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TSHWANE UNIVERSITY OF TECHNOLOGY

Planning & the Mixed-economy in South Africa

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Outline of Presentation

1. Geo-physical Context
2. Socio-political History
3. Political Economy
4. Policy: Revolution & Reform
5. Contemporary Challenges

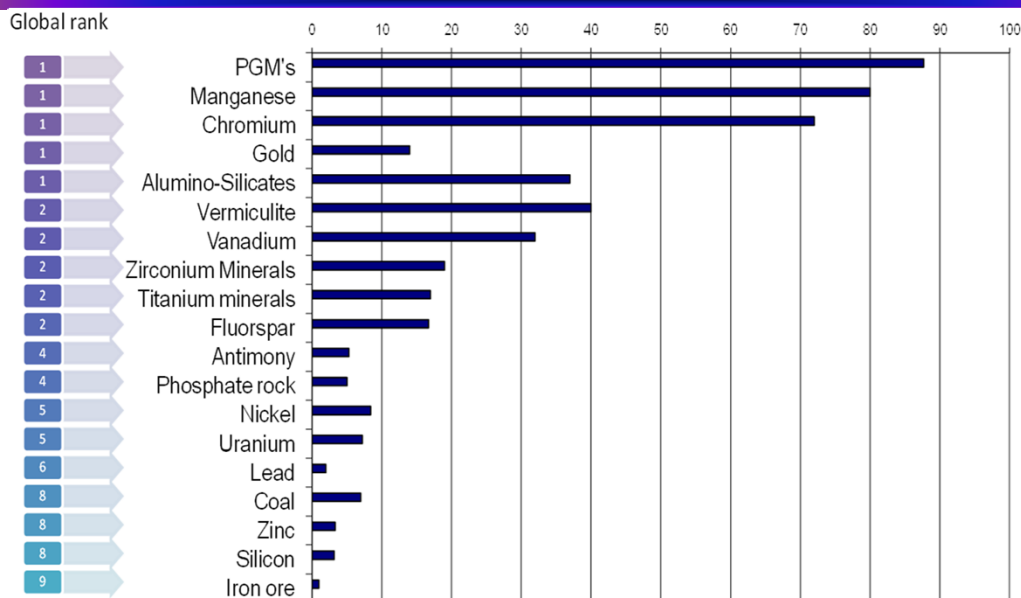


Geo-physical Context

South Africa is the world's richest country in terms of the value of its mineral reserves, estimated at US\$2.5 trillion
- Citigroup(2010)

