The Nexus between Democracy and Development

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ABSTRACT

Is there a link between democracy and development? We have often assumed this to be the case that development leads to democracy, or conversely that democracy necessarily leads to development. There are two inherent problems here. Well actually, three. One is that the link between the two is assumed, and whatever evidence there is to support such a link, in fact proves to be inconclusive. The other is that even when this link between democracy and development is posited, the evidence notwithstanding, we are not entirely sure what we mean by the terms “development”, and “democracy”. The third problem – a product of the first two – is that by logical extension, if we are not sure what precisely we mean when we refer to either ‘democracy’ or ‘development’, how is it possible to establish the link between them, when the reference points with regard to terminological use is unclear. Quite simply – we posit or establish a link and relationship of one to the other - without specifying what the linkages, relationships and causality between one and the other actually are, and between which and what elements of them there is a causal or other sort of relationship with.
1. Introduction

Is there a link between democracy and development? We have often assumed this to be the case that development leads to democracy, or conversely that democracy necessarily leads to development. There are two inherent problems here. Well actually, three. One is that the link between the two is assumed, and whatever evidence there is to support such a link, in fact proves to be inconclusive. The other is that even when this link between democracy and development is posited, the evidence notwithstanding, we are not entirely sure what we mean by the terms “development”, and “democracy”. The third problem – a product of the first two – is that by logical extension, if we are not sure what precisely we mean when we refer to either ‘democracy’ or ‘development’, how is it possible to establish the link between them, when the reference points with regard to terminological use is unclear. Quite simply – we posit or establish a link and relationship of one to the other - without specifying what the linkages, relationships and causality between one and the other actually are, and between which and what elements of them there is a causal or other sort of relationship with.

This concept note then, will attempt to first give some meaning to what precisely is meant by the terms democracy and development. We then attempt to review aspects of the existing research and literature related to this and lastly unpack some of the issues, such as questions of state building and state capacity at local level, decentralisation and poverty reduction - that emerges from the literature.

The broadest concept of development incorporates basic civil and political freedoms and would relate to economic, educational, social, and cultural opportunities and their availability and access, so that they contribute to the general well being of the population at large. This would include some basic civil and political freedoms. Inherent in this idea would be the fact that some kind of democracy would be necessary - and indeed required if the kind of access to opportunity would lead to increasing the general well being of a population at large.
On the question of democracy, it would be useful to bear in mind a distinction between three broad aspects of democracy: one relates to some basic minimum civil and political rights enjoyed by citizens, another to some procedures of accountability in day-to-day administration under some overarching constitutional rules of the game, and another to periodic exercises in electoral representativeness. These aspects are of varying strength in different democracies, particularly in the few developing countries where democracy has been sustained over some period. On the other hand, a few authoritarian countries may display some degree of administrative accountability at certain levels of government, and may also have periodic renewals through acclamatory or referendum-style elections.

The empirical evidence in the literature looking at the link between democracy and development is unpersuasive, however. Parnab Bardhan in a piece entitled: “Democracy and Development: A complex relationship”\(^1\) cites the following: “the empirical literature is rather unhelpful and unpersuasive. It is unhelpful because usually it does not confirm a causal process and the results often go every which way. Three surveys of the empirical literature come out with three different conclusions: One by Sirowy and Inkeles\(^2\) is supportive of a negative relationship between democracy and development; one by Campos\(^3\) is of a generally positive relationship; and the one by Przeworski and Limongi\(^4\) is agnostic (“we do not know whether democracy fosters or hinders economic growth”). The empirical literature is generally unpersuasive because many of the studies are beset with serious methodological problems (like endogeneity of political regimes to economic performance, selection bias, etc.) as Przeworski and Limongi carefully point out, and problems of data quality.”

