SOCIAL POLICY AND THE STATE IN SOUTH AFRICA: PATHWAYS FOR HUMAN CAPABILITY DEVELOPMENT

BY

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# TABLE OF CONTENTS

## Chapter 1  An overview of social policy in South Africa

1. Introduction  
2. Problem statement  
3. Objective  
4. significance of the study  
5. A critical note on methodology  
   5.1 Research design  
   5.2 Data collection and ethical considerations  
   5.3 Analysis of data  
   5.4 Delimitations  
6. Conclusion  

## Chapter 2  Approaches and methods of social policy

1. Introduction  
2. The welfare state and social provisioning  
3. Social policy and welfare regimes  
   3.1 The Corporatist/Conservative regime  
   3.2 The social democratic regime  
   3.3 The Liberal regime  
4. Social policy in the developing world  
   4.1 Welfare arrangements in Africa, Asia and Latin America  
   4.2 The productive state welfare type  
   4.3 The protective state welfare type  
   4.4 The dual welfare state type  
5. Attempts at meaning and theory of social policy  
   5.1 The institutional view  
   5.2 A view from the development process  
   5.3 A social development perspective  
6. Policy and social theory
Chapter 8 Perspectives on a developmental state for social policy

1. Introduction 208
2. A developmental state as political subjectivities 209
3. A developmental state as ideology and structure 216
4. Prospects and challenges for a developmental state in South Africa 224
5. Conclusion 237

Chapter 9 Rethinking social policy in South Africa

1. Introduction 239
2. Social vacuums in social participation 242
3. The form and content of public participation in South Africa 245
4. A social policy for transformation 249
5. Human security and social policy 255
6. Conclusion 261

Chapter 10 Summary and conclusion 264

References 279
Abstract

The main focus of this thesis is the challenges that are facing social policy development and implementation in South Africa in relation to the enhancement of human capability. The study adopted a historical approach to assess the model of social policy in South Africa and identified that social relations of domination inherited from the apartheid era continuing to produce inequalities in opportunities. Social policy under the democratic government has not managed to address social inequalities and the main drivers of poverty in the form of income poverty, asset poverty and capability poverty which are the underlying factors reproducing deprivation and destitution of the majority of the population.

Although South Africa prides itself of a stable democracy, social inequalities continue to undermine the benefits of social citizenship because political participation in the midst of unequal access to economic and social resources undermine the value of citizenship. Also, inequalities in the distribution of income and wealth, and in the control of economic production undermine political equality which is an ethic upon which social rights are predicated. As a result, state interventions are lacking inherent potential to build human capability for people to live the life that they have reason to value.

The paradox of social policy in South Africa is that the majority of those who are marginalised are those who were excluded by the apartheid regime even though state intervention is claimed to be targeting them. This points to the failure of incremental equalisation of opportunities within a context of stark social inequities. It is also an indication that the economic growth path delivered by the political
transition is working to reinforce the inherited legacy of deprivation and it is avoiding questions related to the structural nature of poverty and inequalities.

Therefore, a transformative social policy is an imperative for South Africa. Such a framework of social policy should be premised upon a notion of human security in order to built human capability. Human security focuses on the security of individuals and communities to strengthen human development. It emphasises on civil, political and socioeconomic rights for individual citizens to participate fully in the process of governance.

Although this thesis is a case study of social policy in South Africa, it can be used to appreciate the role of social policy in other developing countries, particularly the impact of political decision making on social distribution. Poverty and social inequalities are growing problems in developing countries and so is the importance of putting these problems under the spotlight for political attention.
Declaration

This research thesis is my original work and it has not been previously submitted to another university.

Name: Priscilla B Monyai

Signature: 

Date:
Acknowledgement

First I would like to give all honour and glory to my Lord Jesus Christ for his grace that he has given me to undertake this study and to finish it. In all the vicissitudes of life I have seen his mighty arm keeping me and my loved ones. Where would I be without him!

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To the Vice Chancellor Dr M Tom, thank you for your unwavering dedication to learning and for the moral and financial support for my studies. This PhD is where you have always wanted to see me. I am also thankful to Prof. Derrick Swartz who started the ball rolling, the Oppenheimer Foundation that funded me and gave me an opportunity to be a visiting scholar at the University of Oxford in UK, Prof. Michael Noble at Oxford and the Govan Mbeki Research Centre for assisting with funding for my research trips.

