

# The Roles of Actors and Institutions in South Africa's Ambitions of Becoming a 'Developmental State'

Jonathan Brady

School of Built Environment and Development Studies:  
University of Kwa-Zulu Natal, Durban, South Africa

## Abstract

The importance of development partnerships have become more pronounced in the modern age and presents opportunities for all actors to gain credibility in their respective spheres (corporations for healthy public image, governments for their ability to deliver and attract economic investment/growth, and activists or NGOs for visibility and association with policy). How actors and institutions coalesce or separate given the conditions for advocacy, investment and advancement is of importance in a globalized a de facto inter-dependant world. Whether or not multi-lateral partnerships are successful depends in large part on the conditions set and influenced by governments. As a regional superpower and strategic point of access for many investors, South Africa's continuing economic decline is made all the more salient given its connectivity to the global economy (Habib: 2003).

## 1. Introduction

South Africa's democratic transition since the 1994 elections harboured great promises of expectant prosperity for the country's black majority population (Ndlovu: 2014). Development as the core of the incumbent governments' priorities has taken centre stage among its activities and aims. Multilateral partnership frameworks between the state, civil society (consisting of Non-governmental organizations social movements and communities) form the cornerstone of developmental state ideology and practice, but have failed to manifest amid rampant corruption and declining confidence in state capacity (Bond: 2014). Relations between the different institutions and actors needed to facilitate development however, have become frayed and adversarial in nature. It is the purpose of this paper to unpack the dynamics which occur between these entities, and to what extent their relations and working history lend to, or inhibit the notion of South Africa as a 'Developmental State'. Since the release of the National Planning Commission's National Development Plan (NDP) Report in 2013, South Africa's ambitions of becoming a developmental state have been placed under intense seeming scrutiny, especially since the government's ineptitude has become increasingly apparent. Multi-lateral partnerships and effort, as outlined in the plan, state (rather ironically) that it

*"requires collaboration between all sections of society and effective leadership by government. In a society with deep social and economic divisions, neither social nor economic transformation is possible without a capable and developmental state"*  
(National Planning Commission: 2013: 408)

Given the numerous challenges of governance in the post '94 epoch, this quote succinctly outlines the challenges and required efforts to achieve development, growth and poverty alleviation (National Planning Commission: 2013). Multilateralism as a key ingredient to a successful new democracy will be determined through the body of this essay with a conclusion constituting suggestions about how better the government can perform and facilitate development. Different actors and institutions, their behaviour and relation to the current government will be explored and assessed to uncover their position and current role in society, and how well this fits in with the NDP's plans for South Africa's status and position as a developmental state.

## 2. Civil Society, Social Movements and Non-Governmental Organizations

South Africa's democratic transition, as the great miracle of [supposedly] peaceful and nonviolent transition was hailed as the exemplar. This transition also decided to include actors from different sectors to proclaim a holistic model of development, under the auspices of an inclusive and progressive democracy. With the reigns of the nationalist government dis-assembled, actors from the NGO space were allocated privileges and status beyond that afforded by previous prime-minister P.W Botha as part of his tentative liberalisation plan to calm situations of tension. Workings between the state and NGOs begun to blur their respective lines between one another, as the expertise and mobilization skills of senior officials in the Non-Governmental Organizational (NGO) sector were instantly recognized by the newly elected '94 government as an invaluable asset. Many NGOs were delegated tasks of service delivery and other essential services as the multilateral model logically eased the burden of government to deliver, while simultaneously promoting nation building and cohesion. Initial funding for these projects via the state ensured sustainable delivery and attention to outlying and socio-economically marginalized areas. Increased demand for service delivery of basic supplies like water has resulted in this delegating of responsibilities being a measure to assist weakened state delivery systems. Rand Water's recent call

for NGO and community funding amid recent drought throughout the country, can be perceived in this regard (<<http://www.randwater.co.za/Lists/News/DispForm.aspx?ID=20>>). Additionally, the South African government's veering away from the redistributive policies set out in the Reconstruction and Development Programme (RDP) to the Growth Economic Acceleration and Redistribution (GEAR) programme in 1998 has also agitated NGO participation in assisting with service delivery (Habib & Taylor: 2001, Ballard, *et al.*: 2005). Congruently, donor funding for NGOs in South Africa began reorienting their selection and criteria. Money formerly geared toward development and reconstruction was then geared toward NGOs focusing on 'procedural democracy' or acting as watchdogs over the fledgling democratic system (Hearn: 2001, Habib & Taylor: 2001). At the turn of the 20<sup>th</sup> century, organisations like the *Institute for alternative democracy in South Africa* (IDASA), *Institute for Race Relations*, the *Institute for Multiparty Democracy*, the *Khulukeni Institute for Democracy* and the *Helen Suzman Foundation* were all receiving amounts well above standard dispensation. This was applicable toward United States based donors in particular. An example of IDASA receiving just over one million US dollars from the Ford Foundation, way beyond their usual donations of \$10 000 - \$50,000, is indicative of a pre-occupation with South African Democracy NGOs (Hearn: 2001). Even publications detailing the consolidating role of NGOs in South Africa's democracy have emphasized civil society's role in entrenching liberal democracy away from the confines of race, amid fears of "ethno-mobilization" through policies like affirmative action (Heinrich: 2001: 3).