It is a staple of the new institutional economics and the law and economics literature that a basic pre-condition of development is a minimum legal and contractual structure and a set of well-defined and enforced property

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1. Democracy and Development: A Complex Relationship by Pranab Bardhan; University of California at Berkeley
rights; the general presumption in this literature is that democracy is better-suited in providing this environment. However “the idea that democracy protects property rights is a recent invention, and we think a far-fetched one.” If the majority are poor, and the democratic processes work, the property rights of the rich minority may always be under a threat. Of course, democracy may be ideologically more hospitable to a rule of law, but it is the predictability rather than legal accountability that is really at stake here, and it is not always clear that an authoritarian regime cannot provide a framework for a predictable set of contracts. “Over the last three decades, for example, the first family in Indonesia or the KMT leadership in Taiwan has provided a reasonably predictable and durable (even though corrupt) contractual environment for private business to thrive, without the procedural formalities of a democracy. On the other hand, in some democratic regimes in spite of the existence of an admirable legal/contractual structure on paper, the courts (and the administrative arbitration machinery) are hopelessly clogged and, under the circumstances, the businessman values his connection with a durable politician much more than the legal niceties. The durability of a politician may vary wildly from one democracy to another (in one the incumbent legislator may have the edge, as in the U.S., in another the electorate may be more inclined to ‘throw the rascals out’ with regular frequency (as in India), and also from an authoritarian regime to another (one may be more coup prone than another).”

It should also be pointed out that the rule of law that a democracy is supposed to uphold does not by itself preclude that the laws themselves may not be conducive to development. Even in some of the richest democracies of the world while the enactment of laws may be better and subject to less corruption and arbitrariness than in developing countries, the process of enactment of those laws is subject to an enormous amount of influence peddling for contributions to campaign finance and other perquisites for legislators. Over time this problem has got worse in most democracies, as elections have become frightfully expensive. When policies to be legislated are up for sale to the highest contributor to the campaign fund, development projects may not win out (the policy decision in the

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budget may go in favor of buying one more military aircraft rather than 100 rural health clinics), and it is not much consolation to be told that the policies thus legislated will be implemented well by the bureaucracy and the court system under a democracy. In an open polity there may be more avenues for mobilizing public pressure against covert (but not always illegal) sales of public policy.

Not all cases of public pressure that democracy facilitates help development either. Democracies may be particularly susceptible to populist pressures for immediate consumption, unproductive subsidies, autarchic trade policies, and other particularistic demands that may hamper long-run investment and growth. On the other hand, authoritarian rulers who may have the capacity to resist such pressures may instead be self-aggrandizing, plundering the surplus of the economy. In fact, historically, authoritarian regimes come in different kinds, some deriving their legitimacy from providing order and stability (like that of Franco in Spain, some from rapid growth (like South Korea).

2. Effecting a conceptual separation between the State, Government and Society

2a. The Nature and Character of the State

Particular configurations of the State, its orientation, nature and character can either give effect to or undermine the interests of citizens in countries that are faced with the challenge of fighting underdevelopment. Debates about what constitutes a developmental agenda in are in part about different and even contending conceptions of the state. The state as a concept and political reality has assumed different meanings ranging from a “collection of institutions, a territorial unit, a philosophical idea, an instrument of coercion or oppression” to a set of relationships between state and non-state actors. For the purposes of this paper the state must be understood to be: a political association that establishes sovereign jurisdiction within defined territorial borders, and exercises authority through a set of permanent institutions. These institutions are those that are recognizably ‘public’ in that they are responsible for the collective organization of communal life, and are funded at the public’s expense. Furthermore, the state embraces the various institutions of government,
and can be identified with the entire body politic. The following arise from this definition:

The state is sovereign.
The state is an exercise in legitimation.
Unlike the private institutions of civil society, the state occupies a ‘public’ space.
The state is an instrument of domination/coercion.
The state is a territorial association.

But the state should not be conceptually confused with government because:

Government is an institutional sub-set of the state.
Unlike government, the state is a continuing or permanent entity.
Government is the instrument through which the policy orientation and content of the state find effect and are given expression.
The state is ‘impersonal’.
The state represents the ‘permanent’ interests of society.

Since society represents heterogeneous interests and the state as a ‘public’ space presupposes, in the absence of a stalemate, competition for the emergence of dominant interests, some of the issues that arise from the definition above are either wholly or partially unsustainable. The emergence of a hegemonic set of interests in society is to a certain extent dependent on the nature and character of a particular state in a given society. This determines the orientation of the state towards the unique challenges facing a particular society and these in turn inform the nature of contests within that society and, therefore, how that society as represented by different interests within it engages the state. For the purposes of the current discussion on decentralizing decision-making in local government and deepening participative democracy in this sphere of government/governance, it is our contention that the state must be both democratic and developmental. To us this means conceiving of the state in terms of a hybrid that combines elements of the developmental state as exemplified by the post-war German and Japanese models, and the social democratic state as exemplified by the post-apartheid South African state. Understood in this way, the state should therefore be interventionist with
the aim of promoting ‘industrial growth’, ‘economic development’ and “social restructuring” with the objective of achieving ‘social justice’. In short, for effective decentralisation of decision-making processes to take root at local level as a localized expression of the state, the state must be democratic and developmental to achieve the kind of results described.

