

December
2018 [no. 47]Mobilizing critical research for
preventing and eradicating poverty

Special Issue

Perspectives on the Democratic Developmental State

© United Nations



Key points

- To strengthen South Africa's developmental state ambition, the country needs to enhance its local governments' institutional capacity to deliver on their developmental mandate. This requires cooperative governance between all spheres of government and civil society.
- Developmental local government should be understood as the local developmental state because it is underpinned by the developmental ideology of the state as the main economic development coordinator, operating at the local level. The emerging democratic developmental state will only succeed if it is effective at the grassroots level.
- The local developmental state is better positioned than the national government to consolidate the country's emerging democratic developmental state—based on the driving features of maximising social and economic development; promoting democratic development; integrating and coordinating development; and building social capital. However, the uneven capacities between national and local government in South Africa undermine the capable developmental state aspirations.
- The local developmental state must continue to institutionalise democratic principles to promote democratic development, while also prioritising local economic development.

CONSOLIDATING SOUTH AFRICA'S EMERGING DEMOCRATIC DEVELOPMENTAL STATE THROUGH DEVELOPMENTAL LOCAL GOVERNMENT

by Isaac Khambule

Introduction

The South African government is aspiring to become a capable developmental state that utilises subnational state institutions to advance socio-economic development and create effective responses to immediate developmental challenges. This policy brief focuses on the role of developmental local government in consolidating South Africa's emerging democratic developmental state. The brief illustrates how the country's developmental local government system, through its principles of promoting and maximising democratic social and economic development, might consolidate the country's emerging democratic developmental state from the grassroots level, thus providing lessons of value for other countries in the developing world.

South Africa faces rising unemployment (27%), poverty (55%) and inequality (0.65 Gini-coefficient) that continue to undermine the country's social cohesion (Statistics South Africa, 2017). In response to these on-going challenges, the South African National Development Plan (NDP) envisages a capable developmental state as the only solution to the ongoing triple challenges of unemployment, poverty and inequality (National Planning Commission, 2012). Developmental states play a prominent role in economic development because they are driven by the need to attain economic growth complemented by radical changes in socio-economic conditions (Burger, 2014). Developmental states have been recognised for accelerating economic growth,

promoting rapid industrialisation and improving socio-economic conditions, as is evident in the miraculous rise of the East Asian Tigers.

While leading developmental states such as China are often associated with negative characteristics such as poor human rights, authoritarianism, a lack of legitimacy and weak civil society, this brief illustrates, based on the South African example of the democratic developmental state, how developmental local government can act as an agent of positive socio-economic change. For the international community, this brief is important because it emphasises the importance of local state activism in addressing growing inequalities, improving social cohesion and institutionalising democratic development. The positive outcome of pursuing the local developmental state is the ability to promote local state activism that will result in equitable economic development as has been evident in the case of Medellin in Colombia. In the South African context, this approach is now being pursued because to date, minimal state intervention has exacerbated inequalities over the last 20 years.

Characteristics of successful developmental states

Well-known developmental states such as Japan, China, Singapore and South Korea rely on characteristics such as the existence of a strong-willed and development-oriented political leadership (Leftwich, 2002; Edigheji, 2010). This political leadership is driven by the goal to use state resources and capacities to attain economic growth. The political leadership relies on the bureaucratic capacity to design and implement policies that have effective developmental outcomes, consequently improving government's ability to provide public goods to its citizens. The existence of a strong and autonomous (free from rent-seekers, capture and private interests) bureaucracy has thereby ensured that East Asian developmental states have performance-driven governments in the delivery of services, with a particular focus on education, health institutions and economic institutions (Evans, 2010).

Successful developmental states also rely on the existence of a production-oriented private sector that maximises citizens' skills and capabilities (Kim, 2010). For example, the government of South Korea invested in education, public infrastructure and industrial policies, which led to the private sector taking advantage of the enabling industrial policies, public infrastructure and human development (Acemoglu and Robinson, 2013). The success of East Asian states suggests that it is crucial to have a strong government leadership with an efficient bureaucracy in order to

design innovative policies for inclusive institutions and development. These sets of characteristics need to be evident in emerging developmental states such as South Africa.