Such nefarious positioning, poised as liberal economic democratic advocacy (Maphunye: 2009), has been fingered by others to be a perpetuation of colonial and capitalist relations with the developing world (Petras: 1999, Manji & O'Coil: 2005). Aside from this, the experience of other practitioners in the NGO sector became sought after by the state, which, perhaps as an attempt to dissipate opposition to its foreseeable abuse of power, recruited and compensated former activists, perhaps as part of its policy of pacification and patronage politics. The experience gained by NGO officers in the field, as well as through organisational activities against the Apartheid regime, meant their skills in communication, mobilization and co-ordination made them highly valuable to the incumbent government's media and publications sector. The sophistication of media as a vital cog in the ANC's arsenal is paid attention by De Kadt (2015) as he reviewed, compared and critiqued political party responses via their twitter accounts to the recent #FeesMustFall Movement, which spurned nationwide protest, emanating from the Witwatersrand campus in October 2015. It can be postulated that many officials currently working in the communications organs of the ANC possess backgrounds in activism rooted in NGO involvement during the Apartheid Regime.

As opposed to NGOs however, social movements have the potential to derail the state's monopoly on power politics, forcing it to engage on different levels with the public, revealing new ways in which marginalized groups can hold it accountable. The nuances and sophistication of social movements is commonly referred to in the case of the Treatment Action Campaign, spearheaded by HIV/AIDS activist Zackie Achmat at the advent of the new millennium when mortality caused by the disease was at its height (Friedman & Mottiar: 2006, Ballard *et al.*: 2005). Similarly to #FeesMustFall, the spontaneity and ease of movement between local and international spaces, legal and community based mobilization by the TAC presented an unprecedented headache for the ANC government where concession and eventual capitulation to the demands set by the movement proved an eventuality. The challenging of power (in the form of international pharmaceuticals and the South African national government at the time) however wasn't the only impression left by the TAC, as it had also challenged social norms surrounding HIV/AIDS as;

*"The TAC's role of fighting against stigma of HIV/AIDS and giving people living with it a sense of efficacy is itself an important contribution to changing roles in society. And basic information on the virus and how to cope with it helps participants take control of a vital aspect of their lives."* (Friedman & Mottiar: 2006: 29)

In what Habib (2003) has called 'the plurality of relations', social movements, being outside the ambit of formal state communication and control can elicit different responses from the government given the situation and the context in which it plays out. Currently in the #FeesMustFall movement, it is yet to be seen whether the adversarial relations between students and government will transform overtime. If one really has to spot patterns between the two movements it can be, that they have manifest amidst increasing economic atmospheres of neo-liberalism which has marginalized large constituencies of South African society from basic services (especially in health and higher education). Reoriented funding criteria, and thus activities/areas of focus for NGOs, as dictated by donors indirectly catalyses erupting grievances of South African society. This comes as Articulation and mobilization of these grievances through civil society channels have been proven simply inadequate as vehicles for addressing such public grievance. The influence of the civil society/NGO sector, despite its prolific growth has waned given reoriented funding criteria set by donors. Responses by communities and marginalized groups have manifested community based organisations which are primarily concerned with assisting their community members with coping on a day to day basis, the upheavals of neo-liberal economic and social effects

(Habib: 2003). Formal NGOs as providers of services and relief are sub-divided into 2 strands. One critical and adversarial of the state (such as the Soweto Electricity Crisis Committee and the Anti-Eviction Campaign (Elke: 2006) and the other, more service oriented and closely aligned with the state through the democratization processes during the late 80's and early 90's (Habib: 2003). This has left the landscape of civil society stratified and to an extent less effectual as compared to what it could be. This in turn is the outcome of various extrinsic forces and actors impressing themselves and their interests on the NGO sector. Whether through the state, corporations or donors, the containment of the sector either through tacit co-option and other soft tactics has become visible to a certain degree (Kotze: 2003). Below is a list of the civil organizations in South Africa for the 2012/2013 period. These numbers not only tell of the diversification of the NGO sector (Tandon: 2000) but also of the (partial) delegation of responsibilities to NGO bodies by the state.

<b>Registered non-Profit Organisations by Sector, 2013/13</b>		
<b>Sector</b>	<b>Number</b>	<b>Proportion</b>
Business and professional associations	662	0.6%
Unions	5 570	5.4%
Culture and recreation	20 964	20.5%
Development and housing	8 039	7.9%
Education and research	1 228	1.2%
Environment	10 582	10.3%
International	65	0.1%
Law, advocacy and politics	2 229	2.2%
Philanthropic intermediaries and voluntarism promotion	1 089	1.1%
Religion	11 790	11.5%
Social services	40 078	39.2%
<b>Total</b>	<b>102 297</b>	<b>100%</b>

Number of Registered NPO/NGOs in South Africa. Source: Berman. J.K, Cronje (eds), 2015, Report: "Born Free But Still in Chains", Institute for Race Relations (IRR), pp. 31. This table highlights two sectors dominating South Africa's NGO/NPO landscape. Development and Housing, along with Social Services hint at the country's torrid past of socio-economic segregation, the reverberations of which are still being borne by the current generations of South Africa's majority.

