

## **10<sup>TH</sup> HAROLD WOLPE MEMORIAL LECTURE**

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### **THE STATE OF THE SOUTH AFRICAN STATE**

I wish first to thank the Harold Wolpe Memorial Trust for this opportunity to join you and other partners as we acknowledge one of South Africa's sages of social science, Harold Wolpe, on this occasion of the 10<sup>th</sup> Memorial Lecture. Along with many others of his generation, he contributed not only to the analysis of the social manifestations of apartheid colonialism. He was also an activist in the destruction and creation that revolution entails. It is due to both these roles that the impact of his intellectual work was and remains that much more profound, because it combined the development of theoretical constructs and their testing and refinement in the crucible of struggle.

I was requested to reflect on *The State of the State* in South Africa today, an all-encompassing theme with sub-themes that would require lectures in their own right. To make my task easier, I have selected a few issues to illustrate the strategic challenges that South Africa faces as it strives to speed up social transformation.

Proceeding from the premise that we are all familiar with these issues, I will not seek to trace the evolution of the state as such – the Athenian and Spartan versions, the pre-colonial manifestations of social organisation as in the Mapungubwe and other African civilisations and the *mfecane* wars of nation-formation, or the rise of the colonial state in the geography today called South Africa. Nor will I attempt to interrogate the Weberian, micro-foundational and Marxist theories of the state and their utility.

For purposes of our discussion, I will merely draw from this tapestry, to extract some generalisations on the state of our state today; and the actions required to ensure that it plays an optimal role in leading the efforts to improve people's quality of life. Presumptive as this may sound, I will draw inspiration from Harold Wolpe's methodology of approaching notions of social organisation and the state as being undergirded by class dynamics.

### **CONCEPT OF THE STATE AND CLASS DYNAMICS WITHIN THE COLONIAL STATE**

Why is the state central to social organisation, at least during particular periods in the evolution of human society? It has been argued quite cogently that the very existence of the state arises out of the need to manage social conflict. Friedrich Engels in his seminal work, *The Origin of the Family, Private Property and the State* makes this assertion in the following manner:

*"The state is... by no means a power forced on society from without; just as little is it 'the reality of the ethical idea', 'the image and reality of reason', as Hegel maintains. Rather, it is a product of society at a certain stage of development; it is the admission that this society has become entangled in an insoluble contradiction with itself, that it has split into irreconcilable antagonisms which it is powerless to dispel. But in order that these antagonisms, these classes with conflicting economic interests, might not consume themselves and society in fruitless struggle, it became necessary to have a power, seemingly standing above society, that would alleviate the conflict and keep it within the bounds of 'order'; and this power, arisen out of society but placing itself above it, and alienating itself more and more from it, is the state."*

(The Origin of the Family, Private Property and the State, pp157-158)

But should we infer one-directional causality between the level of development of economic organisation and industry, on the one hand, and instruments of social organisation, on the other? As many would argue, forms of social organisation can evolve and assume autonomous identities. Indeed, Engels himself makes this qualification in his *Letter to Bloch*:

*"According to the materialist conception of history, the ultimately determining element in history is the production and reproduction of real life. Other than this neither Marx nor I have ever asserted. Hence if somebody twists this into saying that the economic element is the only determining one, he transforms that proposition into a meaningless, abstract, senseless phrase. The economic situation is the basis, but the various elements of the superstructure — ... political, juristic, philosophical theories, religious views and their further development into systems of dogmas — also exercise their influence upon the course of the historical struggles and in many cases preponderate in determining their form."*

(Friedrich Engels, Letter to J. Bloch in Königsberg, <http://www.marxists.org/...> 1890/letters...)

I suppose that we are all in agreement that the evolution of the state in a unified South Africa, bore all the hallmarks of a colonial imposition, promoting and protecting the material interests of the colonial settlers; and that the formation of the Union in 1910 represented racial solidarity founded on dispossession, exclusion and repression of the Black people.

However, within this racial solidarity, and indeed reflecting what Engels in the Letter to Bloch refers to as *"an infinite series of parallelograms of forces"*, various secondary contradictions played themselves out. While issues of language and culture were an important veneer, the essence of these tensions was about how to narrow the divide between numbers and real power, between the statuses of a ruling political elite and a ruling class.