My heartfelt gratitude to my colleagues in the department who have been a source of motivation for me, and to my brethren of Rev. 10:7 whose love and prayer have kept me and still keeping me. God bless you all.
### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ASGISA</td>
<td>Accelerated shared growth initiative of South Africa</td>
</tr>
<tr>
<td>ANC</td>
<td>African National Congress</td>
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<tr>
<td>AU</td>
<td>African Union</td>
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<tr>
<td>ASEAN</td>
<td>Association of East Asian nations</td>
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<tr>
<td>CDE</td>
<td>Centre for Development and Enterprise</td>
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<tr>
<td>CBO</td>
<td>Community-based organisations</td>
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<tr>
<td>CSO</td>
<td>Civil society organisations</td>
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<tr>
<td>COSATU</td>
<td>Congress of South African Trade Unions</td>
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<tr>
<td>GEAR</td>
<td>Growth, employment and redistribution</td>
</tr>
<tr>
<td>NEDLAC</td>
<td>National Economic Development and Labour Council</td>
</tr>
<tr>
<td>NEPAD</td>
<td>New Partnership for African Development</td>
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<tr>
<td>NGO</td>
<td>Non-governmental organisations</td>
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<tr>
<td>OAS</td>
<td>Organisation of American States</td>
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<td>PCAS</td>
<td></td>
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<tr>
<td>RDP</td>
<td>Reconstruction and Development Programme</td>
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<tr>
<td>SACP</td>
<td>South African Communist Party</td>
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<tr>
<td>SANGOCO</td>
<td>South African NGO Coalition</td>
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<tr>
<td>UNRISD</td>
<td>United Nations Research Institute for Social Development</td>
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Chapter 1
An overview of social policy in South Africa

1.1 Introduction

One of the major outcomes of the political transition in South Africa was the changing of the national legislative framework on social policy, from a systematic and residual approach of social services and safety nets targeted at white people, to a more incremental and inclusive approach aimed at livelihoods. The major drive for these policy changes was a quest to address widespread poverty which was, and still is, mainly prevalent among the majority of the formerly excluded black people, and going in tandem with other social inequalities in education, health care, property ownership and unequal access to the labour market.

The outcome of the transition was the extension of social protection on an equal basis, to include those who were excluded by apartheid in social provisioning. The main categories of protection include social assistance comprising cash transfers and the public works programme; social insurance for those who are in employment; and social services such as education, health, housing, water and sanitation, and electricity provision.

Since 1994 social assistance has become the main aspect of provisioning that has managed to approximate equal redistribution through means tested social grants and the public works programme. The idea of equalisation of welfare is based in terms of Chapter 2 and Section 27 (1) c of the constitution and is born out of attempts to address inherited social inequalities in income and other areas of social provisioning, including education.
Studies\textsuperscript{1} in the past few years have shown that the extension of social services by government has managed to reduce poverty, and that the major aspect that has contributed to this reduction is the social assistance part of the policy which consists of state funded grants\textsuperscript{2}. To a limited extent, the provision of housing, health, education, land reform, water and sanitation have also made some contribution to improvements. Social grants have been seen to be not only effective as anti-poverty interventions but also as inequality reducing programmes. Therefore, equitability in the expansion of fiscal expenditure and the extension of access to public services has led to reducing gaps between rural and urban areas and to improvements in some aspects of the life of the poor (Leite, et al, 2006).

However, while the above scenario may raise some prospects for inclusive development, a recent report by the Center for Development and Enterprise (CDE) indicates that despite the expanded state expenditure and the extension of public services, the levels of inequality in South Africa are no better than they were in the early 1990s. The report states categorically that the billions of rands that have been spent on addressing poverty and inequality have made no difference on the stubborn persistence of inequality in the country (Center for Development of Enterprise, 2010). The earning inequalities are growing between a tiny minority of the new black middle class and, particularly, between black and white people. This increase in income inequality is regarded as having had a direct impact on maintaining poverty and

\textsuperscript{1} See research by JP Landman et al, 2003, (universities of Cape Town, Stellenbosch and UNISA); S Gelb, 2003, (The EDGE Institute); J Seekings, 2005, (Center for Social Science Research); and Van der berg et al, 2007, (Stellenbosch University).

\textsuperscript{2} State funded grants are in two categories, comprising adults and children. The support for children is in the form of care dependency for children with severe physical and mental impairment, foster care for non-kin to care for children whose parents are unable to care for them, and the child support grant for children in poor households. Adult care includes those with mental and physical disabilities, old age support and war veterans.
worsening the well-being of the poorest. Such severe racial inequalities make it difficult for South Africa to overcome the cycle of high inequality and poverty with which it has been struggling for more than a decade and half (Leite et al, 2006).