### **3. Corporate and Financial Sectors**

As another stakeholder in the developmental project and South Africa as a developmental state itself, corporations and financial institutions (banks and investment firms) also have a considerable role to play in alleviating the structural imbalances of the past. Capital as an implicit partner, and in some cases, perpetuator of Apartheid, has often been accused of late, of maintaining the status quo, in so far as its limited commitment to economic reforms are concerned (Christiansen *et al.*: 2010). Beyond the usual scathing critique of capital and capitalism in the 21<sup>st</sup> century, South Africa has come to represent the serious challenges that pervasive neo-liberal policies can wreak on countries coerced into framing and peddling [legal and social] policies favourable for corporations to claim little to no responsibility (Habib & Taylor: 2001, Habib: 2003, Ballard: 2006). Narratives are now abundant amongst student societies and the chattering classes, that the country's democratic transition was accompanied by the retention of Apartheid economic structures favourable to corporations, with any overt challenge threatened with the movement of assets (financial and physical) to other more profitable shores (Christiansen *et al.*: 2010). Increasing suspicion around the details of the CODESA arrangements in the early 1990's has left many to conclude, mostly by conjecture, that this was the scene where companies operating in South Africa, not local and international, stated the conditions and confines in which the new ANC government was to operate concerning the economic future of the country. Some have even gone as far to state

*"The Post-Apartheid state is primarily the guardian and protector of...dominant economic interests and the guarantor of capitalist prosperity relations"* (Friedman & Mottiar: 2006: 38)

Most recently, such instances have proven true as October 2014, the green light from the Reserve Bank for numerous companies to partially diversify their assets and list themselves on stock markets elsewhere was given with little hesitation (Strydom: 2014). Companies included BHP Billiton, Steinhoff International, Sasol, Bidvest Gold Fields and Anglo-Gold. Additionally, the ethos within which these companies operate furthers mistrust as to their commitment toward development in the country. Issues of corporate governance have been lamented over, during the last decade, as their behaviour affecting social, environmental and economic livelihoods of communities has come under increased scrutiny and review. This has been so with the King Report in 1994, up to the most recent King Code of Governance enacted in 2009, as measures adopted for corporate self-governance (Rossouw *et al.*: 2002, Massie & Collier: 2014).

Examples can be found in the dealings of Anglo-Platinum – a subsidiary of Anglo-American – with the local community members of Ga Pila. Some 16,000 members were relocated to make way for the expansion of the company's Mogalakwena mine. The case of the Ga Pila community as one easily translatable to other communities, means that effectively, the livelihoods of local peoples are subverted, as the land upon which they relied to grow food and surplus crops, no longer belonged to them. The larger social and economic ramifications can be far reaching, as food security and economic activities (especially among women) shift to more desperate scenarios (Christiansen *et al.*: 2010, Hamann: 2004). Repressive tactics against protest were reported to have been employed by the company, as their profits and expansive ambitions took primary concern above working in tandem with the community. Repeated preferences by the government to side with Anglo-Platinum through various instances, through the office of the Ministerial offices of Land and Mineral Resources, have only served to highlight the problem “the economy as unsustainably resource intensive” (National Planning Commission: 2013: 25). The coffers of the nation's treasury seems invariably tied to the performance of companies operating in the minerals sector and under their satisfactory guidelines. This is iterated by the National Planning Commission which states in the NDP that

*“Mineral-exporting economies tend to have difficulty diversifying their industrial base, and also experience slower than average growth and high inequality. An exchange rate linked to commodity prices, rather than the sophistication of a nation's exports, is a major challenge”* (National Planning Commission: 2013: 111)

The false confidence which held government's opinion that South Africa as a preferred investment destination, has shifted in recent years is something which is beginning to be highlighted (as the admission of the NPC shows in the above statement). The adherence to social responsibility (or lack rather thereof) by companies, including mining giants like Anglo-Platinum and Lonmin in particular, having drawn intense criticism from civil society and more recently South African media since 2012. This has followed environmentally degrading impacts from activity and forced removals (Christiansen: 2010) The laxity with which former Finance Minister and current Planning Commissioner, Trevor Manuel, showed toward capital, allowing it to roam as it pleased during his term in cabinet office, enabled such practices and negligence to flow. International assessments by leading publications and boards like,

*“The Economist (2009), gave Manuel the highest mark for instability and risk amongst emerging market peer countries. Aside from a high exposure to potential bad lending and a high foreign debt, the main reason South Africa rated so poorly was the outflow of profits, dividends, and interest, which soared in 2007–08, creating a huge current account deficit (i.e., the combined huge payments outflow and a smaller trade deficit). Lonmin is directly implicated in this outflow, given that the vast majority of its shares are held in London”* (Bond: 2014: 192)

Manipulations of CSR as a term and ethos to suit their own agendas and preferences have been identified and analysed by academics (Rossouw *et al.*: 2002, Fig: 2004). Incentives for corporate social investment have been put forward by Hamann (2004) but these incentives have been paid scarce attention if the [recent] behaviour of SA corporates is anything to go by. A reframing of ‘Corporate Social Responsibility’ to ‘Corporate Social Investment’ reorients the manner in which corporations donate and commit to social investment. This self-imposed reorientation immediately gives different ethos and levels to social commitments, as capped/ limited donations according to budget take precedence above all else. If one considers the power of language as a tool for creating or eroding perceptions then business spheres are not to be excluded in this regard. Budgetary constraints, however, aren't paid any prudence when concerning the pay of company executives, something which has fuelled increasing ire within South Africa's various commentary sections (including academia) over the last few years. Massie and Collier (2014) in their analysis of executive salaries in 50 of the top JSE listed companies across the country found since 2005 there were several fold increases from the R15 million in extra bonus and gains on share options offered in so called ‘guaranteed packages’ (Massie & Collier: 2014). This is in addition to their normal salary and benefits packages - of which, a recent study in 2012 detailed