With the introduction of racially circumscribed "democracy", the Afrikaners, as the majority within the white community, ensured through corrective or affirmative action not only that their political dominance translated into general socio-economic benefits. They also sought

to translate their position as the political ruling elite into becoming a full part of the ruling class across South Africa, i.e. owners of the means of production beyond agriculture.

As this happened, and as is in the nature of the capitalist system, massive stratification also took place within the Afrikaner community, putting a strain on the nationalist project of mutual solidarity. Thus the supposed communal nationalist cause had to be re-invented and rationalised afresh. In *Die Calvinistiese Beskouing van die Arbeid* in the Journal, *Koers* of October 1946, the point is made by the ideologues of Afrikaner Nationalism about the white lower classes that:

*"No one's task is too humble, because in the national economy we are all members of one body, in which there is indeed a head and a heart, but also the lesser members without which the body would be crippled. There is nothing wrong with the types of work we do...it is all needed to serve the church, the volk and the state".*

(Quoted from Dan O'Meara, *Volkskapitalisme: Class, Capital and Ideology in the development of Afrikaner Nationalism, 1934-1948*)

One of the unique features that attach to this experience is that this political ruling elite had the possibility to use job reservation, land dispossession and other forms of racial discrimination and super-exploitation of Black people, to accord the white lower classes privileged status. This somewhat ameliorated the intra-communal tensions and delayed their acute manifestations which later took the form of the intense *broedertwis* of the 1970s and beyond.

I hope (with apologies) that by now you appreciate where all this quasi-historical meandering is leading to!

### **TRAGEDY OR FARCE OR NEITHER?**

In his observation on Hegel's remark "*somewhere that all great world-historic facts and personages appear, so to speak, twice*" Karl Marx says Hegel "*forgot to add: the first time as tragedy, the second time as farce*".

(The Eighteenth Brumaire of Louis Bonaparte,  
<http://www.marxists.org/archive/marx/works>)

And so, to become more explicit: contained in this experience of the Afrikaner nationalist movement are three illuminating dynamics about:

- firstly, the conduct of a political elite that is not as such the ruling class, using political office to capture part of the commanding heights of the economy, and for a section of this elite to ascend to higher socio-economic status
- secondly, how such progress can also be facilitated by the extant ruling class courting the political masters by ceding some of its economic power
- and thirdly, how advancement of a supposedly communal nationalism, within a capitalist socio-economic formation, may benefit all its adherents somewhat, but in fact

also results in a small minority rising to the very top, and thus generating disquiet within the nationalist broad front.

In other words, if this truncated account of that experience does invoke familiar images about the present, it is because there are instructive parallels. At the centre of this is the question of the capture of political power by a coalition of forces in a 'nationalist movement', its attempt within an unchanged (capitalist) socio-economic formation to use political power to re-order the distribution of income and wealth, and the stratification and tensions that ensue, as the elite within this political elite climb faster and higher in the economic stakes than the rest.

It can be argued that in the past 18 years, within an unchanged socio-economic formation, the Black political elite has been striving to use political power to re-order the distribution of income and wealth. It has been straining to use such power to ensure that the elite within the nationalist movement rises to become part of the ruling class, the owners of the means of production. The established white ruling class has in turn been courting this elite in various ways. As in the past, it is a begrudging compliance, but they are doing it all the same. Stratification and inequality have intensified within the Black community; and the disquiet of the mass is manifesting on a grander scale than in the *broedertwis*, as reflected most recently in the Marikana tragedy and the ensuing mineworkers' revolt.

But it would be correct to pose the question: is such a characterisation not too simplistic! Even if we may be dealing with dynamics within one socio-economic formation, aren't there nuances? Is this an inevitable course of a nationalist cause within a capitalist socio-economic formation?

Without going into detail on the theorisation of the National Democratic Revolution (NDR) which aims to create a National Democratic Society, it is critical to highlight the nuances, some of which may reflect qualitative contrasts.

