apartheid and South Africa's First/Third World economic dualism has saddled the country

with vast development problems (cf DBSA 1994; Coetzee 1994a, and Coetzee 1994b). On the score of human development we are, with a human development index (HDI) of 0,73, ranked 68th out of 130 countries for which the HDI is calculated.

Some 19,0 million people are subjected to poverty and our illiteracy rate of 38,4 % is far to high for a middle income, medium human development country. The population growth rate of 2,4% per annum exceeds the economic growth rate, leading to a declining per capita income. The new wave of urbanisation leads to a mushrooming of informal settlements, also around platteland towns, and the housing backlog is approximately 2,1 million units.

With a Gini coefficient of 0,69, South Africa displays one of the skewest income distributions in the world. Land and asset distribution is particularly skewed in favour of whites and access to the economy is curtailed by economic concentration. The official unemployment rate of 19,4% is probably an undercount and a 20-30% unemployment rate is probably more accurate. Some 13,0% of the labour force is absorbed in the informal sector and 43,0% is outside formal employment.

What complicates matters for South Africa is the fact that a low economic growth rate of 1,99% during the 1980's has not created the material base for development. In fact, growth prospects for the immediate future are rather modest, with some economists putting it at not more than 2,8% per annum during the period up to the 1999 election. The economy also faces low savings and investment ratios, high government debt, high consumption expenditure (more than 20% of GDP) and balance of payments (bop) problems (cf RDP White Paper 1994; De Wet 1994).

De Wet (1994) contends that the bop imposes a ceiling of 3,0% real economic growth per annum on the South African economy. Given the fact that the bulk of South Africa's imports constitute intermediate and capital goods, at a real growth rate of about 3,0% per annum, the value of imports begins to overtake the value of exports (De Wet 1994: 307-308).

On the positive side, South Africa displays a well developed physical and financial infrastructure, management competence, excellence centres of teaching and research, a high level of technological development and comparative advantages in mining equipment, chemicals, petrochemicals, wine, fruit and beverages.

In summary, the above picture shows a country which may find it particularly difficult to bring about a process of sustainable human development. However, there can be very little doubt that we shall have to upgrade the human condition and create sustained economic growth. This will in turn require a process of economic restructuring and economic liberalisation to address the structural economic problems of the economy and to create new competitive advantages to keep South Africa competitive internationally.

Government's response to the above crisis

The new government's response to the above development crisis was to adopt a Reconstruction and Development Programme (RDP) as a comprehensive policy framework to combat poverty, unemployment and injustice. The RDP is based on the following principles (Reconstruction and Development Programme 1994):

- An integrated and sustainable programme.
- A human centred process.
- Peace and security for all.
- Nation-building.
- Linking reconstruction and development.
- Democratization of South Africa.

To execute the RDP five programmes, which are linked to one another, will be implemented:

- The satisfaction of basic needs.
- The development of human resources.
- Rebuilding the economy.
- Democratizing the state and society.
- Efficient and appropriate structures to implement the RDP.

Particular foci of the RDP basic needs programme include land reform, housing and services, water and sanitation, energy and electrification, telecommunication, transport, the environment, nutrition, health care and

social security and welfare.

The development of human resources include:

- A restructuring of education and training to focus on women and girls, pre-schooling, adult basic education and a new education system.
- A new arts and culture policy.
- Sport and recreation policy.
- Youth development and capacity building programmes.

The RDP submits that the above development programmes can only be addressed if the economy is restructured to focus on poverty, unemployment, deprivation, inequalities, gender inequalities and if economic concentration is countered by new competition practices and small business development.

Since the publication of the RDP base document, Government has issued an RDP White Paper which spells out the role of government, the economic policy framework, the financial constraints, the restructuring of the public sector, the planning framework and the way in which consultation, participation and capacity building should take place.

From the RDP White Paper it is clear that Government has moved considerably in its policy stances since the 1994 election. There is an understanding of the financial constraints and the RDP and RDP projects will have to be launched on the basis of "business plans". Yet, some concerns remain regarding a number of issues. These concerns are addressed in the last section of the paper which provides a framework of thinking on "how to make the RDP work".