*“CEO pay packages of 50 major South African listed Companies [show that] the average CEO's cash and benefits package in 2012 was nearly R13.1 million, rising to almost R49 million once gains made on the vesting and exercise of shares incentives are included”* (Massie & Collier: 2014: pp. xix)

Such exorbitant pay packages have been fuelling grievances in mine strikes and protests by worker unions in the last three years and rightly so. Instances like the Lonmin massacre on the 16<sup>th</sup> of August 2012, followed by African Miners Congress Union (AMCU) strikes thereafter, and up to this year still (Mckay: 2015), have placed an indelible spotlight on the salaries and pay packages of executives in the mining sector (among other business sectors). The magnitude of South Africa's pay packages is made clear when comparisons in purchasing power are laid between South Africa and the world's leading economy, the United States, with little difference to show. Such money, it has been postulated, amounts to the billions of Rands each year; amounts

which could easily be funnelled (if administered properly) into developmental programs in education and [proper] skills development. The actions of executives to cut workforces and invest dubiously into programs which have negative impacts on social and ecological justice are justified by aiming to increase dividends to shareholders (Massie & Collier: 2014). This was most recently highlighted by the Lonmin Group’s reported loss in share value despite cutting the workforce again (Creamer: 2015). The excessive pay rises among company execs in South Africa can be tied back to governance and the delegation of responsibilities in running of everyday affairs to directors/managers. This created a situation where:

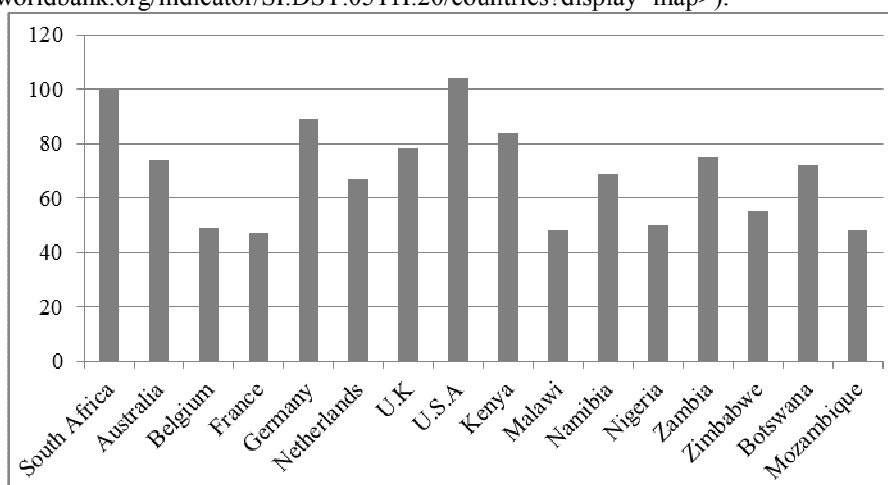
*“owners of companies (principles) no longer controlled the management of companies, the responsibility for control shifted to the directors of the company. The problem created by this situation was that directors (or managers) of companies could abuse their control function to their own advantage and to the detriment of owners”* (Rossouw et al: 2002: 289)

The country’s transitional period during the early 1990 also heralded increased abuses of power in the financial sector. This came from the upper echelons of financial power and offices as

*“highly regarded corporate personnel were partly to blame for the unfortunate combination of financial power and vulnerability that characterised South Africa’s neoliberal economic transition. An unending stream of charlatan financiers from major banks, insurance houses and stockbroking firms began to ruin the reputation of their rest of their profession”* (Bond: 2000: 26)

This involved bankers from both private and reserve banks, who, under the auspices of Apartheid and right through the 90’s indulged in dubious practices designed for their own enrichment. Such practices involved deals spanning both local and foreign banks/investment firms including ABSA. Many banking and finance officials accused of malpractice quickly vacated South African shores for foreign, more prestigious institutions as a means of saving face (Bond: 2000). Although the advent of democracy has spelt at face level, opportunities for all, the means and tools by which such opportunities are unlocked still exclude the majority of the country, which to this day is still described as black and poor. Kwazulu-Natal, as the province with the fastest growing percentage of millionaires in the country, is a reflection of this, with White and Indian owned businesses gaining faster traction than others when it comes to growth and resulting wealth (Govender: 2015). Linking this to the corporate sector’s remuneration practices and governance (or lack thereof) observations by other scholars highlight that “the remunerative practices in English speaking countries hinge more closely on free market principles, which opens up the space for abuse as executives have more freedom to determine their own remuneration” (Massie & Collier: 2014: xxxvi).