The ANC and indeed the liberation movement at large argue that the purpose of struggle was to resolve the basic contradictions spawned by apartheid colonialism: national oppression, class super-exploitation and gender discrimination. It is a nationalism of the oppressed that trumps narrow confines to embrace non-racial equality.

The NDR, it is argued, should result in the building of:

*"...a society based on the best in human civilisation in terms of political and human freedoms, socio-economic rights, value systems and identity."*

*(Building a National Democratic Society, ANC Strategy and Tactics, December 2007)*

The economic system of a National Democratic Society would essentially be capitalist, *"shorn of ... racial and gender exclusions... and freed from barriers to entry and competition"* and it will have *"a mixed economy, with state, co-operative and other forms of social*

*ownership, and private capital. The balance between social and private ownership of investment resources will be determined on the balance of evidence in relation to national development needs and the concrete tasks of the NDR at any point in time.”*

(Ibid)

The ANC further emphasises that “[i]f there were to be any single measure of the civilising mission of the NDR, it would be how it treats the most vulnerable in our society” (Ibid).

We would all agree that the results of Census 2011 and other data do underline the progress that has been made in improving the quality of life of the overwhelming majority of South Africans over the 18 years of democracy. One can quote instances such as the slight narrowing of the racial income gap, the extension of basic services to the majority of the population and a social wage unequalled in many parts of the world, the reduction of absolute poverty and the opening of access to opportunity undreamt of under apartheid colonialism...

Yet we should also agree that the aggregates on the racial income gap conceal the income inequality within the Black community, amongst others. There is need to drill deeper into the ebbs and flows of inequality trends within and among races, which the grand narrative of Census 2011 may not fully clarify. Extension of access to basic services does not necessarily translate into quality of such services. Unemployment remains a terrible blot on the humanity of our society. While the state has played an important role as an instrument of redistribution, its effectiveness in this regard is hampered by poor capacity, patronage and corruption.

These truths all South Africans are aware of; and there is consensus that the political economy as currently configured is unsustainable. To use the metaphor of Colonialism of a Special Type: the pace at which the state (and the new political elite) can address all these issues, as compared to the historical period referred to above, is also constrained by the reality that the current political elite cannot resort to, but should in fact eliminate, the super-exploitation of the masses in the ‘internal colony’. Such super-exploitation previously made it possible for the white political elite to buttress the living standards of the white lower classes in the ‘internal metropolis’. Besides, the inherited impoverishment of the Black majority, compared to the ‘poor white problem’ of yesteryear, is that much more massive in terms of intensity and extensiveness.

### **IN SEARCH OF A NEW DEVELOPMENT TRAJECTORY**

And so, in the maelstrom of a political elite striving to rise to the status of a ruling class, in intimate embrace or shadow-boxing with the established economic elite, and in the midst of mass disquiet and the tragedy of Marikana, we can be forgiven the temptation to invoke, quite extensively, Karl Marx’s observations after the defeat of the 1871 Paris Commune:

*“During the subsequent regimes”[after the 1789 French Revolution – author], he says, “the government, placed under parliamentary control ... became not only a hotbed of huge national debts and crushing taxes; with its irresistible allurements of place, pelf, and patronage, it became not only the bone of contention between the rival factions and adventurers of the ruling classes; but its political character changed simultaneously with the economic changes of society...”*

*“After every revolution marking a progressive phase in the class struggle, the purely repressive character of the state power stands out in bolder and bolder relief... The bourgeois republicans, who, in the name of the February Revolution, took the state power, used it for the June [1848] massacres, in order to convince the working class that “social” republic means the republic entrusting their social subjection, and in order to convince the royalist bulk of the bourgeois and landlord class that they might safely leave the cares and emoluments of government to the bourgeois “republicans”...”*

*“Under its sway, bourgeois society, freed from political cares, attained a development unexpected even by itself. ...[F]inancial swindling celebrated cosmopolitan orgies; the misery of the masses was set off by a shameless display of gorgeous, meretricious and debased luxury. The state power, apparently soaring high above society and the very hotbed of all its corruptions.”*

*(Karl Marx, The Civil War in France, the Third Address, May 1871: The Paris Commune)*

These observations by Marx, perhaps not entirely applicable to the state of our state today, do send a chilling reminder of what should not be; for the arrival of the worst in our body politic may not announce itself by knocking on the front door. It is an injunction that the national democratic state should urgently organise itself into an effective instrument of rapid growth and development, or consign itself to monumental irrelevance as the revolution strays from its course. For, without this, the state will be rejected as a mere dispensary of elite patronage, mocked as an instrument of pork-barrel regional or ethnic ‘delivery’, and attacked as a defender of super-exploitation.

