TOWARDS A FRAMEWORK FOR NATIONAL DEVELOPMENT*

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There are a number of features of South African society that are widely agreed upon. They provide the basis for the construction of a broadly-approved framework through which to approach the urgent tasks of social reconstruction, national development and nation building.

Firstly, the history of racial domination, and particularly the legacy of apartheid, has created a society of enormous inequalities in wealth, in opportunity and, at the most basic level, of ability to survive.

Secondly, the economic distortions created by apartheid, coupled with the inevitable effects of the struggle against apartheid, has resulted in a weak and declining economy which will be unable to support a process of social reconstruction.

Thirdly, the level of violence, coupled with poverty, homelessness, unemployment and land hunger, are breeding a desperation in which life is held to be cheap and the prospects of national reconstruction become increasingly bleak.

Finally, the fragmentation and polarisation of South African society, politically, socially, geographically and institutionally, constitutes a major obstacle to the rejuvenation of South African society. Much of this fragmentation is a direct consequence of the decades of apartheid rule.

The Need for a Unifying Vision

If South Africa is to survive and prosper there is a need for a broad consensus about our vision of the society we are attempting to build. What follows are the elements of such a consensus.

As a matter of urgency we need a constitutional settlement, and the unleashing of a unifying national development initiative that harnesses all the resources of the country. We need to move from a society characterised by extreme antagonisms and polarisation, to one where institutions exist to manage, rather than exacerbate conflict.

This means:

* Building a society in which it is possible for the material, social and cultural needs of the majority of South Africans to be met. A paramount priority is to enable the millions of South Africans who are jobless, homeless, hungry and threatened by political violence to escape from poverty and desperation;

* Constructing political and social processes through which all South Africans can exercise a reasonable say over their own, their community's, and their country's future. In particular this means giving priority to 'empowering' those who have been most deprived by the history of discrimination and oppression that we are seeking to put behind us;

- Ensuring that all South Africans, beginning with the poor, have access to a progressively raised level of essential goods and services.

All of this is unattainable without policies and practices that ensure economic growth and redistribution in a coherent manner.

If we do not move in this direction, the alternative is economic decline, growing poverty and increasing violence, crime and political gangsterism.

It is essential that all the major components of society are able and willing to contribute to the realisation of this vision. To achieve this, it is necessary to reach broad agreement about the role and contribution of each major actor. This in turn requires us to understand and manage certain tensions and polarities in the relationships between the state, the market and 'civil society'. This paper attempts to set out a framework for such an understanding.

The Government and the Economy

Much of the discussion about the economic future of South Africa has been trapped inside the old 'free market economy vs centrally planned economy' arguments. The attainment of a sound development strategy requires that we move beyond the slogans associated with each position. We can begin by establishing consensus around widely accepted critiques of each position.

- *The plan:*

It is clear that centrally planned economies organised on monopolistic and bureaucratic lines do not perform adequately in the long run. They may do well initially, and they may do well in ensuring reasonable equity in access to social services. However, in the long run the attempt to process centrally all the information that is required to plan the inputs and outputs in the right order, results in inefficiency and bureaucracy. In particular, the production and distribution of consumer goods required to satisfy the population is best guided by the market.

In addition such centrally planned economies lack the characteristics that are essential to modern economies: in particular innovation, risk taking, and the diversity of enterprises necessary to cope with uncertainty.

- *The market:*

The market system is in fact characterised by a highly developed but decentralised planning system, which successfully manages productive processes and service functions within the chosen area of activity. This area is defined by the market as those economic activities from which a profit can be made.

By the very nature of this choice of activities, the market, left to itself, is clearly unable to ensure adequate delivery of social services and education; nor of housing; nor to ensure the progressive eradication of the extensive real poverty and hunger that dominates the lives of millions of South Africans.

This is true in the wealthiest countries in the world: it is certainly true in South Africa.