This can also translate to base erosion and profit sharing, a form of corporate tax diversion and offshore account sourcing, a phenomenon highlighted by the Organization for Economic and Co-Operative Development (<<http://www.oecd.org/ctp/beps-about.htm>>). This in addition to a proposed wealth tax, are aspects which the Davis Tax Commission has been looking into since last year (Creamer: 2015b). Judge Denis Davis (Head of the recently set up Davis Commission) warns however, of a possible tax revolt, by all sectors of society, signalling failing confidence in a government which has come to personify a degraded, ill managed administrative system. The World Bank’s data however, suggests urgent action is needed to address inequality compounded by social divides. In South Africa’s case these are still inter-sectioned between colour and class (<<http://data.worldbank.org/indicator/SI.DST.05TH.20/countries?display=map>>).



*Relative Wealth – How South African executive salaries rank globally in terms of their Purchasing Power.*

Source: Massie & Collier: 2014

#### 4. The State

South Africa's governmental performance has by now, come under increasing scrutiny since the democratic transition of 1994. The ANC government of late has become the proverbial punching bag for South African media, amidst a falling national currency, rising levels of unemployment and violent crime, and parastatal utility services which are largely failing (Berman: 2015, Moloi: 2015). The seminal factors resulting from all of this ineptitude are cadre deployment and cronyism, permeating all spheres of government. Additionally, South Africa's government has grown to become one of the most bloated civil services in the world. This creates a myriad of long-term problems, as the plethora of offices at all levels complicates mandates and loses synergy among officials. Recognition of these factors is noted by the Planning Commission when it states.

*"The government will have to provide firm and focused leadership. In the economic sphere, among the major stumbling blocks to efficient economic services are poor coordination and integration, multiple priorities, and an undefined hierarchy of authority among the plethora of government departments involved in the economic sector"* (National Planning Commission: 2013: 154)

Recently, critiques lamenting the incumbent African National Congress' government have moved from confined spaces in academia and literary circles. Authors also have contributed to critiques and lamentation about the state of the ANC (Feinstein: 2009, Qobo & Mashele: 2014), to South African media and the general public. These laments and concerns have become so worrisome that criticisms have now included former and current members of the party itself (Shongwe: 2015, Turok: 2014, Hunter: 2015). The "crass materialism" described by some within the ANC, hints at the desperate current state of affairs for the party, as outcries for moral correction begin to permeate within party structures and offices (Shongwe: 2015). Qobo and Mashele (2014) detail the ramifications this could have for the country at large, as they penetrate the mentality and workings of the ruling party. One of the biggest aspects the party has faced for some years is corruption. Corruption scandals include that of former president Thabo Mbeki and his role in South Africa's infamous arms deal which saw money change hands between numerous European weapons contractors and state officials (Rober: 2004). Additionally, current President Jacob Zuma's ever present roster of trials hinting at political meddling with the National Prosecuting Authority has done much to displace confidence in the African National Congress government as a whole. The workings of state machinery, including the judicial system however, have been contended by some to remain robust in their application and impartiality (Premhid: 2014). All of these contested views, amid visible ineptitude and failures by the ANC government however, are far from the needed tools and ethics described by the National Planning Commission so as to

*"Build a professional public service that serves government, but is sufficiently autonomous to be insulated from political patronage. This requires a clearer separation between the roles of the political principal and the administrative head"* (National Planning Commission: 2013: 410)

Without such a political base from which to achieve this, none of the projects the national government, under the auspices of the ANC will truly be effective. The materialism and consumption ethos of the ANC also translates, I believe, into a politics of patronage, which translates to all spheres of society. In my view, the rising cost of social expenditure on welfare and grants is a manifestation of this trend. Clearly straining the coffers of South Africa's treasury, social grants cannot be deemed feasible in the long term. This is stated amid concerns over a shrinking tax base, resulting in fewer collections for the fiscus of government. Compounding this is the unemployment rate, as levels have risen to [unofficial] levels of almost 36.1%, accounting for some 8.7 million citizens – most of these being Black youths. This has also left the purse on social spending strained, as 30% of national population now depends on social grants, as compared to 6% back in 1996 (Moloi *et al*: 2014).

Social spending in South Africa has become untenable due to these numbers, especially since the population is growing – although not at rates which would alarm most. Many have assumed that a sense of entitlement has manifested among South Africans who've become expectant of government handouts in the midst of increased social spending. Such assertions cannot be taken lightly, as they constitute the attitude and disposition of a nation's people. Such an aspect is critical for development itself, perhaps more so than the grand plans and designs set out in strategy or war-rooms. Such spending, it should be argued, only arises when other systems are failing. The job market only responds to the level of education of applicants, something which, through numbers of unemployed mentioned earlier, indicates the ANC government's failure to provide quality education for the South African black majority.

This was made clearly evident in failing to provide textbooks to schools in Mpumalanga late in 2013, a national scandal at the time. The resulting inability of the South African majority to participate meaningfully in the economy is a reflection of the incumbent government's failure to transform a depreciative educational system for black South Africans (Qobo & Mashele: 2014, Ndlovu: 2014). Through all of these aforementioned blunders and moral impasses it is evident that the ANC, as the potential catalyst for economic progress, is not living up to expectations, nor has it demonstrated the political will to commit to the programs it sets out. These programs,

numerous and detailed in their planning, outline the challenges to planning and implementation (like the NDP and others) but the action required to translate these into tangible results is sorely lacking. This is not to say that government is replete with corrupt members, but rather those who engage in corruption far outnumber those who are of ethical standing and character (Shongwe: 2015).