By avoiding this, we shall escape the fate that befell the pre-colonial Mapungubwe ‘civilisation’ which failed to negotiate the vicissitudes of environmental change; allowed social stratification to rend society apart; suffered marginalisation as new neighbouring ‘civilisations’ emerged and trade routes changed; and failed to contain the excesses of a debased leadership.

South African leaders of transformation believe that there is a way out of pedestrian economic growth and development in which we are currently trapped. This is reflected, in part, in the expression of intent to build a developmental state, in the manner of the so-called Asian ‘tigers’ which have historically sustained high rates of growth and social inclusion over decades, and thus lifted hundreds of millions out of poverty. Such a state, it is argued, should have the strategic orientation for development, premised on the political will

of the leadership to stake their all on a developmental project. It should have the legitimacy to mobilise society behind a vision and programmes to attain set objectives. It should be optimally organised to meet its objectives; and it should have the technical capacity within the bureaucracy to bring its intentions to life.

We should however acknowledge that the trend in most of these states was to rely on the trickle-down economics of high growth rates. Further, in the earlier phases of the evolution of most of these polities, authoritarianism held sway. In contradistinction to this, South Africans assert that ours should be a democratic developmental state; and that social policy should continue to feature prominently as part of speeding up the drive for social inclusion or “developmental citizenship”.

The fact that the South African leadership is striving *a priori* to build a developmental state is itself a positive reflection on the commitment to deal with the social challenges we face. In the words of Professor Linda Weiss, for South Africa to have set itself:

*“... the unusual and challenging goal of becoming a developmental state... is a unique and noble enterprise: unique in so far as no state has ever self-consciously set out to become a Developmental State; and noble in so far as such a project draws inspiration from the experience of certain countries that achieved shared growth – growth with equity. Predatory states have appeared in abundance; developmental states are a much rarer breed”*

(Prof Linda Weiss of the University of Sydney, *Transformative Capacity and Developmental States: Lessons for South Africa*, 2010)

In terms of effort, two striking instances of progress deserve mention. Firstly, it is the adoption by Cabinet of the National Development Plan drafted by the National Planning Commission, and the commitment that where there may be conflict between current policies and programmes and the Plan, the latter will take precedence. This is reinforced by the fact that all political parties and most of society also support Vision 2030 and the Plan. Secondly, the setting up of formal Monitoring and Evaluation capacity and the performance agreements that attach to this have the potential to ensure accountability and thus the implementation of what has been decided upon.

If there was any urgent challenge to address in this regard, it would be ensuring that these two initiatives are effectively operationalised and become truly embedded across all the spheres of government.

## **WILL AND CAPACITY**

The question has been raised quite legitimately whether, beyond declarations, there is the will and the capacity to implement the National Development Plan!

In my view, perhaps subjectively as a member of the National Planning Commission, this question should be approached differently: so popular and so legitimate should the National

Development Plan be, that in the election hustings in 2014, the basic question posed to all parties should be how their manifestos accord with Vision 2030, and what concretely they are going to do in the five years of their mandate to ensure that it is implemented. And the performance of government should be monitored against that yardstick. In other words, while we should take Cabinet at its word, all of society should be the guardians of, and active participants in, ensuring that the Plan is implemented.

Besides this, let me reflect on a few critical actions that success in implementing a development plan requires, and how the South African state and society at large are faring.