3. Revisiting the tensions between democracy and development – as they pertain to the discourse in the current conjuncture

The debate on democracy, decentralisation, delivery, politics and performance seems to be caught in a mutually exclusive binary, with proponents of one or the other seemingly emphasising one aspect (or set of aspects) over another, privileging one (or some) to the exclusion of others. The binary seems to arise from a consideration of the State in two broad conceptual terms: the Developmental State on the hand and the Democratic State on the other. The debate on these two terms has been cast in largely mutually exclusive terms, with a tendency to confuse managerialism, public sector performance and delivery as synonymous with the developmental state. Of course the developmental state is this, but it is much more. On the other hand, there is the tendency to conflate and confuse the idea of the democratic state with the classic notions of democratic indicators – in all their guises, from the liberal to the radical. But as radical as the conceptualisation of the democratic state may be, its exclusive focus on rights, responsiveness, representation, consultation, accountability, oversight, participation and voice is perhaps its weakness, as the democratic state is all of these things, but also much more.

Crudely put, the debate can be characterised as follows. Those deliberating on the Democratic State seem to suggest that giving voice, expediting, crafting and streamlining participatory processes, promoting greater inclusiveness of the poor and marginalised and the deepening and consolidating of democracy in all its facets (diversity, protection and promotion of rights, representation and representativeness, institutional separation of powers and functions, transparent decision making, accountability and oversight) themselves become panaceas for effective governance. By implication, effective democratic governance means better service delivery, as the theory suggests that the government then really knows what the people want. But knowing what the people want, without
really having either the infrastructure, capacity, managerial ability and process of delivering the elements of democracy themselves will ring hollow in the absence of a change in the material conditions by which people symbolise and internalise the world.

On the other side of the divide, those deliberating on the Developmental State seem to propose that developmentalism and the developmental state are somehow synonymous with the delivery state. Because there will be effective delivery, the state by its nature will then be democratic. Taking its cue, but somewhat crudely caricaturing the discourse emerging in the public service and from the locus of political power and office, the proposition is that managerial effectiveness, technocratic efficiency, and streamlined procedures and processes for the delivery of public goods and services alone will give concrete expression to a developmental or delivery-oriented state. My characterisation obviously misses important nuances that either side proposes. But after a spate of social movement and civic protest activity in protest against the slow or perceptibly ineffective delivery of services, especially at local level, the polarization between state – more specifically, the local state – and society has served largely to crudify much of the policy and politics debate, casting it in terms which in essence become incomprehensible if one were to think about democracy and delivery in tandem.

The question that can then be teased out, given that the role of government has highlighted differing views about how state institutions should relate to their constituencies and communities, is whether local institutions specifically should be predominantly concerned with efficient, cost-effective service delivery and raising as much revenue as possible, or whether local government should give more weight to building social capital – establishing trust, cooperation and coordination amongst people and institutions so that community life can flourish. Should councils, at local government level, treat their constituents primarily as customers for the services they provide, or as citizens – with much broader needs and expectations (rights) than just efficient and effective services?

The danger attendant with the polarisation of the debate between democracy and delivery and democratization and developmentalism may lead to tendencies that lead to an uneven balance between one and the
other. Thus, it might correctly identify a need for better management – greater efficiency and effectiveness – but may fail to give sufficient attention to the need for better governance. One of the consequences of this 'lop-sided' approach to governance is that we could potentially see a shift in the balance of power within councils from elected members to appointed officials (managers) – a trend that is already evident. What exactly have been the effects of this? Mainly inappropriate and ineffective modes and models of service delivery being used and implemented; inefficient administration and implementation of service delivery processes, of registering indigents and the poor for the free services that accrue to them as a part of their social wage; a lack of oversight by elected representatives over their officials and administrators, and therefore a corresponding lack of accountability of the appointed officials to elected representatives; and, in turn politicians’ lack of accountability to their parties, and moreover their constituents.