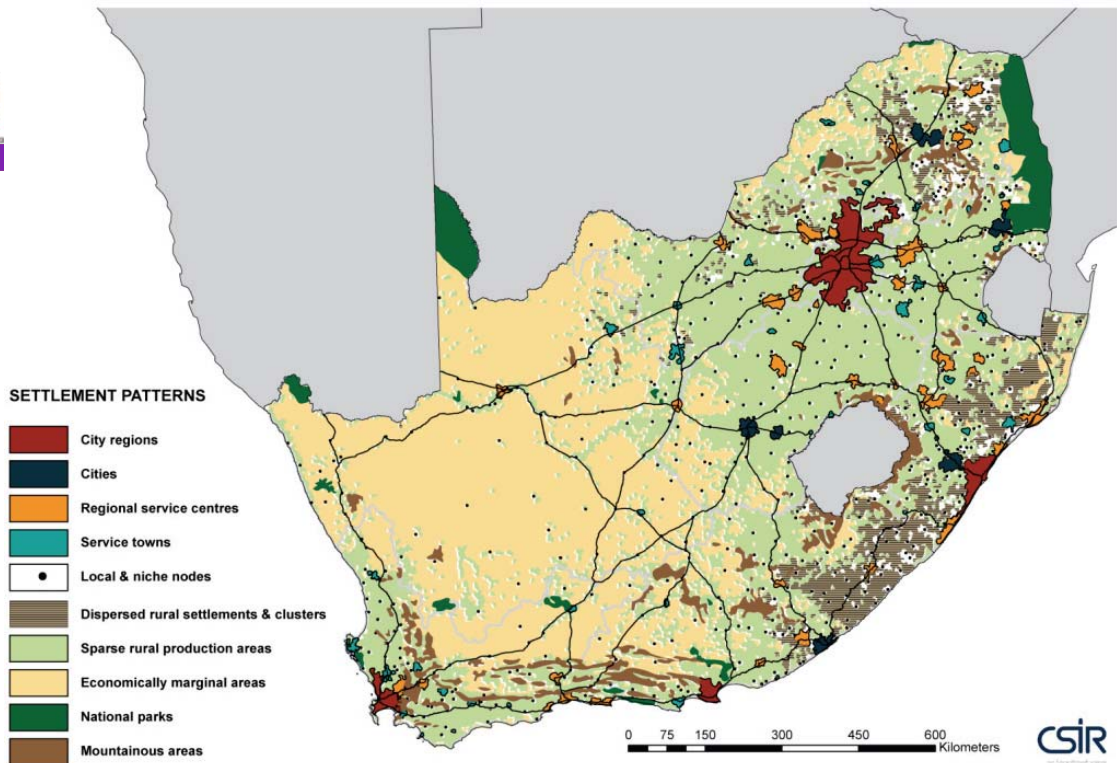
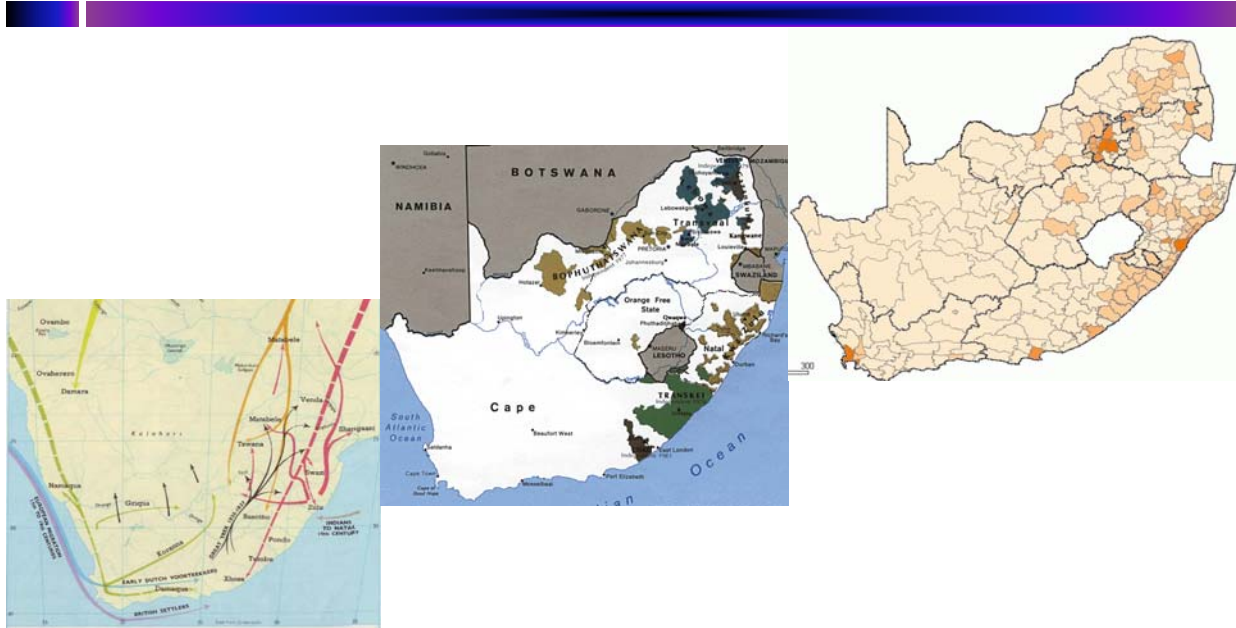


SA Mineral Reserves (2008)





Socio-political History





Political Economy

- Conventional/ Conservative
- *Apartheid represented Separate Development based on the Scientific Racism ...*
- Liberal
- *Apartheid constrained Capitalist Development ...*
- Radical
- *Apartheid built South African Capitalism ...*



Early Radical Historiography

- Combined and Uneven Development
- *'exploitation (surplus value extraction) at the point of production [combined with] relations between market and non-market activities'*
- Colonialism of a Special Type
- *'the distinguishing feature of South Africa is that it combines the characteristics of both an imperialist state and a colony within a single, indivisible geographical, political and economic entity'*