Growing inequalities in the country exist despite the steady economic growth and other policy intervention measures such as the Reconstruction and Development Programme (RDP), Growth Employment and Redistribution (GEAR) and the Accelerated and Shared Growth Initiative of South Africa (ASGISA). The achievements in the reduction of poverty, which are indicated by a decline in the number of people living in poverty, are nominal and have not begun to make considerable inroads in terms of improving the living conditions of the majority of the people. This raises questions regarding the efficacy of the principle of incrementalism in addressing inherited social disparities. The issue here is that inequalities, particularly in income, wealth, education and health, create unequal access to the opportunities thrown up by the economy. These inequalities are acting as impediments in the advancement of human capital in the form of skills required, and they also jeopardise the formation and enhancement of social capital in the form of survival networks among poor people. Such a situation impacts negatively on the ability of the previously disenfranchised black people to participate in the economy, and also their capability to achieve what they consider to be essentials of life is marginalised. What is of cardinal concern should be the ability for the inclusive social

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3 With the end of the first decade of democracy wages and salaries of employees increased their share of total income from 62% to 72%. Its racial concentration ratio rose from 61% to 72% while its distribution increased by 11.2% of total income. The top 20% earners did gain income between 2000 and 2004 while the bottom 20% income earners earned the same income over that period (Leit et al, 2006).

4 Inequalities in assets are manifested in the imbalances of ownership of property where 5% of the population owns 88% of the country's wealth, 10% of households earn 50% of all the national household income. Also, 20% of the poorest citizens earn 1.5% of all income, and 85% of all agricultural land is in the hands of a few (50 000) white farmers (StatsSA 2005, Turok 1999).
policy to go beyond the issues of opulence (economic goods and services) and utility (happiness and satisfaction) of well being to the critical question of the development of human capabilities (ability to function). The expansion of human capabilities should be the overriding objective of social policy in order to address the persistent social inequalities that are responsible for generating and sustaining poverty.

Amartya Sen (1999) argues that development requires the removal of sources of unfreedoms. He identifies some of these as poverty, poor economic opportunities, neglect of public amenities, social exclusion, denial of civil and political liberties and lack of freedom to participate in the social, political and economic life of the community. Sen emphasizes that development should be seen as a process of expanding human freedoms. He strongly argues that human freedom should be seen both as the primary end and as the principal means of development. He thus puts forward human freedom as a social commitment. This view of development contrasts sharply with the conventional views of identifying development with gross national product, or with the rise in personal income, or with industrialization, or technological advancement or with social modernization. Sen’s views have indeed ushered in a renewed vigour and fresh considerations in the debate on the concept of development. This concept centers the question of individual agency in development and it provides an integrated analysis of economic, political and social arrangements and the contribution they make to enhancing human freedom for change.

The fact that the massive investment that government has poured into public services has not yielded expected results calls for a reexamination of the objectives of social policy from outcome focus to input-based considerations. Such consideration needs to be based on programmes that are aimed at the promotion of
individual capabilities (substantive freedoms he/she enjoys) to enable them to “pursue a life that they have a reason to value” (Sen, 1999:58).

Furthermore, it needs to be noted that the evolution of social policy in South Africa cannot be understood outside the historical role of deeply racialised capitalism and an authoritarian state that produced a top down process of modernisation. During this period social organisation was based on political and economic exclusion of the black majority population (Africans, Coloureds and Indians). Social provisioning which was a state orchestrated expression of economic allocation was defined on the basis of race. Race was a central determinant in the allocation of employment and work, ownership of property and in guaranteeing individuals and families’ minimum income irrespective of the market value of their work and property. This allocation operated concomitantly with a racist capital accumulation strategy that offered opportunities of employment and property ownership to whites. These conditions were buttressed by authoritative state control of time, space and movement which shaped black people’s unequal access to resources, and negatively impacted on their potential for asset accumulation and the returns from their assets (Gelb, 2003). Moreover, the discrimination in the labour market, the dispossession of land and restrictions imposed on ownership of property, coupled with restrictions in access to finance, became the basis for wide scale structural inequalities in all aspects of social life and the roots of poverty.