Negative perceptions of the developmental state

Many defining characteristics are attributed to successful developmental states, with a consensus that developmental states are driven by the need to obtain high economic growth, industrialise and improve socio-economic conditions (Burger, 2014). Prominent developmental states such as those in East Asia have been led by authoritarian regimes associated with negative characteristics such as poor human rights, weak civil society, authoritarianism and a frequent lack of legitimacy (Kim, 2010). These characteristics are the antithesis of democracy and undermine the creation of democratic developmental states. Some authors link the strong performance of the East Asian Tigers to the central role played by authoritarian regimes (Leftwich, 2002). As such, some writers have concluded that developmental states can never be democratic. Edigheji (2010), however, refutes this argument, referring to the existence of Mauritius, Brazil and Botswana as modern democratic developmental states. It is therefore important to promote the concept of the democratic developmental states — i.e. states that promote state activism while being founded on democratic principles centred on human rights and civil participation.

Aligning the local developmental state to national priorities in South Africa

South Africa's NDP highlighted that the country's developmental state ambitions will require the active participation of all spheres of government (NPC, 2012). Strong coordination remains a key pillar for effective developmental states such as China. However, the developmental state literature is silent on the role of subnational state institutions in economic development. South African local government exhibits a developmental state model that is inclusive of the strong role of local government. For example, the country's local government operates under the developmental local government ideology embedded in the *White Paper on Local Government* (Department of Provincial and Local Government, 1998). Developmental local government is defined as a government that is 'committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives' (DPLG, 1998).

Similarly, the NDP notes that local government has an instrumental role to play in the country's developmental state ambitions due to its proximity to the citizens. This denotes the important role that the state, local government and civil society have in the country's developmental state ambitions. Whereas developmental states are based on a top-down approach, strong participation of local stakeholders is important in two ways. Firstly, it empowers citizens with the necessary space to bring about sustainable solutions to developmental challenges, thereby consolidating democracy at the grassroots level. Secondly, it creates local ownership in the development process, cultivating space for democratic development. In South Africa, democratic development is articulated through the participatory Integrated Development Plans (IDPs) process that has been underpinned by citizen participation in local-level development planning led by local governments.

Local governments consolidating the Developmental State

Developmental local government has to be understood in line with the role of local government in a

developmental state, whereby it represents a new type of governance. The local developmental state is linked conceptually and directly to the developmental state because it is underpinned by the increasing recognition of the role of subnational institutions/governments (provincial, regional and local authorities) in achieving national developmental outcomes (Schoburgh, 2016). To illustrate the link between the developmental state and the developmental local government/local developmental state, attention has to be paid to the driving features of developmental local government. Developmental local government is driven by the need to promote and maximise democratic social and economic development, while also integrating and coordinating development planning (DPLG, 1998). Notably so, subnational governments are key in building the institutional and organisational infrastructures to facilitate the emergence and prospects of small-businesses and territorial development.

Local government should be understood as a supporting structure of the developmental state ambitions rather than the main architecture. The national government remains the architecture, with support structures existing through provincial and local governments. The national government ensures



that there are even capacities between national and local government for the local developmental state to succeed. In practise, however, the Presidency (2015) noted the inability of more than 50% of South Africa's municipalities to deliver basic services, leading to increased service delivery protests. While capacity deficits within local government are being addressed through capacity building initiatives, more support is needed to create a capable local developmental state in all local administrations.

Maximising social and economic development

The first feature of the local developmental state is to maximise social development and economic growth. While the national developmental state is driven by the need to attain economic growth at the national level, the local developmental state is driven by the need to attain local economic development (Schoburgh, 2016). As such, developmental local government represents the local developmental state because it is driven by the idea of local government being at the centre of economic development. Schoburgh (2016) defines the local developmental state as the micro-institutional developmental state. The local developmental state is a local government that is concerned with the central role of the local state in facilitating and accelerating development in a decentralised state. As such, this extends the notion of the state as the economic development coordinator from the national to the local level.

The World Bank (2005) defined local economic development as a participatory process whereby the public sector, private sector, businesses and non-governmental sector, collaborate with the aim of creating a conducive environment for economic development and job creation. Although the World Bank advocates for collaboration on an equal footing, this is untenable in the South African context, as a participatory approach without a strong emphasis on the role of the state would promote unequal outcomes dominated by better-capacitated groups such as markets and private interests. Due to this, there needs to be local state activism, while also addressing the inability of the local government to work better with other stakeholders such as businesses and civic organisations.