How to make the RDP work

Human development versus human resource development

Government must be commended for developing an integrated and comprehensive development framework as a "people driven process" (RDP: 5) aimed at human development. However, to what extent will this process be people driven and will it be a true human development process?

Here one has to caution against a whole new bureaucracy and a plethora of committees and forums (cf White Paper 1994: pp 13-14) which have been established to manage the RDP. How much involvement will there still be of communities and the so-called civil society which played a crucial role during the liberation struggle. One finds only scant reference to civil society in the White Paper document. It is clear that Central Government will play a leading role in implementing the RDP in what may quite easily be tantamount to "institutionalized charity" (van Zyl 1994: 194). As van Zyl (1994: 194) has succinctly stated: "The basic choice is clear: empowerment or charity? Developing people or handing out physical facilities?"

Quite clearly development cannot be brought about by handouts. It should be development of, for, and by, people. People must be developed, become actively involved and be more self-reliant if true and lasting development is to be achieved. Local communities must be involved in the planning, implementation and management of development projects.

The above suspicion regarding the RDP approach to human development is strengthened by the RDP (1994: 58) reference to human resource development. This equates human development with "human capital theory", rather than to adhere to the contemporary view of human development "...as the improvement of human capabilities and capacities and to improve the range of choices of people" (UNDO 1990 and 1994). Human development focuses on human security, not only in a physical sense, but in a comprehensive way. It is pro-people, pro-jobs and pro-nature and seeks to protect the life opportunities of future generations, as well as the present generations, and respect the natural systems on which all life depends (UNDP 1994: 4). Sustainable human development also addresses inter- and intra-generational equity and seeks to enable all generations, present and future to make the best use of their potential (UNDP 1994: 17).

If approached in the above way, it is clear that a rethink is necessary to bring about human development which will avoid the pitfalls of past development exercises. A rethink regarding the meeting of basic needs also inevitable.

Meeting basic needs: The need to prioritize

The RDP quite correctly points to the importance of addressing the basic needs of the population. One should really applaud government for moving away from the growth doctrine and adopting a developmental framework.

However, closer inspection leaves the nagging question, especially in view of the lower than expected growth prospects, how are we going to satisfy all these needs within the context of scarce resources? Here a number of issues come to mind: What is basic needs, whose basic needs, who determines basic needs and how to deliver it? (cf van Zyl 1994).

The extended RDP list of basic needs includes jobs, land reform, housing and services, water and sanitation, energy and electrification, telecommunications, transport, environment, nutrition, health care and social security and social welfare. The question is however, which basic needs will have the greatest developmental effect and impact on the prospects for economic growth?

It is interesting to note that Streeten and Burki (1978) identified, as the basic needs, five core areas of: drinking water and sewerage, nutrition, shelter, health and education. In the debate of the 1970's (Coetzee 1980) controversy surrounded the inclusion of jobs, the environment and basic human rights.

Manfred Max-Neef *et al* (1989) adds an important dimension to the debate with his "human scale" development theory. He argues that it is not so much basic needs which are at stake but rather the question: What are the satisfiers of basic needs? He identifies subsistence, protection, idleness, creation, identity and freedom as the nine "deep-going", interactive needs which determine the quality of life. The question to Max-Neef is then: What are the satisfiers of these basic needs? According to this approach sustenance and shelter are the satisfiers of the need for subsistence and education a satisfier for understanding. The major advantage of his approach is that a methodology has been developed which brings representatives of communities together to determine their deprivations in all dimensions of human needs and to identify specific satisfiers to address them.

This resolves the issue of who determines basic needs - it is done in a bottom-up rather than top-down fashion. Despite the mechanisms of consultation envisaged by the RDP, one gets the uneasy feeling that basic needs are determined by central government rather than by communities themselves. Some of the centrally determined basic needs may indeed not be basic subsistence needs in some communities.

One of the unresolved issues is of course how to reach the poorest, i.e. the poorest 20-30% lowest income group, as envisaged by the ILO (1976). The RDP does not specify the poor, neither do we have data bases in the different provinces to identify these groups. This should be one of the highest priority areas of central and provincial governments.