Consequently, the development of social policy was informed by the need to uphold racial superiority thus raising the standard of living of whites and widening the racial gap. Social policy became a function of enclave economic interests and of racial prejudice. It played an instrumental role in the stratification of the South African society for the allocation of welfare and in the creation of sharp contradictions of
racial inequalities, poverty, and insecurity, as well as in maintaining and reproducing these contradictions. Consequently, the country emerged in the 1990s with a massive 80% of the population plagued by deep deprivation in asset ownership, vulnerabilities in employment as a result of poor education, and racially stratified social relations of power. It is these contradictions that have locked the country in a state of underdevelopment.

With the advent of the democratic elections in 1994, social policy became an arena characterised by problems of transition, from a racially segregated and polarized society, towards attempts to an integrated society with equitable welfare outcomes between the different identities of race, gender, language groups, and regions. This transition was confronted with dilemmas of making policy choices to address the inherited social contradictions. The stark factors of the structural features of the society, in particular the nature and distribution of economic and political power at the point of the transition, as well as the crisis that beset the economy for two decades prior to 1994, required a serious engagement with options. As a result, the subsequent processes of social policy development became contested arenas, dominated by contending political and economic forces at both the domestic and international contexts. It is this situation that resulted in social policy responses that were based on a generalised liberal principle of inclusivity, that is, the equalised extension of social provisioning of services to all citizens.

However, as has already been indicated, this equalized access to social provisioning has managed to avoid questions related to the structural nature of poverty, and the persistent racial inequalities that have defied attempts of aggregation of welfare utility and the equalisation of opportunity for welfare.
Evidently, the move by the ⁵reconstituted ANC administration towards reinforcing and reshaping the social policy programmes already in place, is a tacit acknowledgement that social policy has not produced an equitable distribution of benefits, particularly to the society’s most vulnerable. Also that a large majority of the population has not yet benefitted from the newly found freedom. Therefore, in order for South Africa to address inherited inequalities and to attain meaningful and equitable development, social policy needs to contain interventions that are aimed at enhancing human capability. Consequently, research needs to interrogate the philosophical basis that informs the making of social policy because it is such a theoretical foundation which determines the nature, content and direction of interventions. It is this approach of looking at social policy that is the focus of this study.

1.2 Problem statement

Inherited social contradictions in terms of inequalities in income and education among others, which produce inequalities in opportunity, are still predominant in South Africa. The central issue is that while the principle of inclusivity and its attendant element of equality of welfare outcome are of instrumental importance, they are however limited. They do not interrogate the entrenched structural nature of the inherited inequalities. What has happened instead is that social policy responses have arisen out of this context of underdevelopment. Therefore, elements of structural unfreedoms which include unequal access to economic resources; asset

⁵ The 2009 elections have ushered in a different mode of development management under the leadership of President Jacob Zuma. This has been characterised by the expansion of the civil service with the creation of six more ministries and the concomitant change of personnel in key posts in some of the social delivery programmes. It is an unapologetic indication of an increased state role in social provisioning.
poverty including land; low earning capacities resulting from lack of access to the labour market; poor education and dominant social relations keep on impacting negatively on the ability of individuals and communities to function. This context impinges on the capabilities of the majority of the previously excluded population to participate in socioeconomic production and exchange and on their freedom to achieve the types of living they value.

The principle of equality of welfare outcome, as espoused by the country’s constitution, does not attain to equality of freedom to achieve. The upgrading of ability to achieve in the form of physical and social functioning of citizens are cardinal elements that need central consideration in assessing social wellbeing. It is imperative therefore, that unambiguous inequalities in capability are eliminated and that equality of capability becomes the basis for equality of opportunity (Sen, 1999).

Hence it is the contention of this study that the principle of equality of opportunities which is applied within a context of underdevelopment, is a negation of equality of access and it engenders conditions that undermine human ability and social wellbeing.

Inequalities in capability to achieve can have very different freedoms for two people for example, who have equal welfare opportunities to pursue their respective perceptions of the good, due to entrenched inequalities which equality of opportunity ignores (Sen, 1992). This fact is illustrated more clearly in South Africa where the poor have a significant disadvantage in the labour market. Poor education and poor health prevent them from taking advantage of labour market developments in the same manner as lack of assets denies them opportunities to engage in production. Therefore this study proceeds from the view that without considerations for equality of capability, inequalities in South Africa will be exacerbated despite well-meaning
efforts for social provisioning for the reduction of poverty. This will be so because a situation of uneven concentration of wealth and unequal access to economic participation, creates conditions of the wealth of the few and the poverty of the many.