Successful developmental states have relied on strong cooperation between the state and businesses—with the state ensuring national outcomes rather than private outcomes. The local developmental state must be oriented towards working strategically with merging local enterprises in order to harness private sector development (Heberer and Trappel, 2013). As

such, it is key for South African local governments to facilitate economic development driven by the proactive role of the state and businesses and increase sectoral development. As noted by Bateman (2017), the local developmental state plays a significant role in securing sustainable and equitable local socio-economic development.

Promoting democratic development

The second fundamental feature of the local developmental state is that it is driven by the notion of promoting democratic development, contrary to the authoritarian regimes where the political leadership decides the development narrative. Democratic developmental states must play a leading role in championing redistribution and alleviating poverty and inequality (Penderis, 2012). The developmental local government/local developmental state offers local institutions the chance to be proactive and innovative in meeting the national development goals through avenues such as IDPs, local ED strategies and local elections.

The local developmental state is driven by two elements; the provision of local governments with the necessary space and capacity to champion social and economic development in their territory; and the involvement of local citizens in state-led development to come up with local solutions (Schoburgh, 2016). However, the setback in the South African experiences, particularly the failure to drive local state development, has been the lack of prioritising local economic development institutionally and financially. The positive aspect of the local developmental state is that it has mechanisms for promoting democratic development, thereby eliminating the association of developmental states with weak civil society. To some extent, the South African local developmental state shows the potential of the modern democratic developmental state that is rooted in local state activism. As such, there should be strong commitment to ensure that mass participation of different stakeholders is the norm in the development space if an inclusive growth is to be achieved.

Integrating development planning

While developmental states are premised on centralised planning, the global decentralisation process has led to a strong emphasis on the role of local governments in coordinating and planning local economic development activities. The capacity of local government must be strengthened to integrate and coordinate development planning with national plans to meet national goals.



© Darryn van der Walt - Hope you voted... (CC BY 2.0) <https://www.flickr.com/photos/calico182/3465337579>

In South Africa, this task falls under the banner of the participatory IDPs that every local municipality must have (Municipal Systems Act, 2000).

In the South African context, although the national development plan is the blueprint of the country's development trajectory, local governments are given their own space to come up with innovative ways of addressing national developmental challenges. This mandate was adopted by the NDP from the White Paper on Local Government that argued that local government must work with citizens and social groups to create suitable and sustainable mechanisms of meeting the social, political and economic needs of the people, and subsequently improving their livelihoods (DPLG, 1998).

The IDPs are important because they illustrate the link between the NDP and local development plans. This is evident in that municipal IDPs are required to be innovative in meeting national developmental goals while also addressing local development challenges. This relationship is testament to the link between the national and local developmental state. A strong coordination should be sought between national and local levels if the local developmental state is to contribute positively to developmental goals. Further to this, any duplication of tasks between the different spheres of government should be attended to. The reconfiguration of IDPs into proper participatory structures is important in building democratic development that is vibrant at

the local developmental state level. Local authorities should therefore utilise the local knowledge and needs presented by local communities in development forums. The reciprocal recognition between local authorities and citizens needs to promote democratic governance.

Conclusion

There is a growing recognition of the need to promote transformative and democratic developmental states that will accelerate economic growth while also protecting human rights (Mkandawire, 2010). Although the role of subnational state institutions in economic development is somewhat ignored, local governments have an important role to play in consolidating the emergence of democratic developmental states. Maximising social and economic development, promoting democratic development, and integrating and coordinating development planning are essential tasks for the local developmental state. The political leadership should ensure the existence of a capacitated bureaucracy that promotes effective government policies and a strong relationship with the private sector and civil society to build a capable local developmental state.

IDPs should be strengthened and improve consultation and decision-making to reinforce policy formulation. This task is important because it eliminates the weak civil society that is associated with developmental states. Evidently, the elimination of weak civil society through local governance promotes democratic governance in the social, political and economic realms. Civil society needs to be strengthened through ensuring that participatory spaces are inclusive and accessible to all citizens, while the private sector needs to be encouraged to participate in LED forums through the chambers of commerce. For this reason, the participation of citizens in participatory structures such as IDPs, ward committee meetings and local government elections needs to be enhanced.