In moving beyond the market/plan dichotomy, we need also to move beyond the

cliches of 'capitalism with a human face' and 'the inevitability of a mixed economy' towards a vision of the future based on the realisation that:

* The market is an essential feature of the way modern economies organise themselves;
* Markets unfettered by the intervention of government or social forces are not only unattainable, but would breed unacceptable social distress (would certainly in South Africa be unable to redress the inequities of the past) and cause unsustainable social, ecological and political damage to society.

* *The role of the government in economic processes:*
Once we embrace these principles, we need to agree on the institutions, instruments and processes necessary to achieve social, political and economic goals including:

* enhanced productivity and sustainable growth;
* More effective job creation;
* The use of economic growth to make possible the delivery of social goods and services to the most needy.

It is in this context that we need to address the question of how government (at all levels) should intervene in and contribute to the economy to achieve these goals.

Obviously the government, through taxation and economic and social policies, plays a central role in determining whether, and how, these goals are achieved, and ultimately takes decisions that effect the relative balance of resources available for social services as opposed to those available for investment in production.

In the past government has, through the Industrial Development Corporation and other mechanisms, encouraged economic activity regarded as central to the survival of the state (in other words to achieve specific political goals), such as MOSSGAS, SASOL and ARMSCOR related activity. These are often activities which the market, left to itself, would not have initiated, because of the high capital costs, or the risks involved. A democratic state may well similarly intervene to promote certain economic activities central to the survival of democracy or the attainment of specific goals, such as job creation, small business development or local self sufficiency in strategic areas.

The question is not whether the state should do this. All states do. Rather the question is: when is it necessary?; for what ends?; through what institutions?; and how to do so in a way that promotes growth and avoids destructive economic distortions.

The State And Civil Society

The relationship between the state and civil society is another area for potential conflict which needs to be managed by recognising the important, but different contribution each has to make to the national development effort.

* *What is civil society?:*
Civil society should be understood to be made up of all those organisations and institutions that stand outside of state structures, and which represent the interests

of their members. Thus, civic associations, rate-payer organisations, organisations of women, of farmers, or chambers of business and industry all make up part of civil society. Size does not constitute part of the definition: on the one hand trade union federations may represent millions of members; on the other hand a support group for parents of disabled children with two hundred members is equally a structure of civil society. Stokvels, burial societies, and Alcoholics Anonymous all make up part of the fabric of civil society.

The institutions of civil society have been assigned a variety of roles in the development process. These include:

- Institutions for the empowerment of communities or particular constituencies, and, therefore, channels for the expression of their interests;
- Vehicles for direct participation in the political and decision making process;
- Bulwarks against the power of an over centralised state;
- Structures through which people may be mobilised to participate in and contribute to the development process. Indeed it is seen by many that these institutions should control substantial resources for the development of local communities;
- Institutions that, in helping people 'do things for themselves', can often do so more efficiently and sensitively, so making better use of scarce resources, than state bureaucracies can.

Of course the ability of different organisations of civil society to influence social trends, or to lobby on behalf of their members will be determined in part by their size, but also by their strategic location in the economic and political process.

- *The progressive movement, 'the community' and civil society:*

In the struggle against the apartheid state, a key role has been played by what have come to be described as 'the organisations of civil society' by which anti-apartheid activists have meant largely the trade unions, the civic associations, women's and youth groups, student/parent/teacher associations, a variety of 'crisis committees' and, in some contexts, the church.

In the process it became common to describe these organisations as representing the community. To the extent that the whole community suffered from, and rejected apartheid, this is a claim with some validity in the era of intense struggle and community mobilisation against apartheid.

However, there is now a tendency in the progressive movement to use the words 'community organisation', 'community' and 'civil society' as if they mean exactly the same thing, and generally to mean those mass sectoral organisations that were brought together under the banner of the United Democratic Front. Now these organs of civil society are being seen as vehicles through which the development process should be channelled.

We need a more developed concept of 'community', and should avoid using the word as a catch-all phrase. The word itself, and the way we use it, tends to create the impression of a large group of people, with a single mind, and a common set of interests. How else can we demand that this or that project or structure should 'be

accountable to the community'.