Radical Historiography of SA

Early 1970s	articulations of modes of production	Harold Wolpe et al
Later 1970s	fractions-of-capital analysis	neo-Poulantzian
Early 1980s	racial capitalism	Social History
Late 1980s	Racial Fordism	regulation theory
1990s	Minerals Energy Complex	Ben Fine et al
Late 2000s	<i>Predatory Capitalism</i>	<i>Cosatu ...</i>



Early Historical Periodisation

	Until 1652	Until late 19 th Century	1910	1948	1970s
Political Economy	Hunter-Gatherer, Agrarian, Mining,	Slavery, Articulation of Modes of Production	Settler Colonialism	Racial Capitalism	Racial Capitalism
Ideology	Feudal/ Communal	Multiplicity coexisting and competing	Imperial	Grand Apartheid	grand Apartheid
Public Management	Traditional	Autonomous though increasingly engaged	Undemocratic Imperial	Undemocratic Conservative	Undemocratic Increasingly autocratic
Economic Policy		Acquisition through violence	Dependency	White Affirmative Action & Empowerment	Import Substitution Industrialisation



Recent Periodisation

	1980	1990	1994	1997	2001	2007
Political Economy	Siege Economy	Siege Economy	Mixed	Mixed Market-led	Mixed Market-led	Mixed State-led
Ideology	Apartheid	Dual Power	<i>Keynesianism</i>	Structural Adjustment	Neo-liberalism	Neo-liberalism
Public Management	Authoritarian - Military	<i>Negotiations</i>	Democratic Developmental	New Public Management	NPM	NPM
Economic Policy	Normative Economic Model	<i>Normative Economic Model</i>	Reconstruction and Development Programme	Growth, Employment And Redistribution Strategy	Accelerated and Shared Growth Initiative for SA	New Growth Plan

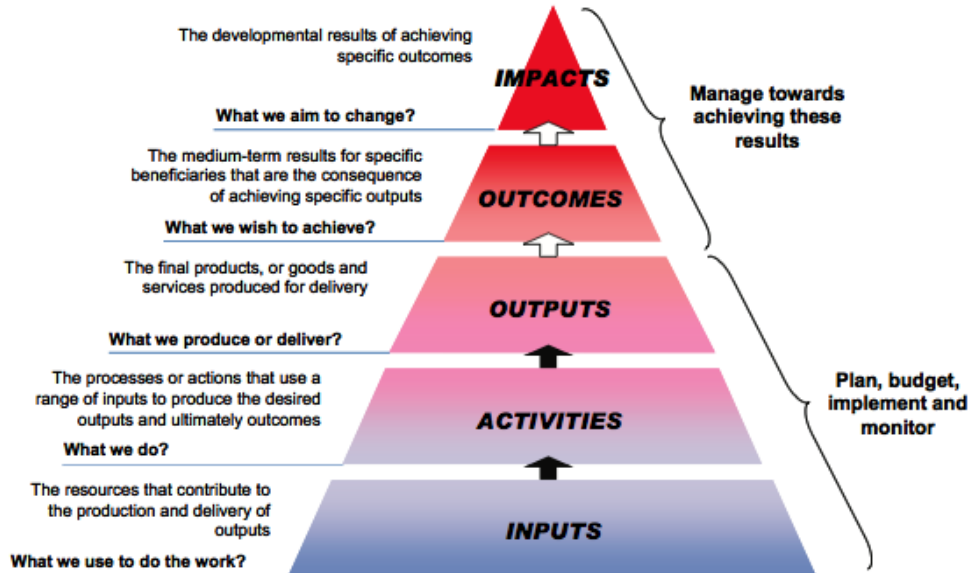


Policy: Revolution & Reform

□ 4 Phases of Post-apartheid

1. RDP
2. GEAR
3. ASGISA
4. NGP

Results-based Management



National Developmental Outcomes

1. Improved quality of basic education.
2. A long and healthy life for all South Africans.
3. All people in South Africa are and feel safe.
4. Decent employment through inclusive economic growth.
5. A skilled and capable workforce to support an inclusive growth path.
6. An efficient, competitive and responsive economic infrastructure network.
7. Vibrant, equitable and sustainable rural communities with food security for all.
8. Sustainable human settlements and improved quality of household life.
9. A responsive, accountable, effective and efficient local government system.
10. Environmental assets and natural resources are well protected and continually enhanced.
11. Create a better South Africa and contribute to a better and safer Africa and World.
12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