The first one is about a social compact. Professor Thandika Mkandawire, elaborates this notion thus:

*“Social compacts refer to the institutionalisation of consultation and cooperation on economic policy involving representation from the state, capital, labour and other organisations of civil society. Social compacts have been used to address distributive and growth objectives of society at the micro-level; to improve labour management at the firm level and, as in the current usage of “social pacts” in Europe, to manage the distributional issues of macroeconomics policies...*

*“The proactive initiatives emerge when societies aim at a future objective that requires high levels of cooperation and trust... and is evoked when nations seek to embark on ambitious projects that require coordination and co-operation in both the political and economic spheres. Nation-building and economic development are good examples of such efforts... Social compacts play an important role in such situations to assure citizens that their current sacrifices will be duly and fairly rewarded in the future.”*

*(Mapungubwe Institute Inaugural Annual Lecture, Prof Mkandawire, London School of Economics and Political Science and Stockholm Institute for Future Studies, 29 March 2012)*

As such, in our situation, a social compact will have to be pro-active and all-embracing, covering such issues as investment, employment and wage policy, interest rates, inflation and cost of living, competition policy, spatial issues and so on. It will require commitment on the part of all sectors of society to facilitate high economic growth and social inclusion, encompassing the totality of things required progressively to attain a decent standard of living for all.

This demands activism across all sectors, and preparedness on the part of the broad leadership to weigh trade-offs and to make choices for the common good. It requires the will and the acumen to eschew narrow self-interest; and leadership capacity to accept and communicate decisions that may not entirely be popular with one’s own constituency.

It is therefore critical to avoid the danger of devaluing the notion of a social compact by confining it merely to immediate responses to a wave of strikes or even short-term measures to minimise the impact of the current global economic crisis. This, in my view, is

one of the weaknesses of the outcome of the recent High Level Dialogue on the Economy, besides the fact that it does not at all refer to Vision 2030 and the National Development Plan.

The second issue is about coherence in policy development and co-ordination. Researchers on developmental states do caution that we should not expect an artificial homogeneity within as large an organisation as the state. In the words of Prof Linda Weiss:

*"The state is not a unitary structure like an orange where all the segments fit neatly together. As a complex of political institutions, states are actually quite messy configurations... As power structures, we say that they are polymorphous. So the state may well be free-market in one sphere (like finance), yet developmental in another (e.g. industry and technology), a promoter of free trade in some sectors (financial services), yet mercantilist in others (agriculture or textiles).*

[Linda Weiss, *Transformative Capacity and Developmental States: Lessons for South Africa, 2010*]

But all scholars of developmentalism do correctly argue that, precisely because states are "messy configurations", one of the most critical and necessary attributes of a developmental state is a central institution, a pilot agency, with the strategic capacities, leverages and authority to drive economic policy and ensure its implementation. One of the weaknesses in the South African state currently is the multiplicity of centres from which economic policy is driven – Economic Development, Trade and Industry, National Treasury, Public Enterprises and so on – with each actually believing that it is the ultimate authority.

As such, we run the danger of re-living the words of Alexei Tolstoy in his epic work, *Ordeal*:

*"The hurricane of events roared and the sea of humanity swayed. Everyone considered himself commander, and flourishing his pistol directed that the helm be turned now to port and now to starboard. All this was illusion . . . The illusions were born of brief glimpses of the mirage."*

[Alexei Tolstoy: *ORDEAL*, quoted from Denga, AC 105, 1986]

The third issue is the balancing act by the state in providing societal leadership: what Peter Evans refers to as "embedded autonomy" [Peter Evans, *Embedded Autonomy: States and Industrial Transformation*, 1995]. On the one hand, the state should be so networked across society as to be able to exercise ideational leadership or what Antonio Gramsci refers to as 'hegemony'.

On the other hand, the state should be buttressed by a professional bureaucracy which is insulated from undue political interference and patronage. The state as a whole should have the will to break logjams in the interactions among various sectors of society – to prevent narrow sectoral interests paralysing the capacity of society to move forward. In a society such as ours with wide social fissures, deadlocks among social partners should be expected.

While NEDLAC was set up primarily to resolve critical issues among these partners, it has become fossilised in its approach; each constituency pursues frozen mandates; representation has been juniorised and the interactions technocratic.