1.3 Objective of the study

The primary focus of this study is to make an assessment of the incremental nature of social policy regarding the three variables comprising social assistance, income distribution and education. This is done in order to examine the extent to which the incremental policy approach has managed to address inherited inequalities in the selected areas of provisioning through the equality of opportunity. Of equal importance is the extent to which the incremental model can be relied upon to address the questions of human capability for development and social citizenship rights.

The objective of this study is therefore carried out in relation to the main question that this study is posing, which is:

1. how can social policy in South Africa be used to enhance human capability for development and to address inherited social inequalities in income, education and social assistance provision?

2. The corollary question to this one is what role has been ascribed to social policy concerning access to income and productive resources in the face of the reconfiguration of power and power relations in the transition?

Implicit in these two questions is a salient question on how the issues of race have been renegotiated to deal with deprivation, marginalisation and citizenship rights in the new political dispensation.
The study argues for a shift in the objectives of social policy towards addressing capability deprivation as an important issue of addressing inequality and poverty in the country. For this, the study calls for an alternative long term framework for South Africa based on considerations of human security for a transformative social policy; a social protection framework for organising sustainable social policy responses and the allied conceptual tools that would give shape to interventions and inform their content.

Informed by the questions raised above, such a framework would require an analysis of the interactions of the political and economic influences that have given shape to social provisioning and the conceptual tools that have determined its direction and content; as well as the organised interests (their contradictions, alliances, conflicts and coalitions) that play a role in determining the distribution of income and wealth opportunities and which are defining access to social services, out of which arises beneficiaries and victims.

1.4 Significance of the study

This study has identified a knowledge gap which concerns the ability of social policy in South Africa to enhance human capability. This emanates from the fact that one of the main development dilemmas facing the country today is the historical legacy of dispossession. This dispossession has stripped over half of the population capacity to engage in meaningful production in the economy, as shall be shown in this study. In order to address this historical legacy, a comprehensive programme for the expansion of human capabilities should be a central concern of social policy in South Africa. Therefore, in order to explore this knowledge gap the study undertakes an assessment of three areas of provisioning as examples.
A further compelling reason to develop this knowledge gap is because most evaluative studies on social policy in South Africa are concerned with issues such as people’s living conditions, the coverage (outreach) aspects of welfare and/or lack of it, and on advocacy in terms of the utilisation of the available welfare opportunities (see Devereux, 2010). In this, the phenomenon of underdevelopment that undermines social interventions for welfare and perpetuates deprivation seems to be overlooked. Thus the contribution of this study is to identify the elements of a comprehensive framework of social policy that upholds citizenship rights based on the idea of human security and the promotion of human capability in order to address historical dispossession. Such work that looks at social policy and citizenship in the promotion of capability has not been done yet. Hence this study has identified this opportunity.

1.5 A critical note on methodology

There are three varieties of approaches to the collection of data. These comprise the quantitative, qualitative, and the structural historical approaches. This study has utilised the historical approach on the basis that social policy is a macro phenomenon and that it can best be understood within its historically constituted context. The study is of the view that it is through the reconstruction of past political episodes that the prevailing social arrangement and its institutional order can be understood in South Africa. This is in contrast to the quantitative method which gives primacy to observation of phenomenon and the qualitative approach which gives attention to specific contexts, as shall be seen below. However, prior to delving into the contours of the historical approach and its appropriateness for this study a brief outline on the quantitative and qualitative methods is in order.
The quantitative approach is informed by the scientific method of positivism. This framework is about finding truth and proving it through empirical means involving observing phenomenon, measuring it, describing and making predictions. The positivist world operates through laws of cause and effect that researchers can apparently detect through scientific methods of observation and measurement, hence the quantitative approach centres on experimental control, structured and replicable observation and measurement, generalisation and objectivity. Consequently scientific knowledge stems from observational experience. This excludes metaphysical learning experience which is seen as emotive (Henning, 2004). This approach is inhibitive to the objectives of this study which require more exploratory thinking and analysis rather than experimental observation.

Furthermore drawing from structural functionalist world view, positivism asserts that the social world can be studied in the same way as the physical world, that social laws are directly and objectively observable. The belief is that rules and regulations are necessary to organise society effectively, maintaining order and creating an equilibrium. In this view societies are seen as coherent, bounded and relational constructs that function like organisms with their various parts functioning together to sustain the whole.