It is true that people who live in the same area have certain things in common: generally they would all like water supplies and waste disposal to work well, they would all like well functioning schools and health services, and they would like the crime rate in the area to be low and their children to be safe in the streets.

Beyond that there are fiercely competing interests, or at least major differences in priorities between different groups 'in the community': there are women who experience abuse and oppression at the hands of the men of the community and who may not benefit from any male-dominated process of development; the disabled may feel that 'the community' shuns them, or is unsympathetic to their needs; there are potential conflicts between the homeless and those with homes; between the employed and the unemployed; 'communities' are often highly polarised politically.

It is because of this that we need to introduce some cautionary notes into how we view the role of mass structures in development:

*   The history of the political struggle is such that many organisations are ideologically aligned. This creates a real difficulty if we are committed to a development process that does not discriminate on the basis of political allegiance;

*   In almost all instances 'community organisations' do not represent more than a limited part of the community. It is therefore critically important that we do not try to ensure that all development related initiatives are 'accountable to community structures'. If we do so, we are in danger of suppressing initiatives from within the community that are not 'politically correct';

*   In situations of generalised poverty (and often of substantial polarisation) placing resources, or the control of resources, directly into the hands of one or other constituent part of a community can easily promote conflict and violence that can be manipulated for reactionary political purposes.

*   The poorest and most disadvantaged communities are, almost by definition, the least well organised. If resources, goods and services are to be distributed through, and according to the pressures brought to bear by civic organisations representing constituencies, then the poorest of the poor will again be disadvantaged in the development process.

To conclude: we need to expand our understanding of 'civil society' to include a wide range of organisations, with a diversity of political orientations, and those which try to avoid any political identification at all.

Then we can say that civil society as a whole represents the diverse interests of the people of South Africa, who, through their labour, their initiative and their desire for a better life, are the motor and the material from which a national development process can be constructed. Organisations that channel this initiative, that put power into the hands of the weak, that ensure that the poor are at the top of the priority list when it comes to the allocation of state resources, that build on state provision of services to enhance the quality and the quantity of those services, that provide support to those people who have fallen into cracks in the society where the state cannot reach them, these organisations have an absolutely crucial role to play in development. However, they should act in the name of their members, of particular

interest groups, or of their demonstrated supporters. When they speak 'in the name of the community' they are likely to be claiming too much.

- *The state and civil society: the need for balance:*

Our underlying vision is of a developmental society in which all elements unite around the notion of continually improving the quality of life of all in a society governed by democratic and participatory processes. To achieve this, it is necessary to strike the right balance between the mechanisms and responsibilities of the state, and the activities of a well developed civil society.

On the one hand, in a democratic state it is the structures of government, and particularly of elected local government, that come closest to representing the community as a whole. These structures are needed to regulate the affairs of civil society so as to manage conflicts of interest and guarantee the rights of the weak with regard to the strong.

On the other hand, a well organised and powerful civil society is needed to protect citizens against the tendencies within the state to bureaucracy, centralisation, authoritarianism and too close an identification with the interests of the powerful and the wealthy.

With this balance in mind we could make the following additional points about the relationship between the state and civil society.

Firstly, where our goal is equity, the state at various levels from local to national government, is the appropriate body for the allocation of resources for infrastructural development and ensuring the delivery of social services.

Service delivery may take place through a variety of community structures, including non-governmental organisations and community trusts. However, notions of 'community participation in the planning and implementation of policy' should not be used as an excuse for the state to avoid its responsibilities for ensuring an adequate standard of service delivery to all South Africans.

Secondly, the state should facilitate and encourage initiatives where communities, interest groups and organisations of civil society seek to enhance the quality of life of their members through various forms of self-initiated activity. Thus the state should reserve some funds to support local and community initiatives both financially, and through training and other forms of capacity building. In particular these resources should be directed to the most disadvantaged sectors of society.