But the basic needs approach should also seek to optimize its economic impact, i.e. create new job opportunities and income, generating economic growth as a prerequisite for social development at levels upwards of 8%. This is borne out by the literature on successful developing countries. As was explained above, the bop has imposed a ceiling on the level of economic growth at more or less 3,0% per annum (cf de Wet 1994). In addition the economy experienced a flight of capital since the mid-80's, a high debt ratio, low savings and investment ratio's, a low skills base, an inflation rate higher than those of our competitors and declining capital investment which has only started to improve in the past year.

The above structural problems point to the importance of restructuring the economy. The RDP White Paper (1994) should be commended for its prudent economic policy recommendations regarding investment, industrial, trade, fiscal and monetary policy. However, if the government gives effect to its intentions to provide services to the poor to satisfy the extended list of basic needs as specified in the White Paper, they may find it impossible to reduce consumption expenditure - in fact according to the Stellenbosch BEO (1994) it may indeed increase at a rate of 2,5% per annum. Although government capital investment is expected to grow at 10% this year, it may still be insufficient, given the backlog which have built up (van Rensburg 1994).

What government will have to manage, is a balancing act between promoting economic growth and human development. This they are well aware of. However, the White Paper still does not come to grips with the challenge of liberalising the economy to improve economic efficiency and increase manufacturing exports (cf de Wet 1994). The past few months have witnessed a change in policy by government regarding privatisation, yet it is still very tentative and the policy package still displays overtones of nationalization in certain spheres of the economy.

Sustainable development: Has it been shelved?

Whereas the original RDP document (1994: 38-41) alluded to the importance of the environment for development, the White Paper (1994) totally ignores it. The international debate on development since the mid-80's has pointed to the importance of the environment for sustainable long term development and "...meeting the needs of the present generation, without compromising the needs of future generations" (World Bank 1992: 8). As the World Bank Report (1992: 8) on Development and the Environment has stated: "There is no difference between the goals of developmental policy and appropriate environmental protection. Both must be designed to improve welfare".

It is important to note that South Africa's environmental degradation takes place in both the urban and rural context. In the rural areas there are clear signs of population pressures on land and erroneous grazing practices. In the cities air pollution is increasing and rapid urbanisation pose a threat to water and other resources. It is therefore deemed prudent that the integrated development approach of the RDP should be a "sustainable development" approach.

The role of the state and other factors

Lastly the question can be posed: Who should be responsible for implementing and executing the RDP? The RDP document (1994: 80) refers to the leading and enabling role of government in guiding the economy and the market towards reconstruction and development". The White Paper (1994: 13-16) discusses the role of the President and an extended system of committees (Specialist Cabinet Committee, Core Committee, Standing Committee of Parliament, etc) and the role of Provincial and local Government (1994: 20-23) and forums (business, labour and NGO's).

Despite the reference to the role of other actors, one cannot escape the conclusion that central government is assuming the major responsibility for the RDP in a service delivery mold. This concern is confirmed by the reference to the important developmental role of NGO's during the apartheid years in planning, education and policy development but that "...Government, especially at local and provincial level, must now carry out these functions as part of its normal operations."

Whereas Government has a crucial role to play in South Africa's development, and the argument which is developed here is not advocating the minimum states position, one really has to question the above approach to development since it raises expectations that development could be magically solved "from somewhere else"; it leaves the impression that individuals, communities and NGO's are not responsible for development; and it creates very little room for local forums of self-reliant development. Although sub-regional and local development forums are envisaged (White Paper 1994: 49), it certainly is not a "people driven" process where people take charge of their own actions and destiny. At the moment the structures for local development are simply not in place in South Africa.

The RDP policymakers will be well advised not to smother local initiative, but rather to actively encourage it and to develop partnerships with the private sector (cf CBM 1994). The strategy should be for Government to select strategic interventions and to enable and facilitate local development and to put communities in charge of their own development actions. The RDP's proposals regarding support for small and medium sized enterprises is much more in line with this philosophy and should be extended to the other areas of development policy.

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