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We need a compass and maps, not just an egg-dance in tactics

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The first step taken by any new administration after winning elections is to pronounce itself on economic and foreign policy. This is usually done to settle the uncertainties that generally prevail in the period leading towards elections - the period in which political parties deliberately take a vague position by promising change while at the same time maintaining a sense of continuity and stability.

Almost halfway into the first term of his presidency, the Jacob Zuma administration has yet to pronounce its stance on foreign affairs and economic policy.

Of course, foreign policy has to be adaptive to the ever-changing global map. However, it should be clear as to which principles and preferences will serve as guiding criteria for deciding how a country will relate to foreign nations and what concerns are to be prioritised in such relations.

On the economic policy front, while each and every country strives for the socio-economic betterment of its citizens, that can only be achieved where choices have been made as to which principles are to be paramount in the pursuit of that goal.

South Africa's white paper on foreign policy - by the Department of International Relations and Co-operation - is said not to provide a breakthrough when it comes to the specifics of foreign policy direction.

That democratic South Africa's foreign policy has been first and foremost aimed at strengthening the culture of human rights is a good point. However, it is important to set out the specifics.

The same goes for the recently proposed economic policy captured by the phrase "a new growth path". High-level commitments and targets are set, but the approach is nothing concrete. Our foreign policy and economic policy are supposed to be evolving; however there seems to be more stagnancy in terms of the strategic positioning that ought to characterise policy.

The main problem with this lukewarm approach to policy is that it renders policies not falsifiable: One cannot tell at a point in time if policy is being invoked and succeeded, or failed. This is due to the fact that these are limited to high-level concepts such as striving for human rights, without drilling into lower-level guides on choices that express concrete direction.

With continuous shifting of targets and time frames by the government, such policies can easily be saved from strict public scrutiny. While it is sensible to avoid an unduly confrontational policy position, a vague policy position is as good as having no policy at all.

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Since taking over as the president of the ANC, and of the republic, Zuma has consistently been gathering a reputation of a leader who does not take a clear position on potentially divisive issues. His stance on economic policy is difficult to discern.

The reorganisation of government departments since Zuma's ascension to the Union Building does not give a clear indication as to the type of economic policy that would be followed: The creation of the Economic Development Ministry headed by the former trade unionist Ebrahim Patel promises a left-leaning approach to economic policy, while the creation of a potentially supra department in the form of a planning commission led by former Treasury minister Trevor Manuel shows that Zuma also prefers to maintain closer ties with market enthusiasts.

What this creates is the possibility of change in the form of extensive state intervention in the economy, while leaving sufficient opportunities for private capital to continue to organise itself and retain influence in the economy.

South Africa's stance on economic policy since the end of apartheid has always been marred by mixed messages. The grand narrative on our economic policy so far is the idea of a "developmental state". The ANC-led government has been punting this idea to indicate the role of the state in relation to guiding the economy towards a growth path.

Students of economic history would recognise that there aren't concrete theoretical postulations on the normative content of the idea of a developmental state; neither is there clarity on which principles distinctly define economic policy of a developmental state.

Does a developmental state pursue a market economy; a state-market economy; or both? Or even less clear, is a developmental state merely a responsive type of state which improvises as it goes along?

The idea of a developmental state in South Africa's economic policy dialogue is used to refer to ad-hoc measures seen through state interventions by way of public works programmes, coupled with welfare programmes. This is just about all that we understand about a developmental state as this idea is expressed by the government.

Outside South Africa, though, the most known about the developmental state is how East-Asian countries, notably Japan, were successful in modernising their economies.

Studies in these cases are predominantly hindsight observations on how the states in East Asian economies have been successful in directing economic growth towards expansion and job creation.

The interventionist role of the state in those economies may have not been smoothly orchestrated in a similar manner to what we expect it to be in the case of South Africa, for example. Japan, considered one of the exemplary cases of a developmental state, did not have local capital to finance its modernisation programme that took off in the 1960s.

Lack of local capital in Japan allowed the state to position itself as the only channel for accessing foreign capital, or capital, for that matter. The state leveraged this shortfall as an opportunity to influence which industries should be funded and under what conditions.

The situation allowed the state in Japan to determine the direction of economic expansion, through the Ministry of Trade and Industry.

This model is not feasible for current South Africa. South Africa is a democratic country where firms and companies operate freely and could source capital from open markets and also from outside the country, without having to go through the state. Job creation, in this case, would only be a residue of economic efficiency and competitiveness and not the main drive or motivation for behaviour of companies.

Firms that engage in business with the initial aim of creating jobs will find themselves at a risk of being kicked out of the market not because job creation is mutually exclusive to survival of business, but because their focus on job creation

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would eclipse them from adapting and reacting to changes in the markets.

Taking Japan's model and even the current development trajectory of China, where the state is fully in charge of directing economic expansion and growth, the idea of a developmental state espoused by these two cases respectively does not really help South Africa out of the economic wonderland. South Africa cannot emulate policy approaches seen in Japan's Ministry of Trade and Industry, neither can we try the Chinese method.

Perhaps we should shift our focus from this idea of a developmental state and turn our attention to building a government that is capable of providing basic services and the necessary infrastructure that would benefit the majority of citizens. If by addressing the idea of a developmental state we are able to improve service delivery at local government level and uproot incessant government wastages, then we can continue with this debate.

President Zuma may not have to worry about stating to us if his administration is left-leaning or market-leaning when it comes to economic policy, or whichever growth path his administration prefers. We live in a complex society characterised by a stark demand on the public service to deliver basic services on one hand, and the yearning for individual prosperity and private ownership, on the other.

These demands are not mutually exclusive and they should be provided for by the same government irrespective of how the state wishes to label itself. Our foreign policy need not be overly subjected to the shifting global power relations. We have to continue to stand firm on the human rights front in more concrete ways, while at the same time negotiating how we get involved with economic superpowers to achieve our commercial interests.

We need to rather engage honestly with commercial partners in a way that we do not overly compromise what we stand for in terms of our commitment to human rights. Our foreign policy position has to be clearly pronounced and has to live throughout our pursuit of commercial interests.

The debate about a developmental state is important only if it also talks to the state's responsibility to provide basic services to citizens. If we agree on this, then all states are, in essence, developmental.

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