It is increasingly clear that much of the social protest activity in evidence around the country can be split into four broad categories. The one is social movement/civic activity/civic activism/direct action in civil society – displaying characteristics of being increasingly uncivil, which itself is disparate, in often distinct but also interrelated ways. On the one hand, there are social movements that have a strategy (however inadequate) and an alternative policy and political project – signalled by organised political activity, a distinct ideological and political position, a political identity, organised structures and branches, regular meetings, and the like. On the other hand, there is also more spontaneous, unorganized activity that happens through social movements which may or may not have organized structures, branches, meetings, and the like. On the other hand, there is also more spontaneous, unorganized activity that happens through social movements which may or may not have organized structures, branches, meetings, and a fixed identity or policy and political project, seeking simply alternatives to what they consider to be the current neo-liberal state trajectory.

This cohort will be unhappy (in colloquial terms) even if service delivery and the availability and accessibility of public goods and services improve. Spontaneous eruptions grounded in basic need. These emerge from perceptions of the slow pace of ‘service delivery’ and the government’s perceived lack of capacity at the local level. But this is too popular and easy an explanation.
A creeping sense that there is a democratic deficit that is underpinned by an emerging crisis of representation. This is where citizens feel that their elected representatives and the executive government at all levels is out of sync with the community concerned, that the depth and rate at which their problems are adopted and addressed are shallow and that the government in general is unaccountable and unresponsive. In short that they are not adequately represented as citizens and that government conceives of them as passive recipients of services rather than as active participants in the policy making and policy execution and implementation process. In any event a large number of goods and services are not produced by government in any event, and so the idea that the protests are about service delivery only – is a misnomer.

A definite alternative policy and political trajectory opposed to the current dispensation.

Some of the protests are instigated by local “opposition party” or small party/ social movement type organisations. Some of them emerge from the ANC alliance itself – among them those that may not have been on party lists, or were replaced by other candidates or that were kicked out of the party for corruption, ill discipline or apparent non performance.

In summary, my contention is that politics and policy, democracy and delivery, transition and transformation, are essentially complementary rather than conflictual. Casting them on conflictual and mutually exclusive grounds serves only to stultify debate, at best, and hold the roll out of public goods and services to ransom. The need for a developmental state that emphasises performance, managerialism, technical and bureaucratic efficiency and effectiveness, and institutional rationalisation and transformation must co-exist with the idea of a democratic state that creates a voice for the poor and marginalised, that promotes, enhances and protects the rights that accrue but pursues the obligations owed to it by citizens, and which inculcates diversity, responsiveness and representation and representativity, the institutional separation of powers and functions, transparent decision making, accountability and effective oversight. We are at an opportune moment to interrogate the idea and explore the contours of what an ‘embedded’, democratic developmental state may be.
4. What then are/should the elements of the democratic developmental state be?

Getting back to basics - Democracy and Representation

4.1 Democracy –

- The South African Constitution[1] offers to the people of South Africa a commitment to an open and democratic form of governance “with due regard to representative and participatory Democracy, accountability, transparency and public involvement.”

The nodal point of this vision is that people should participate in shaping their destiny, rather than restrict the extent of their participation to the episodic vote. This idea was captured in the RDP (Reconstruction and Development Programme) document:

"Democracy requires that all South Africans have access to power and the right to exercise that power."

- At the level of local municipal structures, the Municipal Structures Act makes provision for the establishment of ward committee’s to facilitate public participation in local developmental processes at the base level of Government.

- The South African Constitution presents an interesting and exciting challenge: it declares that the new, hard-won democracy is both a representative and a participatory one.

- Any consideration of representative or participatory democracy must begin with the foundational notion of direct democracy. This model of democracy is premised on the notion of “the people” coming together in assembly (termed a people’s assembly). In other words, that every citizen would be directly involved in every decision of government. This ideal is severely challenged by the known realities that existed in those states where amidst the assembly only a few orators were...
seriously able to debate issues in the mass assembly. Of necessity also existed a circumscribed notion of the concept of ‘people’ when specifically related to participation – circumscribed conceptually to exclude women, slaves, and other ‘social undesirables’ which were in the ultimate instance denied citizenship and consequently denied the right to participate.