Positivism has been heavily criticised on several fronts. The first one is that its leanings towards explaining phenomenon in terms of the function it serves for society compromises its claims on objectivity. This is because analysis does not explain why the action happened but rather why it is continuing or it is reproduced. Thus it fails to elucidate on the origin of phenomenon and its effect. Also, the explanation of social phenomenon is such that the individual becomes a transient
occupant of some stable social role and is less visible than the society. The argument here is that society cannot have needs as a human being does and that even if it has needs they need not be met. Additionally, the insistence on structure and order reduces the sense of human agency and neglects independence and conflict. The dominance of certain elements that create social inequalities in society are justified with reference to the function they fulfill. What this shows is that there is no consideration in the positivist world on how people make meaning or how culture influences interpretation. Also neglected is the fact that everyday reasoning might not be a structured and orderly process as assumed (Henning, 2004 and Flick, 2006).

Finally observation is fallible and measurement has errors. This is so especially because these processes are done by fallible human beings who are carrying their own biases.

On the other hand, the qualitative method takes cognisance of the fact that people are capable of thought, self-reflection and language. As pointed out by Flick (2006), theoretical models based on deductive methodologies and empirical evidence are failing to adequately analyse new social context and perspectives due to rapid social change resulting in the diversification of life worlds and differentiation of objects. This is where the qualitative approach comes in with its main focus on actor orientation, context, process and flexibility.

Qualitative research appreciates the variety of the perspectives of the people being studied, the researcher aims to understand the people under study in terms of their behaviour, beliefs, values and their diversity and the meanings they attach to things. Interrelations are described in the concrete context of the case and are explained in relation to it. The subjectivity of the researcher and of those being studied become
part of the research process. Thus the qualitative researchers take into account that viewpoints and practices in the field are different because of the different subjective perspectives and social backgrounds related to them (Flick, 2006).

Moreover, in qualitative research there is a rich description of the research setting. Behaviour and beliefs are understood within the context of a specific setting. The meaning of events is therefore to be sought in the prevailing value system and structures. In terms of process, events are seen as interconnected over time (Becker & Bryman, 2004). Furthermore, since qualitative research values the perspectives of the research participants and avoids imposing the researcher's own understanding, it is relatively unstructured to allow the researcher to uncover actors’ meanings and interpretations. As pointed out by Flick (2006), these are not treated as intervening variables but rather they become data in their own right forming part of the interpretations.

Having said the above, this study is of the view that the current social policy interventions of the new government in South Africa cannot be adequately understood outside their historically constituted manner of operation for which they were deviced. While the political circumstances have changed in the country, the ability to bring meaningful change to the lives of the poor is constrained by forms of social and political domination. Therefore the aim of this study is to bring this to light by looking at the actions of policy actors and their context, opposing forces and contradictions in the new government and what can be done to address the causes of deprivation and alienation. Consequently, the study has employed the structural historical method for collecting data and for analysis. Historical research “involves
the analysis of … societal changes in one or a few places over a number of years. It can be used to address either qualitative or quantitative research questions” (Kalof et. al., 2008:112). Accordingly, the historical method is more amenable to the understanding of larger macro phenomena such as major societal changes, commonalities among governments, changes in social institutions over time and other social processes.

Indeed historical analysis uses historical events and evidence to craft an understanding of the social world. To Singleton, Jn. (1993) historical analysis can involve different dimensions including: “a reconstruction of past events to describe what happened; application of a general theory to a particular historical case; test explanations of historical events; development of causal explanations of historical patterns for understanding social phenomena and; for the understanding the why and the how of present phenomena” (Singleton, Jn., 1993:375-376).

This study views social policy as a macro phenomenon of interwoven social processes over time from the apartheid period to the new democratic order. In order to understand this phenomenon of social arrangements, the different settings, situations and contexts of social activity that have an influence on social policy have to be studied. According to Derek Layder, these settings, situations and contexts are aspects of society that “may endure beyond the lives of those individuals whose activities constitute them at any given moment … “these are institutional features of social life that interweave with activities of day to day life and give continuity to each other” (Layder 1993:13). It is against this backdrop that this study has adopted a structural historical analysis beyond the episodic ‘here’ and ‘now’ approaches that usually apply to studies focusing on issues of social policy coverage, policy funding and beneficiary response rates to intervention. The focus here is on more enduring
aspects relating to the evolution of social policy with the understanding that episodic analysis is implicated in the more macro focus. Indeed “everyday behavior takes place against the backdrop of wider social, economic and political circumstances which impress themselves on this behavior just as much as these circumstances may be seen as the eventual product or outcome of this type of behavior” (Layder, 1993:67).