□ *Presidency (2010)*



34 Delivery Agreements

- ❑ Refined and provided more detail to the outputs, targets, indicators and key activities for each outcome
- ❑ Identified required inputs and clarify roles and responsibilities
- ❑ Spelt out who will do what, by when and with what resources
- ❑ Unpacked each outcome and each output and the requirements to reach the targets
- ❑ Details include:
 - ❑ legislative and regulatory regime
 - ❑ Institutional environment
 - ❑ Decision-making processes and rights
 - ❑ Resources needed and re-allocation of resources where appropriate
 - ❑ *Presidency (2011)*



Performance Monitoring & Evaluation

- ❑ Outcomes-based approach for government-wide monitoring and evaluation
- ❑ Evaluation = *The systematic collection and objective analysis of evidence on public policies, programmes, projects, functions and organisations to assess issues such as relevance, performance (effectiveness and efficiency) and value for money, and recommend ways forward*
- ❑ 6 Types: Diagnosis, Synthesis, Design evaluation, Implementation evaluation, Impact evaluation



Domestic Economic Diagnosis

- ❑ *The economy does not serve the interests of all South Africans*
- ❑ *Poverty levels are high and inequality is extremely high and persistent*
- ❑ *The economy is shaped by its history as a commodity producer operating in an environment of abundant resources, and is highly resource intensive*
- ❑ *Apartheid distorted the economy in ways that undermine both South Africa's competitiveness and the potential of its people*
- ❑ *Power relations in the economy are highly unequal and this gives rise to outcomes that are highly unequal by international standards*
- ❑ *While there are pockets of excellence, major parts of the economy are uncompetitive, with high rates of concentration, high margins and high cost structures in both the private sector and state-owned enterprises*
- ❑ *The democratic government has failed to significantly alter the pattern of growth and development*

Sources: NPC (2011)



NPC Main Challenges

- ❑ Unemployment;
- ❑ Income inequality;
- ❑ Poor-quality education;
- ❑ Poorly located and insufficient infrastructure;
- ❑ Resource intensity of exports; &
- ❑ Skewed spatial patterns.



NPC Proposed 'Plan' [June 2012]

1. Raising exports in areas where the economy has endowments and comparative advantage;
2. Increasing the size and effectiveness of the innovation system;
3. Improving the functioning of the labour market to make it more labour absorbing;
4. Supporting small business through better coordination of support agencies, development finance institutions, and public and private incubators;
5. Improving the skills base through better education and vocational training;
6. Increasing infrastructure investment to lower costs, raise productivity and broaden economic participation;
7. Reducing regulatory burdens in sectors where the private sector is the main investor; &
8. Improving the capacity of the state to effectively implement economic policy.



NPC Proposed Interventions

- ❑ Expand economic opportunity for all through investing in infrastructure, diversifying exports, strengthening links to faster-growing economies, enacting reforms to lower the cost of doing business, reducing constraints to growth in various sectors, moving to more efficient and climate-friendly production systems, and encouraging entrepreneurship and innovation.



NPC Expected Outputs

- ❑ Improving infrastructure and network services that support industries such as mining and agriculture, as well as new, dynamic industries, will be the focus of a more labour-absorbing growth path.
- ❑ Regulatory reform, improved competitiveness and an enabling investment climate will boost employment and growth prospects.



NPC Expected Outcomes

- ❑ Lower living costs and improvements in the skills base will improve the ability of individuals to respond to job openings and economic downturns. Combined with higher labour market participation, earnings moderation will help to lower the level of income inequality.



Role of the SA State (post-2007)

- ❑ Health and education services
- ❑ Household infrastructure
- ❑ Physical and social security services and regulations
- ❑ Support for economic development:
 - ❑ Regulatory frameworks
 - ❑ Economic infrastructure (logistics, energy, water, waste removal)
 - ❑ Skills development
 - ❑ Subsidies, incentives and investments



Conclusions

- ❑ Persistence of Poverty, Inequality and Ecological Destruction
 - ❑ Over-financialised Minerals-Energy Complex
- ❑ Neo-liberal Public Policy Position
 - ❑ Macro-economic fundamentalism
 - ❑ Tyranny of Neo-classical Orthodoxies
 - ❑ Role of Agencies of global capitalism
- ❑ Challenges of Coordination under Conflicting Objectives
 - ❑ Irreconcilable contradictions of Capitalism and Egalitarian Sustainable Development
- ❑ Post-capitalist Solutions ...



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Gracias, ...r

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