- This ideal as a myth that through the ages forms the basis for most consensus based political practices supports the contention that the majority has the right to decide. Underlying it is that the free development of all can only be achieved by the free development of each. Whilst the maxim is expressive of a general political will, which in isolation from the contemporary realities of societies and their dynamics the maxim may be efficacious [excluding the application of negative exclusionary categories], given the sheer size, complexity and diversity of postmodern society, this primitive form of democracy is rendered impractical and impracticable. This type of democracy, given the evolving condition of society would lead to ineffective administration, inefficiency and the constant probability of political instability.

- Plainly, beyond the days of the Athenian state, it has become both impractical and inappropriate to involve every citizen in every decision of government. However, the evolution of traditional direct democracy has seen the transformation of the ideal to suite modern conditions and find manifestation in universal suffrage, referenda and other forms of direct engagement in decision making, specifically at local and regional government levels.

- From classical antiquity to the 17th century, democracy was largely associated with the gathering of citizens in assemblies and public meeting places. By the late 18th century it was beginning to be thought of as the right of citizens to participate in the determination of the collective will through the medium of elected representatives.

- Hence, the functioning of representative democracy eventually crystallized into its contemporary theoretical paradigm as a cluster of the rules and institutions promoting the broadest participation of the
majority of citizens in the selection of representatives who then have the responsibility to make decisions on behalf of others.

- Government by men and women elected in free and fair elections in which all each citizen’s vote is equally weighted (universal suffrage) has become the standard form of government. The consolidation of representative democracy, thus understood, has been a late 20th century phenomenon for it is really only lately that liberal representative democracy has been securely established.

- Compared to direct democracy, the emergence of representative democracy largely resolved the issue of scale and efficiency, but the central problem persists concerning the depth and rate of representation.

- The underlying notion is that the elected representatives must directly represent the views of their constituents – the electorate. This defines representation as a limited mandate in which the representative is empowered to speak or decide in particular ways, especially when representing and reflecting the view of the constituency.

- Semantically, what is at issue then is perhaps that of ‘delegate’ and ‘representative’: ‘delegate’ being one with a specific mandate while representative being free to consolidate personal opinions together with those of the constituency being represented, or independently thereof.

- In this regard the “mandate theory” posits clearly that representatives must only reflect the views of their supporters in various legislatures or public forums.

- In terms of the independence theory the representative must be able to initiate perspectives and reflect views and opinions that need not necessarily only reflect those of the constituency.

- The issue is further complicated given the political context in which South Africa currently operates. In the South African LG electoral system of proportional representation mixed with direct ward elections
in the PR component political parties bear the responsibility of mandates from their constituencies. The party is considered to have the people’s mandate to represent and mediate the publics’ view. The PR system bears several advantages in a complex multi race, multi class society – the purity of its form, belies the inability of the local Constituent office to function as an effective site of political participation.

- It is assumed that the direct ward election will provide a more direct link in defined constituencies. Evidence that this is so is scant. The only firm evidence is that direct ward elections provide the POTENTIAL for greater accountability and independence from party hierarchies not that it necessarily occurs. For that it requires penetration of the Rep into the Constituency and political commitment and conscience.

- What does participatory democracy mean? By definition, it is neither direct nor representative democracy. It is something else. It does not mean, therefore, every citizen must be involved, to the extent that everyone is asked to vote, in every decision. But nor does it mean that the opportunity to be involved in governmental decision-making is obviated by virtue of the fact that authority has been passed to a collective of free and fairly elected representatives. Participatory democracy, it is suggested, is a form of democracy in which citizens are actively involved in the decision-making processes of government at different levels – on issues that interest or affect them, and on the basis that mechanisms and platforms will be in place to facilitate this.