It is for the above reason that this study has employed different theoretical frameworks and conceptual constructs to analyse actions and activities in the public sphere of social policy. The study attempts to show how the new extended social interventions are preserving the inherited social contradictions, and what has to be done differently for the different outcomes to be achieved in terms of enhancing the capability of the deprived population. In doing this, the explanatory mode of analysis has been utilized to understand why social inequalities have increased in the post apartheid era, what their social impact is in terms of the expected social transformation and, how social policy can be made to enhance individual capabilities for the previously excluded citizens to enable them to live the life they value. The study does this looking at national and international contexts of the evolution of social policy and attempting to isolate those developments that impinge on this process. This involves the studying of the meaning, statements, policy pronouncements and actions of policy actors in these contexts.
1.6 Research design

This study is based on a case study method of enquiry. A case study is seen by Yin (2003) as an essential form of social enquiry. He defines it as a method that investigates a contemporary phenomenon within its real life context. Further that the case study method can be used to document and analyse the outcomes of public or privately supported policy interventions.

The research object in a case study can be a programme, an entity, an organisation, a person or a group of people. These objects are likely to be intricately connected to political, social, historical and personal issues thus providing wide ranging possibilities for questions and adding complexity to the case study (Soy, 1977). This assertion is the reason for the choice of the case study method for this study. As alluded to, under section 1.2 above, the study of social policy in South Africa inevitably brings in political, economic and social questions to bear on the choices for policy action. Hence an appreciation for a case study as a strategy for this research study.

Case studies answer to questions of why and how, providing context and offering a complete picture of what happened and why. Therefore they are appropriate when there is an interesting story to be told (Tellis, 1997). The exacerbation of inequalities in the context of a democratic government in South Africa, with its own uniqueness of being the only thoroughly interracial society in Africa is undoubtedly an interesting story to tell in the present historical juncture. This is in line with the thoughts of Becker and Bryman (2004) when they assert that the aim of case study research should be to capture cases in their uniqueness and to generate findings that are theoretically interesting and are capable of being taken up by other researchers for further elaboration.
Yin (2003) identifies three different types of case studies comprising exploratory, descriptive and explanatory.

Explanatory case studies seek to answer questions that seek to explain presumed causal links between programme implementation and programme effects. On the other hand descriptive case studies provide a complete description of a phenomenon within its context, while exploratory case studies play the role of preliminary research. They are aimed at exploring questions of subsequent research. They explore situations in which the intervention being evaluated has no clear, single set of outcomes. As already indicated in the elaboration under section 1.2 above, this study has adopted an explanatory mode to show that the inclusive approach to social provisioning is largely remedial in terms of alleviating poverty, but it does not address itself to the structural causes of inequality in South Africa.

Finally, in highlighting the role of theory in case study research, Yin (2003) is of the view that the case study method relies on theoretical concepts to guide the design and data collection process. Such concepts are useful whether conducting explanatory, descriptive or exploratory case studies because they place the case within the appropriate research literature in order to advance knowledge and understanding of a particular case. Without guidance from theoretical concepts identification of criteria for selecting and screening potential objects for cases to be studied, and to suggest relevant variables of interest and therefore data to be collected, may be extremely difficult and hamper the development of a rigorous case study.
1.7 Data collection and ethical considerations

The collection of data for research can take various forms, including, interviews, surveys, observation and historical analysis through the study of documents. Data collection in this study took a historical perspective and was based on the analysis of documents as a primary source.

Usually social scientists when thinking of initiating research will automatically think of collecting new data, few will think of analysing existing data (Hakim, 1982). Hakim further observes that researchers like to think that their idea for a research project is original and hence to assume that relevant data could not yet have been collected by anyone else. In the same vein, Singleton, Jn. (1993) is of the view that while historical researchers may use any source of available data, they tend to rely mostly on documents. Further, that beyond providing more or less direct evidence of historical events, documents are indicators of large scale social structural variables and processes. Therefore, historical research involves examination of a considerable volume of documents that must be organized into a meaningful framework for analysis (Kalof et. al, 2008).

In taking the argument further, Atkinson and Coffey (2004), state that many qualitative researchers continue to produce ethnographic accounts of complex literate social worlds as if they were entirely without writing or text. Further that many published studies are implicitly represented as devoid of written documents and other forms of textual recording. Such accounts do not therefore always do justice to the setting they purport to describe. It is therefore necessary to redress balance for the sake of completeness and fidelity to the settings of social research.

The main sources of data collection in this study were in document form as indicated above. This is because the modern world is made through writing and
documentation. Given the role and significance that written documentation plays in most human societies, it is strange to note just how little attention has been paid to it by social researchers and yet documents are a legitimate field of social enquiry (Prior, 2003).