Year	Proportion
1996	6%
2001	9%
2009/10	29%
2011/12	31%
2013/14	30%
2014/15	30%

South African Social Grant Beneficiaries as Proportion of the country's total Population: 1996-2015.  
 Source: Moloi *et al*: 2015, IRR Fast Facts Report: "Please Sir, I Want Some More" *Institute for Race Relations*, pp. 22

## 5. Conclusion

South Africa's socio-economic structures and relations, as vestiges from Apartheid, still loom large, with fraternities and networks along lines of race constituting large portions of business and industry. Although plans like the recently adopted "Black Industrialists Policy" (Ensor: 2015) are a step in the right direction, the will to create spaces for these prospective black entrepreneurs still means addressing the issue of business cartels and monopolies. State intervention (when necessary) will have to stem from political and vision as a precursor to the bold policies needed to address embedded through capitalist connections both locally and internationally. The politics of patronage, rather, has been exercised by the government since its arrival in office since 1994. The number of civil society organizations operating in South Africa belies the tales of resource access and funding which has delineated the sector, causing an effectual lack (Habib 2003).

Examples of the government's co-optation, and subsequent hollowing of larger civil structures like South African National Civics Organization provides a clear evidence of patronage politics at play (Zuern: 2006). Divisions of class and wealth in South Africa are a worrying concern for most observers, as the country now sits atop the most unequal society rankings. It should be concluded that the state, as the facilitator and driver of policies geared toward development shoulders the heaviest responsibility of initiating developmental progress. In order to start this, the state needs the buy in of all other stakeholders in the process of development. This includes civil society, the corporate sector as well as the general public. Revisiting the idea of social pacts is one thing (Gumede: 2011), but efficacy and transparency of public administration and governance has to be the base from which all of these can sprout. South Africa's democracy allows for basic freedoms in the civil but not the economic sense. It is now the government's priority to re-engineer [basic] education, industry, law and social landscape of South Africa, in order to give semblance to the notion of a "developmental state".

Such ambition however, is fraught with obstacles and entrenched systems from a racially divisive history, free flowing (and uncommitted) capital, as well as administrative incapacity accompanied by incoherent policies on all levels of government (Gumede: 2011). The politics of patronage should be replaced with stronger ethical and moral codes constituting value systems which permeate all spheres of society and government itself. This is where public services like health and education, desperately in need of revitalizing, have greater hopes of increasing their capacity. This comes as South Africa's healthcare system is estimated among the poorest in value for money (<[https://www.medigo.com/blog/app/uploads/2015/11/smart\\_spenders\\_in\\_healthcare1.jpg](https://www.medigo.com/blog/app/uploads/2015/11/smart_spenders_in_healthcare1.jpg)>). All this while country lags behind in provision of textbooks and libraries. As of 2010 only 1801 out of 23,178 public schools have fully stocked libraries (Conyngham *et al*: 2010).

The strain on the public purse, from both social spending and wage increases of public officials, has led to a situation where development programs and possibilities have lessened to the point of concern for not only government, but observers both at home and abroad. The state's ambitions of achieving developmental status cannot proceed with the current state of government, as corruption, malpractice and incapacity remain pervasive. Stakeholders in the process and vision of development as a result, have become distrusting and averse to South Africa's government which already presents major challenges to the multi-lateral partnerships required in a privatized economy. This of course includes the private sector and the wealthy individuals who make up the echelons within it. Trade-offs and sacrifices required from government and capital in order to inspire congruent growth and development aren't only necessary, but now essential given the economic and social malaise South Africa now finds itself in. The government as the initiator of development needs to take responsibility in reforming in order to inspire [greater] contributions from other stakeholders before revolts and possible revolution, under current economic and social ills, takes place. This research serves to not only paint a holistic picture of developing country problems but also opportunities for developmental progress. Multilateralism in a developing country context needs further unpacking should economic and social development universally

applicable. Comparative studies for policy formulation are forthcoming from the author.