Examples might be local and regional authorities supporting and training community-accountable community health workers, or supporting job creation activities with low interest loans, or helping to finance organisations of women or the rural poor.

To avoid the political manipulation of this process, attention should be paid to establishing non-partisan institutions to channel these funds.

Thirdly, organisations of civil society should be willing, where possible and appropriate, to assist in making state-initiated social programmes successful. Thus national programmes to limit the spread of AIDS, or to put an end to the abuse of women, or to heal the scars of violence and civil war can only succeed if the largest

popular organisations endorse them, take up the campaigns amongst their members, and to some extent provide people and other resources to complement those that will be provided by the state.

Finally, we should avoid the notion that 'civil society' means only local level organisations which interface with local government. Trade union federations, national employer bodies, and the national civic organisation are just three examples of organisations of civil society that intervene in social policies at a national level.

Thus we need to look also at how development relates to different levels of government, and the relationship between civil society and government at each level.

Central/Regional/Local Government and Development

The relative powers and functions of the three tiers of government is not only (or even primarily) a political one with relevance to the creation of a democratic and participatory constitution; it has direct relevance to the processes of social development, the restructuring of social service provision, economic growth, and the promotion of equity.

- *The arguments for decentralisation:*

These are reasonably obvious. Decentralisation of service provision promotes local accountability of service providers; decentralisation allows for the flexibility to ensure that services meet local needs rather than simply national norms; decentralisation facilitates local participation and gives opportunities to local organisations to make a real input and impact.

- *The arguments for centralisation:*

These are also highly persuasive. The allocation (or reallocation) of resources to promote equity requires strong central control. It is desirable that a variety of aspects of the provision of goods and services is standardised at a national level. Welfare payments for example should arguably be standardised.

There is a legitimate concern that the drive to decentralise government can end up simply reproducing apartheid local government structures. In contrast it is argued that the dismantling of apartheid's structures will also require strong central government with the will to ensure that administrative empires created within the homelands or own affairs departments are not carried through into the future.

It seems that both sides have a good case: the problem really is one of identifying what it is that needs to be decentralised, and what should remain, or pass to central control.

- *What about regional government?:*

The question of a second tier of government has been neglected in progressive circles until recently. However, there are some good reasons why an intermediate level of government should be considered:

- Much economic activity is regional rather than local or national. For example, there are regions that are clearly agricultural and the economic decline of the

eastern Cape can better be addressed by a regional strategy than by a national one, or a series of local efforts;

* This collection of regional interests manifests itself in the way both business and community and political organisations tend to arrange themselves;

* Local government tends to be urban focused, while a large proportion of the population live outside urban areas. A level of government which is smaller than national, but not focused on towns is necessary to look after the interests of the neglected, and underdeveloped rural areas;

* Similarly, the re-integration of homeland services and structures into the national development effort will be better managed on the ground by a level of government that is bigger than local, but less distant than national. Thus, the creation of an appropriate level of regional government could be part of the process of dismantling apartheid structures, and not a trick to keep them in place under a new name;

* There are a variety of services that may be best handled on a regional, rather than a local level: bulk services such as water supply and electricity lend themselves to regional structures. Similarly, it may be argued that outside the metropolitan areas, a whole range of social services including hospitals and other health services, aspects of welfare and education should be administered at a regional rather than a local level; economies of scale, and the levels of skill necessary to manage these services effectively point to a level of co-ordination higher than the local level.

Towards a Developmental Society

The notion of a 'developmental state' has recently gained in popularity. The notion is inadequate to the extent that it suggests that development is something the state does on behalf of society. Instead we should adopt the vision of a *developmental society*; of development as a national effort involving all sectors of society and all levels of government in mobilising South Africa's human, natural and economic resources to achieve a democratic dispensation in which the needs of the population are met through community empowerment and economic growth.