- In truth, however – we do not have an adequately theorised notion of participatory democracy. What we have are models of institutionalizing platforms, modes and systems of participation. Propositions in this regard are preliminary and tenuous. Regarding both representative democracy and direct democracy – both focus ultimately on both deliberative as well as decisive functions. Our notions of - and theorization of participatory democracy focus on deliberation solely – in the absence of any decisive function that it may be imbued with.
4.2 Elections

- Elections are important because they bring people together. In our current understanding, limited as it is – elections are one defining instant of participation. It is a political moment that becomes an intersection of the personal and the political, the public and the private, the citizen and state, individual and the system, it is significant as it is:
  A. Process driven – process creates opportunity and the equality of opportunity to exercise choice. It is a marker of citizenship.
  B. Deliberative – implies the ability to exercise discretion in exercising choice.
  C. Decisive – The outcome is important. Determines the tenor and trajectory of politics and policy.
  D. Contestation, Conflict and Co-operation is systematised and mediated in part through electoral systems as they have the potential to provide the base for legitimacy and credibility provided that the elections themselves are credible and legitimate.

- Voting in an election is the moment at which the responsibility for decision making is passed on to freely and fairly elected body of representatives.

- It is the pivot on which hinges the systemic notions of accountability and responsiveness and the expectation that oversight will be conducted by those people that are elected over the appointed officials. Depending on levels of voter participation (turnout), elections make possible participation.

- As may be expected from a society in which historically only whites participated in regular elections, elections from which blacks have been excluded, voting in an election, therefore comes to be associated with access to rights and dignity. A strong desire to vote was a key feature of the first decade of democracy, despite the lower levels of voter turnout at local government elections which in itself, despite lower comparable turnouts than at national and provincial elections, is amongst the highest voter turnout levels in the world in comparable societies in which it is not mandatory to vote in a local government.
election. Voter turnout in the 2000 local government Elections was 48%. This compares very poorly with the turnout in the 1994 national elections (87%), but is similar to turnout in the 1995/96 local elections. It is an unfortunate fact that in most countries the electorate does not regard municipal or local government elections with the same sense of importance as a national election. Voter turnout in the 2000 local government elections was only 48% overall. But this fact should not mislead into believing that ‘the vote’ is not considered important by citizens [48% in 2006].

In successive elections, citizens endured considerable inconveniences to vote in a context in which the results were a forgone conclusion, and in which there was therefore no instrumental rationale for voting. It can then be safely assumed that citizens voted because they wished to express themselves, not purely to serve an instrumental purpose. Voting then assumes a symbolic purpose, beyond that of its instrumental utility to achieve some electoral outcome or to procure access to certain goods and services. It is important in that it allows citizens to express themselves and is a significant indicator of the extent to which citizens view themselves as a part of the political process. It is, as is ordinarily understood, to be a mechanism for representation for citizens, and an opportunity for political parties to gain and fulfill the representative function in democratic institutions by winning seats in order to articulate the aspirations and interests of its constituents. The fact, and oft contested view that emerges from some social actors that the vote is meaningless, when it does not bring a material reward, seems equally out of place in this context. The view that “I cannot feed myself or my family with the vote” becomes a rationale argument, only in the absence of a range of other democratic indicators, such as “voice” and accountability, amongst other things. The vote, or an election, amongst other things, is the first and most fundamental premise in any conceptualisation of a democracy.

- If this is so it is an instant of participation, but lays the basis for creating social cohesion, and social capital creating the stronger possibility for the construction of a civic culture underlied by social reciprocity and social solidarity and co-operation, which in turn builds non-racialism and promotes economic development. It may also in
part contribute to stemming the tide of the co-existence of parallel markets on which citizens procure goods and services – even in the instance in which only the State has the credible legitimacy in which to exercise force in society [that is security, intelligence and policing. This occurs though, in health and education too]. The relatively wealthy procure on the private market, the poor on the public market - which enforces separation rather than integration – cohesion, reciprocity and social solidarity.

- Elections are critical for promoting both legitimacy and credibility which in turn promotes citizen consent for governance.

- Through consent, compliance is promoted, making it easier for enforcement without coercion.

4.3 Electoral System Design

Should in an unequal, brutalised and fractured society provide for:

a. Inclusivity
b. Diversity
c. Representativity

But also accountability and responsiveness.
The adoption of a mixed system tries to go some way in doing this.

An Aberration in the system

- Floor Crossing is one such major thing.

- In one sense it promotes the freedom and liberty entitled to individuals who find themselves in representative institutions to promote the ideals of a free and open society by promoting and institutional reflection of the fluidity and dynamism of shifting political opinions and attitudes in the period between elections.