## References

- Ballard, R. Habib, A. Valodia, I. (2006). Social Movements in South Africa: Promoting Crisis or Creating Stability? Padayachee, V (ed), *The Development Decade: South Africa, 1994-2004*. HSRC Press. Cape Town (Chapter 20).
- Berman, J.K, Cronje. (Eds.) (2015). Born Free but Still in Chains: South Africa's First Post-Apartheid Generation. Report. *Institute for Race Relations*, South Africa, [Online]. <http://irr.org.za/reports-and-publications/occasional-reports/files/irr-report-2013-born-free-but-still-in-chains-april-2015.pdf>
- Bond, P. (2000). *Elite Transition: From Apartheid to Neoliberalism in South Africa*. Pluto Press, London UK, University of Natal Press. Pietermaritzburg South Africa. Part I: Power and Economic Discourses
- Bond, P. (2009). Realistic Post-Neoliberalism – A View from South Africa. *Development Dialogue: Post Neo-Liberalism – Beginning a Debate*. (51). Pp. 192-212
- Bond, P. (2014). Marikana's meaning for Crisis Management: An Instance of South Africa's Resource Curse" *Global Management, Local Resistances: Theoretical Discussion and Empirical Case Studies*. London: Routledge. (Chapter 10)
- Christiansen, E.L, Kjær. M, Piper. I, Rasmussen. F, Warburg. M (2010). "Financing Economic Apartheid: How Danish Investors are Finance Land Grabbing and Indirectly Force South Africa's Black Population off Their Land". [Online] *MS-ActionAid: Global Change Team*.
- Conyngham, R. Isaacs. D, Dwane. Y, Makofane. K, Erhiawarien. M, Hess. D, and Mohamed. A [Online]. Report: "We Can't Afford Not To: Costing the Provision of Functional School Libraries in South African Public Schools", *Equal Education*, <http://www.equaleducation.org.za/sites/default/files/Equal%20Education%20Costing%20Booklet>
- Creamer, M. [Online] "Lonmin Cuts Workforce, Shrinks Capex, Lowers Unit Costs", *Creamer Media's Mining Weekly*, (2 Nov. 2015), <http://www.miningweekly.com/article/lonmin-employee-cut-half-done-capex-shrunk-unit-costs-lower-2015-11-02>
- Creamer. T, 2015, Wealth Tax on Davis Commission's Radar, But Immediate Focus on Estate Duties. *Polity*. (05 November 2015) <http://www.polity.org.za/article/wealth-tax-on-davis-commissions-radar-but-immediate-focus-on-estate-duties-2015-11-05>
- De Kadt, D. [Online] This Data Confirms South Africa's Ruling Party Initially Ignored Mass Protests. *The Washington Post*. (October 23 2015). <https://www.washingtonpost.com/news/monkey-cage/wp/2015/10/23/this-data-confirms-south-africas-ruling-party-initially-ignored-mass-protests/>
- Ensor, L. [Online] Cabinet approves Policy to Promote Development of Black Industrialists, *Business Day Live*, (05 Nov. 2015). <http://www.bdlive.co.za/business/2015/11/05/cabinet-approves-policy-to-promote-development-of-black-industrialists>
- Feinstein, A. (2010). *After The Party: Corruption, the ANC and South Africa's Uncertain Future*, Verso, Johannesburg
- Fig, D. 2005. Manufacturing Amnesia: Corporate Social Responsibility in South Africa, *International Affairs*, (81) 3. pp 599-617
- Friedman. S & Mottair. S (2006). Seeking High Ground: The Treatment Action Campaign and the Politics of Morality in Ballard. R, Habib. R.A, Valodia. I (eds). *Voices of Protest: Social Movements In Post-Apartheid South Africa*. University of KwaZulu-Natal Press. pp. 23-43
- Govender, S. [Online] "Rise of South Africa's Ultra-Rich Reveals a Tale of Two Nations", *Sunday Times*, (17 May 2015), <http://www.timeslive.co.za/sundaytimes/stnews/2015/05/17/Rise-of-South-Africas-ultra-rich-reveals-a-tale-of-two-nations>
- Gumede. W, [Online]. Policy Brief No. 1. "Delivering a democratic developmental state in South Africa", *Development Bank of South Africa*, <http://www.dbsa.org/EN/About-Us/Publications/Documents/Policy%20Brief%20No.%201%20Delivering%20a%20democratic%20developmental%20state%20in%20South%20Africa.pdf>
- Habib. A & Taylor. R, (2001). "South Africa: Anti-Apartheid NGOs in Transition". Anheier. H.K & Kendall. J (eds). *Third Sector Policy at the Cross Roads – An International Non-Profit Analysis*. pp. 218-22
- Habib, A. (2003). State-Civil Society Relations in Post-Apartheid South Africa. Daniel. J, Habib. A & Southall. R (eds), *State of the Nation: South Africa 2003-2004*, Cape Town: HSRC Press, pp. 227-241
- Hamann, R. (2004). Corporate Social Responsibility, Partnerships and Institutional Change: The Case of Mining Companies in South Africa, *Natural Resources Forum*, (28) pp. 278-290
- Hearn, J. (2001). Uses and Abuses of Civil Society in Africa, *Review of African Political Economy*, (28) 87. 43-53
- Heinrich, V.F (2001). The Role of NGOs in Strengthening the Foundations of South African Democracy, *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, (12) 1. pp 1-15