Within this vision, certain things become clear and should be enshrined in a national consensus:

* Our goal is the creation of the conditions through which people can be productively integrated into the society and the economy. The first step in this process must be a political settlement which allows a democratic government with broad support to take power and facilitate the process of development;

* The delivery of social services, the development of social security and the creation of the infrastructure necessary to improve the living conditions of the poorest of the poor is a national priority, and responsibility for this lies with the state, which should be supported in these efforts by all sectors of society. Without some improvement in living conditions, without some hope, desperation will continue to breed the kind of violence that will make a national development effort impossible;

* Economic growth must become a national priority without which development

is impossible. This means increasing investment of both local and foreign capital. It also means improving entrepreneurial and management skills on the one hand, and the productivity of labour on the other;

- Economic activities which contribute to the national development strategy (to create jobs, to build houses or to develop strategic industries) which would not develop were the market left entirely to itself, can legitimately be encouraged by the state, and economic policies which promote such activities are the responsibility of the state. The business community should recognise the survival of the social order, and the creation of a climate conducive to economic growth, may be dependent on such activities;

- The promotion of development becomes an important political task within all structures and levels of government. Health services must provide health care, welfare services must care for individual who are unable to look after themselves, and the education system must provide the intellectual and technical skills required to create democracy and promote economic growth; but each should do so as part of a national development effort, and in ways that promote the goals of national development;

- Volunteer groups, NGOs and community organisations have a critical role in initiating projects to improve local conditions, on the one hand, and to demand improvements in services from the state, on the other. Indeed, all levels and sectors of government, should make some funding available to support the activities of these organisations, and to help develop the organisational and institutional capacity necessary to make such projects a success. However, this community initiative should never replace the need for all levels of government to provide the services and infrastructural development that it is their function to provide;

- There will need to be structures for co-ordination within government, and between government, business, labour and other important forces in civil society to promote nationally coherent development strategies;

- In moving towards a developmental society, we should not expect social conflict and tension to disappear. For example, the business community, organised labour and the state will always be in conflict over how the fruits of economic growth should be divided. How much goes to each party for re-investment, improved wages or taxes respectively will be a continuing point of tension and negotiation. Similarly, tensions will continue to emerge between urban and rural areas, between men and women, and between residents' associations and local government. It will be necessary to put in place the constitutional, legal and institutional framework to negotiate such tensions, rather than have them spill over into socially destructive social conflict and violence.

It should be possible to draw all the major stake holders into a national consensus around these propositions. Such a consensus would not mean that any party would be expected to stop looking after their own interests. It does mean that all parties would need to acknowledge that such a consensus enshrines the national interest; that moving towards a development process which promotes the legitimate interests of all, is a precondition to meeting the interests of any of the stake holders.

NOTE
* This document has been compiled by Cedric de Beer and reflects an informal consensus arising out of discussions within the Development Research Group.

The Development Research Group (DRG) grew out of a series of discussions initiated by the ANC Department of Economic Policy, the ANC Projects Department and the COSATU Goods and Services Committee. The initial task of the DRG was try to think through both sectoral policy questions, and the question of intersectoral development policy. The DRG was made up of delegations from the ANC and COSATU, and individuals invited from various service organisations and policy research units. The DRG met four times, beginning in September 1991. It considered a number of discussion papers dealing with welfare, education, health, housing, urban and rural development policies. In addition, discussions were held on women in development, economic policy and development, financing development, and the link between regional and national development strategies.

Two things became clear during the course of the discussions:
* A wide range of issues turned out to be common to each sectoral discussion;
* There is a need for a general framework through which sectoral, economic and development policies can be viewed.

This document is an attempt to provide such a framework. It is not a national development plan; nor is it even a development strategy. It is intended to provide a framework through which specific development related policy issues can be approached.

The DRG has reported on its discussions to the ANC, COSATU and the National Development Forum. It does not make policy for any organisation. This document should in no way be understood to be the policy of the ANC or COSATU. Indeed, it is not even the policy of the DRG. It is a document that has been compiled out of the discussions that have taken place in the DRG, subjected to further criticism and comment and then rewritten. It is published by the DRG as a contribution to the debate about social, economic and development policy.