

# Unlocking inclusive development in South Africa

By Mandlesizwe Isaacs



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## South Africa's development progress appears stalled.

We have many things going for us. Our democratic transition and constitution are both admired around the world. We are the third biggest economy in Africa and the second most complex.<sup>1,2</sup> We have enormous mineral wealth. We have the biggest electric power system in Africa, with nuclear power capability. We have globally competitive universities and scientific research institutes.

Yet most core measures of human development tell a troubling story. GDP per capita did not grow between 2009-2019.<sup>3</sup> Our unemployment rate has stayed at 35%; it is the highest in the world and was so before the pandemic.<sup>4</sup> We are the world's most unequal society: the top 20% of South Africans retain 68% of income. Half of our thirty million people live in chronic poverty.<sup>5</sup>

Our life expectancy is 64 years, compared to 75 years in developing Asia, and 80 years in advanced economies. Our public education system is characterized by low throughput rates and poor learning outcomes.

Many observers have long argued that this structural social inequality makes our society precariously brittle, unstable and unsustainable. The anxiety of the privileged few is visible in the distinctively South African preponderance of gated residential estates, high walls and private security companies.

In July 2021 we saw a glimpse of the kind of societal breakdown many South Africans fear. Two of the nation's largest provinces slid into lawlessness for a week, causing at least 342 deaths and tens of billions of Rand in property damage.<sup>6</sup> The unrest, which President Ramaphosa called an "insurrection," was initially sparked by an attempted political insurrection by supporters of former President Zuma.<sup>7</sup> It quickly spread on the tinder of widespread poverty and marginalization. Underlining the deep deprivation with which millions of South Africans live, a heartbreaking viral video during the looting showed a boy leaving a store with 'looted' underwear.

Yet South Africa has not wanted for economic development plans. There have been at least 6 over the last 15 years.<sup>8</sup> The National Development Plan Vision 2030 along with several others had creditable ideas around the need to improve export competitiveness in targeted sectors, remove binding constraints, ensure an enabling policy environment and increase fixed investment, among other worthy proposals. In addition to these government plans, there have been detailed public pro-

posals and recommendations from business, international experts, and think tanks.‡

Clearly then, development progress in South Africa has not stalled because our government does not know what steps it can take to accelerate inclusive growth. It has stalled primarily because our current leaders are incapable or unwilling to chart a new course.

The binding constraint for developmental progress in South Africa is a political leadership which is committed and capable of driving bold, growth-promoting policies and reforms. The ruling party essentially concedes this. In national addresses, President Ramaphosa continues to promise the building of a capable and developmental state. This begs the question why the ANC has been unable to build a capable state after three decades in power. It seems even the massive economic crisis precipitated by the Covid-19 pandemic was not enough to jolt South Africa's political leadership into action. No less an authority than former President Mbeki dismissed the government's policy response – the Economic Reconstruction and Recovery Plan – as not being the “required transformative plan” which the country needs.<sup>7</sup>

Most of the leaders in the national executive – the Presidency and Cabinet Ministers – have presided over a decade of stagnation and decline. After four years in office on a change ticket, having famously promised a “new dawn,” President Ramaphosa has little to show in the way of tangible progress on citizens' biggest concerns: the economy, public corruption and crime. Two million jobs have been lost during the pandemic.<sup>8</sup> The Zondo Commission of Inquiry into State Capture has laid bare the ANC's complicity in the looting and hollowing out of the state, with little to no major prosecutions to date.<sup>9</sup> The lack of arrests associated with the July 2021 insurrection and the seeming complete absence

of security allowing Parliament to be set on fire in January 2022 give the impression of a state losing its ability to enforce law and order.

South Africa seems trapped in a Gramscian interregnum, where the old is dying but the new is yet to be born. We need a changing of the guard. South Africa needs a new generation of leaders who are of-the-moment, and whose best years are ahead of them, rather than behind them.

We need leaders who understand the challenges and opportunities of the present and offer new solutions which will help us better navigate the future.

Several capable leaders in other sectors of our society shy away from politics. For many it is seen as too dirty or risky, especially when compared to alternative career options in the professions, business or academia.

William Gumede describes our political culture as closed, noting its hostility to racial minorities, women and outsiders. He contrasts South Africa's political culture with the United States which, whatever its other flaws, has a dynamic political culture in which people from diverse backgrounds can achieve prominence:

*“The easy bringing in of outsiders, as in the case of the US, generates the continual renewal of ideas and innovation. It brings extraordinary dynamism, energy and vibrancy to the country's politics, economy and society.”<sup>10</sup>*

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## So what is to be done?

A new generation of idealists must have the strength of their convictions. Would-be reformers – including some of Gumede's outsiders – must embrace the challenge of shaking up our politics and overcoming the inevitable resistance. Power will not yield itself, it must be wrested. Yet there is opportunity for the new to be born that is overlooked.

South Africa's low voter turnout is often

attributed by commentators to voter apathy, especially among youth. This may be missing an important story.

In the 2019 national election, just less than half of eligible voters voted.<sup>11</sup> This is certainly low by international standards. The question is *why* the other 18 million eligible voters chose not to vote. My view, from objective data – such as that a third of voters say no party represents their views – and subjective intuition, is that a significant number of South Africans aren't voting because *they are unhappy with the existing options*, not because they can't be bothered to vote.<sup>12</sup>

If South Africans voted at the median of countries, at the United Kingdom's rate of 63%, five million more people would have voted in the last national election. If they voted in the top quartile of countries, at Ghana's rate of 72%, eight million more South Africans would have voted. In addition to courting currently active voters, aspiring reformers should look to these five to eight million South Africans as a massive opportunity to bring new voters into the political process. They should seek to understand why they remain outside of the political process and develop new modes of political engagement which appeal to this silent electorate.

South Africa's moribund politics are ripe for disruption. A new reform agenda must offer a compelling vision for the excluded: the unemployed, youth, women and the economically marginalized. It must distill a bold, implementable growth program from the existing cottage industry of economic development plans. Or develop completely new ideas. Crucially, it must address the political economy, forming a new reform coalition which can negotiate policy concessions from the existing elite.

New leadership is required for South Africa to ignite accelerated and inclusive development.

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## Notes

\* Supporters of former President Zuma allegedly started an organized campaign of sabotage and disruption in reaction to his jailing on contempt of court charges for ignoring subpoenas from the Zondo Commission of Inquiry into State Capture.

† Accelerated Shared Growth Initiative for South Africa (2006), Industrial Policy Action Plan (2007), New Growth Path (2010), National Development Plan (2012), 9 Point Plan (2015), Economic Reconstruction and Recovery Plan (2020).

‡ Business for South Africa, 'A New Inclusive Economic Future for South Africa' (2020). International Panel on Growth (2008). McKinsey Global Institute, 'South Africa's Big Five: Bold Priorities for Inclusive Growth' (2015).

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## Endnotes

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- 11 Bartlett, Bruce. 2019. "South Africa's Voter Turnout: A Mathematician Runs the Numbers." *The Conversation*. May 27, 2019. <http://theconversation.com/south-africas-voter-turnout-a-mathematician-runs-the-numbers-117199>.
- 12 Ipsos. 2020. "The Political Party Landscape in South Africa amidst Covid-19." November 13, 2020. <https://www.ipsos.com/en-za/political-party-landscape-south-africa-amidst-covid-19>.