Other countries can learn from the South African experience of the importance of ensuring even capacities between the national and local spheres in order to ensure effective institutional capacity to meet developmental outcomes. Other key lessons include the importance of decentralisation and the role of local government as an agent of development. It is also necessary for local mechanisms to involve all local role players in the design of strategies to meet both national goals and local aspirations, and it is important to pursue economic and social goals in an effort to address poverty, inequality and unemployment.

About the Author

Isaac Khambule is a PhD Candidate at the University of KwaZulu-Natal and a Researcher at the Human Sciences Research Council, South Africa.

Contact: ikhambule@hsrc.ac.za
isaac.khambule@gmail.com

References

- Acemoglu D. and Robinson J. A., 2013, *Why Nations Fail. The Origins of Power, Prosperity and Poverty*, London: Profile Books.
- Burger P., 2014, *How suitable is a 'developmental state' to Tackle Unemployment, Inequality and Poverty in South Africa?* Econ3x3 Papers, Cape Town; University of Cape Town.
- Department of Provincial and Local Government (DPLG), 1998, *White Paper on Local Government*, Pretoria: Government Gazette.
- Edigheji O., 2010, *Constructing a Developmental State in South Africa* (ed), Cape Town: HSRC Press.
- Evans P. B., 2010, *Constructing the 21st century developmental state: potentialities and pitfalls*, In Edigheji, O., (ed) *Constructing a Developmental State in South Africa*, Cape Town: HSRC Press.
- Heberer T. and Trappel R., 2013, 'Evaluation Processes, Local Cadres' Behaviour and Local Development Process', *Journal of Contemporary China*, DOI: [10.1080/10670564.2013.795315](https://doi.org/10.1080/10670564.2013.795315)
- Kim E. M., 2010. *Limits of the Authoritarian Developmental State of South Korea*, in Edigheji, O (ed) *Constructing a Developmental State in South Africa*, Cape Town: HSRC Press.
- Mkandawire T., 2010. *From Maladjusted States to African Democratic Developmental States*, in Edigheji, O (ed) *Constructing a Developmental State in South Africa*, Cape Town: HSRC Press.
- Municipal Systems Act, 2000, *Municipal Systems Act no. 32 of 2000*, Pretoria: Government Gazette.
- National Planning Commission (NPC), 2012, *National Development Plan: Vision for 2030*, Pretoria: The Presidency.
- Leftwich A., 2002. 'Debate: Democracy and Development, A Contradiction in the Politics of Economics'. *New Political Economy*, Vol. 7, No. 2, pp. 269-281.
- Penderis S., 2012, 'Interrogating the Emerging South African Developmental State' *Africanus*, Vol. 42, No. 1, pp. 4-15.
- Schoburgh E. D., 2016, *Post-development Theory and the Local Developmental State*, In Schoburgh E.D., Martin J., and Gatchair S., (eds) *Developmental Local Governance. International Political Economy Series*, Palgrave Macmillan: London.
- World Bank, 2005. *Exploring Partnerships between Communities and Local Governments in Community Driven Development: A framework*, World Bank Social Development Department, Washington DC: World Bank.

The CROP Poverty Briefs: This Special Issue brief is part of a series of short research notes from an international workshop on "Perspectives on the Democratic Developmental State" held in Cape Town in February 2018. This initiative was supported by the CROP/UiB-UKZN-

CODESRIA UTFORSK **Partnership for Poverty and Sustainable Development Studies**. The ideas contained in CROP Briefs are those of the named authors and do not necessarily reflect a consensus view of the Programme.

CROP Secretariat

P.O. Box 7800
 N - 5020 Bergen - NORWAY
 Visiting address: Jekteviksbakken 31
 Phone: +47 555-89744

eMail: crop@uib.no
 Website: www.crop.org
 Facebook: @CROPoverty
 Twitter: @CROPoverty

Editor: Etienne Nel
 Co-editor: Enrique Delamónica
 Coordinator: Inge Tesdal



**International
 Science Council**