- It can encourage greater contact between Rep and Constituent and therefore provides incentives for greater contact and responsiveness.
- This has to be consistent with the overall conceptual logic of the architecture of the electoral system.

- At Local Government, it does this only in part. i.e with the direct ward candidate.

- Citizens think it is inappropriate. It has the effect of undermining legitimacy and credibility – alienating voters – leads to less participation. In short the public thinks it stinks – and I daresay many parties – especially those that lost members and seats will tend to agree.

5. Pursuing a Development Path

We have as yet not answered the question of what constitutes development. I can however more cogently posit what ability and capacity is required to give effect to a developmental state:

Public Service - Modernisation and re- alignment
Larger numbers in the public service. attracting the right skills.
This may imply greater amounts of public expenditure in the future.

The discourse on a developmental state – that is growth oriented, interventionist, activist, embedded and redistributionary.
Will focus on areas of regulatory capacity, administrative capacity, technical ability, extractive - resource raising capacity and coercion and enforcement.

The development state sees its mandate as one which aims to grow the economy, modernise productive forces and redefine the relations of production and consumption in society. To do so the State embarks on a more activist interventionist role and tries to effect a narrowing of the inequality gap, and also substantially reduce poverty by engaging in distributive governance. Its interventionist activist role in the economy is not only restricted to distributory governance, but aims through managing the economy and facilitating wider participation in the economy to redefine the relations of production and consumption. In order to do so, it has to affect a legislative, policy and regulatory regime, which in the complex and
sometimes contradictory area of the economy, needs substantial intellectual, technical, executive and management capacity.

This is a relatively new departure for Government. I focus here, on the area of distributory governance through delivering public services that all Governments are meant to provide. In addition - in this area of distributory governance there is at least some record over the last twelve years and some experience, no matter how patchy.

As a case in point - is that National Treasury statistics illustrate that a consistently expansionary budget over the last four years, has resulted in government spending of almost R60 billion or about a fifth of the budget on direct transfers to households. If indirect transfers to households such as free basic water and electricity, bus and train subsidies and land transfers are added, then spending amounts to almost 70% of the budget. This is a remarkable achievement. Yet, there are questions about why high levels of poverty persist in the context of such high levels of government expenditure, or even why there are perceptions of high levels of government inefficiency or that there is serious dissatisfaction with service delivery as witnessed by the estimated 700 social protests over the last ten years ? In fact all this statistic conveys is that there is particularly high levels of expenditure by government in terms of its distributory governance agenda in which expenditure of in excess of 60% of the budget is allocated to the social services sector [health, education, welfare, social services]. This tells us nothing about the effectiveness of the distributory governance agenda. In considering the public service and service delivery in this context, it should be borne in mind, that Governments successes occur more often in areas where it has significant control and its lack of immediate success occurs more often in those areas where it may only have indirect influence .The dichotomy between power and influence in respect of the public service applies in the sense that the areas over which government has control/power (the institutions, processes, procedures) there has been significant progress, while the areas where government has less direct influence (such as the behaviour of public servants in their interaction with the public and civil society, have shown much slower progress pointing in effect to the need for improving internal institutional and organisational supervision, management, oversight and accountability. The
manner in which service delivery is planned, monitored and reported also requires major improvement.

The focus here will be on:

Identifying state institutions whose transformation would be required to establish an effective developmental apparatus;
Reconstitution and modernisation of traditional institutions and governance structures as part of the process of improving grassroots and local government capacity to mobilise and engage the people in the transformation of South Africa into a developmental state;
Economically and technically empowering the people with the requisite capacity and skills to be in the drivers’ seat in the transformation process. (In other words, an effective human resource development strategy is an imperative for transformation into a developmental state);
A strong commitment by South Africa’s political leaders to the transformation process, without which state coherence and autonomy will be lacking;
A private-public sector partnership (PPP) is essential, requiring all stakeholders to be prepared to make the inevitable initial sacrifices to achieve important developmental goals; and
A proactive policy of bridging the divide between South Africa’s “first” and “second” economies which must encompass land and agrarian reform accommodating the mass of the people in productive and income-generating activities, and reducing and eventually eliminating dualism from the South African political economy.

Preconditions for success are capacity and ability, transparency accountability and oversight, management and supervision.