- Hull, E. James, D (2012). Introduction: Popular Economies in South Africa, *Africa: The Journal of the International African Institute*, (82) 1. pp 1-19
- Hunter, Q. [Online]. Does Motlante Still Think the Tripartite Alliance is Dead? *Mail and Guardian*, (05 November 2015). <http://mg.co.za/article/2015-11-05-does-motlanthe-still-think-the-tripartite-alliance-is-dead>
- Joubert, J.J [Online]. True Wealth Hidden in Trusts, *Times Live*, 29 October 2015) <http://www.timeslive.co.za/thetimes/2015/10/29/True-wealth-hidden-in-trusts?ref=yfp>
- Kotze, H. (2003). Responding to the Growing Socio-Economic Crisis: A Review of Civil Society in South Africa, *Development Update*, 1-32
- Manji, F. O' Coill, C. (2005). NGOs: A Tainted History. *New African*. (Aug/Sep 2005). (443). pp. 16-20
- Maphunye, K, J. [Online]. Report. Public Administration for a Democratic Developmental State in Africa: Prospects and Possibilities, *Centre for Policy Studies*, <http://cps.org.za/cps%20pdf/RR114.pdf>
- Massie, K. Collier, D. (2014). *Executive Salaries in South Africa: Who Should Have a Say on Pay?* Jacana Media, Auckland Park, South Africa. (Introduction and Chapter 1)
- McKay, D. [Online] AMCU Votes to Strike at Gold Mines”, *MiningM: Higher Grade*. (11 October 2015). [http://www.miningmx.com/page/news/gold\\_and\\_silver/1654840-AMCU-votes-to-strike-at-gold-mines#.VktMsNXzQV](http://www.miningmx.com/page/news/gold_and_silver/1654840-AMCU-votes-to-strike-at-gold-mines#.VktMsNXzQV)
- Medigo Health Blog. [Online]. Smart Spenders in Healthcare: Which Countries Get What They pay for? [https://www.medigo.com/blog/app/uploads/2015/11/smart\\_spenders\\_in\\_healthcare1.jpg](https://www.medigo.com/blog/app/uploads/2015/11/smart_spenders_in_healthcare1.jpg) (November 2015)
- Moloi, L. [Online]. Fast Facts No 5: May 2015/Issue 285: *Please Sir, I Want Some More*, IRR Report on South African Government Social Spending. *Institute for Race Relations*. <http://irr.org.za/reports-and-publications/fast-facts/fast-facts-2015/please-sir-i-want-some-more...-2013-may-2015-1>
- National Planning Commission. [Online]. Report. *National Development Plan 2030: Our Future – make it Work*, ISBN: 978-0-621-41180-5, *Office of the Presidency: Republic Of South Africa*
- Ndlovu, Z.C. (2014). Review: *The Fall of the ANC: What Next?* Prince Mashele and Mzukisi Qobo, Johannesburg: Picador Africa, 2014. ISBN 978-77010-314-6. *African Renaissance*, (11) 1. 75-79
- Organization for Economic and Co-Operative Development: Centre for Tax Policy and Administration [Online]. *About Base Erosion and Profit sharing*. <http://www.oecd.org/ctp/beeps-about.htm>
- Petras, J (1999). NGOs in the Service of Imperialism. *Journal of Contemporary Asia*, (29) 4. 429-440
- Premhid, K, (2014). A South African Perspective on Institutional Independence: the Case of the Directorate Priority Crime Investigation, at the *Third International Young Researchers Conference on Law, 18-19 April 2014 Tirana/Albania*, pp. 143-161,
- Qobo, M. Mashele, P. (2014). *The fall of the ANC: What next?* Johannesburg, *Picador Africa*, ISBN 978- 77010-314-6
- Rand Water. [Online]. Invitations for Funding Proposals. (November 2015) <http://www.randwater.co.za/Rand%20Water%20Documents/Rand%20WaterFoundation/NGO%20Advert%20Second%20Quarter%202015%20-%202016.pdf>
- Rober, J. [Online] The politics of corruption in the arms trade: South Africa’s arms scandal and the Elf affair, in *Global Corruption Report 2004*, pp. 59-66, *Transparency International* [http://niajamaica.org/publications/GCR/2004\\_GCR\\_PoliticalCorruption\\_EN.pdf](http://niajamaica.org/publications/GCR/2004_GCR_PoliticalCorruption_EN.pdf)
- Rossouw, G.J. et al. (2002). “Corporate Governance in South Africa”, *Journal of Business Ethics*, (37) pp 289-302
- Strydom, T.J. [Online] Big Business Votes with Its Feet. *Times Live*. <http://www.timeslive.co.za/thetimes/2014/10/06/big-business-votes-with-its-feet>. (06 October 2014)
- Shongwe, V. [Online] Era of It’s our time to Eat. *Independent Online*. (November. 2 2015) <http://www.iol.co.za/mercury/era-of-our-turn-to-eat-1.1939229#.VjuglLcrLDe>
- Tandon, R. (2000), Riding High or Nosediving: Development NGOs in the New Millennium. *Development in Practice*. (10), No’s 3 & 4, pp. 319-329
- Turok, B, 2014, *With My Head above the Parapet: An Insider Account of the ANC in Power*, Johannesburg Jacana Media, ISBN 1431410411,
- Zuern, E, 2006, *Elusive Boundaries: SANCO, the ANC and the Post-Apartheid State*. Ballard, R, Habib, A & Valodia, I (eds), *Voices of Protest: Social Movements in South Africa*, Pietermaritzburg, University of KwaZulu-Natal Press

#### About the Author

I am a Master’s Student in Population and Development Studies at the University of Kwa-Zulu-Natal, Durban, South Africa. I currently hold a bachelor’s degree majoring in political science and history, and an honours degree in economic history (cum-laude), both also from the University of KwaZulu-Natal. I have fervent

interests in politics and development related issues, while striving to maintain academic excellence and consistent community involvement. Additionally I also contribute to a national online blog on South Africa's biggest online news platform (News24), where I disseminate my personal views around local and international affairs. I also currently hold a 'scarce skills scholarship' from the National research Foundation, which was awarded to me this year for my research proposal based in the theme of population and development. I currently tutor undergraduate history classes and am keen to begin my career as an academic lecturer and researcher.