Paralysis around interventions to deal with youth marginalisation, and a youth wage subsidy in particular, reflects this malaise. And the state is too indecisive to act autonomously of the interest groups, even if it meant running extensive pilot projects on the youth wage subsidy, in two or three provinces – the better to address concerns that currently are discussed only in theoretical terms. At the same time, informal forums of interaction such as the Working Groups of government and a variety of other social partners have been jettisoned, worsening levels of mistrust across society.

The last issue is about the state's sources of legality and legitimacy. On the face of it, issues of legality and legitimacy should not arise in the context of our state, given the generations of rights that the Constitution proffers, the separation of powers and the institutions to protect and enforce these rights. But in the context of the Marikana tragedy and the ensuing mineworkers' revolt, we may need to drill deeper to assess whether, unsighted, there aren't worms eating into the very edifice of the state colossus.

And so, beyond the constitutional and formal legalities, we need to examine the sturdiness of the system of rule of law in relation to the most ordinary of citizens all the way to the highest echelons of society. When strikers and demonstrators carry weapons and in fact murder others with impunity; and when an impression is created that court orders are not honoured, we need to ponder whether the 'threat of threat', combined with civilised and intelligent conduct, that should underpin state hegemony is not in fact hollow – ready to unravel in insidious but profoundly destructive ways.

We need to examine how the intent and capacity to provide services by all spheres of government impact on the legitimacy of the state. Needless to say, because of the levels of poverty and inequality in our society, an unavoidable feature of our nation for a long time to come will be the inflammable tinder ever ready to catch fire. In some cases it may not be actual 'delivery' that douses the fires of expectation; but the evidence of general progress and the hope that tomorrow will be better than today. Where, as in the Marikana informal settlement, the social wage is virtually non-existent – with both the state and the mine-owners seemingly having washed their hands – the lack of hope is the spark that sets the tinder alight.

We need to examine whether our theoretical distinction between government and the state, as well between the state and societal leaders, do matter in terms of the legitimacy of the state and the broader socio-economic formation. As such, unethical conduct by leaders in government, business, the trade union movement and the rest of civil society; impressions of lack of respect for public resources; and the ostentation of the elite delegitimise not only the party political and societal leadership; but also the state as such.

We need to do all this appreciating that ours is essentially a capitalist system, with a state that seeks, through developmental programmes, to bridge deep and wide fissures inherited from the system of internal colonialism. As the ruling elite, quite naturally, seeks to raise itself and those in its courtyard to the position of the ruling class, failure more effectively to socialise the benefits of economic growth has the potential to unleash a conflagration a million-times more destructive than the *broedertwis* of yesteryear.

The reconfiguration of this capitalist system should entail more than just the racial dimension at elite level, the so-called black economic empowerment to which 'economic transformation' is usually reduced. The time has come, in addition to all the other programmes of economic transformation, for the political ruling elite and the ruling class, together to contribute to forging a stakeholder capitalism in which the working class is a real beneficiary. I will not delve into various aspects of economic transformation, ranging from the structure of the economy, efficiency and cost of infrastructure, skills training, the multifaceted role of the state and so on.

I wish merely to emphasise that, at the core of the ownership component of economic empowerment programmes going forward, in mining, manufacturing, services and other industries, should be meaningful employee share-ownership schemes (ESOPs) and community participation, which should be emphasised above all other ownership elements of BBBEE. This should be part of our contemplation on the place and role of labour: "*die beskouing van die arbeid*" of the current age.

## **CONCLUSION**

This then is the central message: the state of the South African state and its legitimacy cannot be divorced from the state and legitimacy of the socio-economic system that it manages, and the conduct of the elite beneficiaries of this system. The question therefore is whether the real, ascendant and aspirant ruling class is capable of behaving as more than just a class in itself; but also as a class for itself!

As accomplished scholars have suggested, this perhaps is one of the crucial questions of political economics that researchers in Africa need to interrogate [Prof Mkandawire: 2012 *Mapungubwe Institute Lecture*, including reference to Colin Leys, 1996 #3637: 179]. For contained within it lies one of the decisive determinants of the success or otherwise of Africa's development project.

**END**