The specific areas requiring focus:

The Regulatory: in which the state is able to manage and enforce the laws and contracts to protect property rights. The presence of a well functioning effective judiciary whose functions and decisions are respected and enforced. While this largely the domain of the National Sate, with the expanded powers, functions and roles on local government in areas of regulating local economies, licensing land use, aiming for environmental
protection, investing in infrastructure and so forth, it is critical that effective regulatory capacity exists, either in local government itself, or in a department of state, parastatal or other public body that would do so on behalf of local government. In the absence of regulatory function, predatory interests begin to take root.

*Technical*: in which the state has the ability to handle technical issues effectively. Increasingly this is needed at a fairly complex level in engineering and public works, the delivery of basic services, like water, sanitation and electricity/power, public health [in the primary care sector], education, economic policy. States that lack the capacity to address this, face an erosion of legitimacy and authority.

*Administrative*: where the state requires capacity to manage its human and other resources effectively. Besides the need for managerial capacity, corruption has to be fought, mismanagement minimised and indiscipline countered.

*Extractive*: The capacity to generate revenue. The absence of this capacity fuels a loss of revenue, and the growth of a culture in which meeting obligations to legitimate authorities is not considered a norm. Local Governments role in this area is critical, despite the fact that it relies largely on national government transfers, either of a prescriptive or discretionary kind. While the revenue base in many local governments or municipalities is weak, the fact that a revenue base does exits and that user fees are legitimate demands made by local authorities on citizens [water, electricity, property tax, vehicle licensing and so forth], means that in raising some of its own revenue – an obvious challenge for local government – this is a critical area.

*Coercion and enforcement*: The legitimate use of state power, like the judicial system and the police and defence forces to extract compliance to obligations, to enforce the rules, laws and regulations in a society, the predictability, that while rules will be equally and fairly enforced there is sufficient predictability, that wrongdoing will be caught and indeed appropriately punished. While this is largely also a national government function, the expanded role of local government in licensing, land use authorisation, by law enforcement and with the inception of city and metro or municipal policing, this aspect has come to take on new significance at local government level.
The pressing question for the present then is what ability is there for the state to exercise its capacity and what does it depend on? This is a critical issue, especially in local government. Given the challenges at the level of local government it can be argued then that both state scope and strength matter equally in all of the five areas outlined above. It is true that consigning extensive scope to the state in the absence of state strength allows for and creates the situation of an over-ambitious state with a range of legal competencies and an extensive range of activities and responsibilities that it, in reality cannot perform well. In a developing country context like South Africa it is clear that given the nature of the challenges faced, it would be optimal to have both state strength and state scope. However, the performance of most municipalities seems to suggest that state strength in many sectors, for a variety of historical and some contemporary contingent reasons, is in most cases actually weak at the local level. The obvious apparent solution then would be to reduce state scope, and consign them either to a different area of state, which then risks burdening or overburdening that area of state. The other option would be to cede scope outside of the state, most usually to the private domain, which risks abrogating fundamental political and socio-economic rights and turns citizens into consumers.

There is yet, the more difficult but most viable option, which would enhance both state scope and state strength and therefore, state size. This however, would require not only the political will to do so in the face of a rapidly globalising world, but also the commitment to improve governance, deepen the penetration of the state and build the capacity and infrastructure of the local state.

Each of these broad areas is under-girded by a series of requirements of their own. Improving governance would have to deal with better accountability, transparency, oversight and responsiveness to citizens. Deepening the penetration of the state would require an understanding of the cultures, history and social dynamics of communities, the instrumentality of more effective regulation, good leadership, and the effective representation of citizens that is inclusive and sensitive to diversity. In addition fostering citizen participation will together with all these, and not in isolation, bring a greater amount of citizens into contact with the state and provide a stake in governance for citizens. Building the
capacity of the local state would require accountable bureaucracies, skilled technocrats, better instruments of management and administration and infrastructure investment. Each of these areas is interdependent and interrelated. At the moment the ensuing debate on this seems intent on revisiting the vexing question, of whether it is democracy that is required [and indeed what this might entail], as opposed to whether better delivery by government would be the solution to redressing the deficits left by decades of Apartheid and which would then be the solution to current Developmental challenges in building the Democratic Developmental State.

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