As Prior further notes, documents stand as three things depending on use, first as a receptacle (of instructions, commands, wishes and reports), secondly, as an agent that is open to manipulation and, finally, as an ally or resource to be mobilised for further action. When documents are approached it is for what they contain, the focus is usually the language contained in the document as a medium of thought and action. Moreover documents stand in dual relationship to human activity as containers of content and as agents in schemes of integration by transmitting ideas and influencing the course and pattern of human interaction. Documents are integral to the research process (Prior, 2003).

In the world of today there are volumes of data already collected, and frequently also cleaned and stored. The researcher can spend the bulk of his or her time analysing the data. According to McCaston (1998) documented data analysis is the analysis of information that was either gathered by someone else or for some other purpose than the one currently being considered, or a combination of the two. In the same vein, Hakim (1982), sees documentary analysis as an extraction of knowledge on topics other than those which were the focus of the original surveys.

The analysis of documented data is only limited by the researcher’s imagination. As Indicated by Boslaugh (2007) such analysis is ideal for researchers who prefer to spend their working hours thinking of and testing hypotheses using existing data, rather than writing grants to finance data collection process and supervising student
interviewers and data entry clerks. Moreover, few individual researchers would have
the resources to collect data from fieldwork.

Accordingly, reviewing, interpreting and analysing secondary data allows for a better
understanding of a specific situation, population or sector. It gives information that is
required to make judgments and recommends areas of intervention (McCaston

Pointing to the advantages of using historical data analysis in research, Hakim
(1982) alludes to the fact that secondary analysis forces the researcher to think more
closely about the theoretical aims and substantive issues of the study rather than the
practical and methodological problems of collecting new data. The time and effort for
organising a new survey can be devoted towards analysing data. Secondly, secondary
analysis helps the researchers to overcome the narrow focus on
individuals and their characteristics, which is so prevalent in much primary analysis
of new survey data, in favour of a broader concern with the socioeconomic structure
and social change.

This last point raised above is very pertinent to this study. In analysing social policy
development and its impact in South Africa and looking at how the policy can be
used to enhance human capability, the study had to make use of volumes of text
from a variety of sources. The aim was to cross-analyse data to gain a clearer
understanding of not only what is happening in the social policy arena and how it
was happening, but also why policy makers have made the kind of decisions they
have made in terms of the nature of current social interventions. The study is more
interested in factors that can bring about socio-economic change. Hence analysis of
documents often processes a larger volume of data than other methods such as
interviews, surveys and observation. A variety of sources have been utilised to
document this study, comprising information stored in government gazettes, published books and articles, official government reports, reference books, scholarly journals on original research, technical reports from research projects, ANC policy documents, official statistics provided by Statistics South Africa and some newspaper articles.

A particular disadvantage pointed out by authors for using document analysis is that such data was not collected to answer the specific question of the research for which it is sought. However, this has not been the case with this study. All the information which was needed by the research questions have been available in abundance, therefore there was ample scope to identify information required from accredited sources.

Concerning ethical considerations, the general requirements for any research requires researchers to observe four main elements: these are, informed consent; avoiding harm to participants; voluntary participation and confidentiality. The first three requirements do not apply to this study as data collection is based on document analysis. The fourth requirement on confidentiality has been observed in that all the sources of data used in this study are public documents for which no permission is required for their use.

1.8 Analysis of data

In this study data analysis has involved the categorisation of collected data into themes and sub-themes which has informed the structural arrangements of the findings. This was done to obviate the task of interpretation of findings and to reach conclusions. This process of grouping and labelling data is referred to, in social research, as coding (Henning (2004), Becker & Bryman (2004) and Flick (2006). The coded categories in this study have been used as indicators of content in the
presentation and analysis of findings on social policy and human capability development in South Africa as outlined in chapters 4 and 5 below.

1.9 Delimitations

There have been no particular limitations experienced in carrying out this study. Important documents needed for the study regarding the policy pronouncements of government, the views of the ANC, and perceptions of civil society and social movements have been accessed and used. The same applies to other study materials such as published books, journals and internet sources which have been used without encountering any problems of availability.

Historical analysis may sometimes be confronted with problems regarding collection of appropriate materials for study and implicit biasness of existing documentation in certain areas such as in the conceptualization of issues. Bearing such potential problems in mind, sufficient documentation relevant to the study area was identified to provide adequate choice of reading materials to meet the objectives of the study and to provide sufficient basis for a balanced assessment of the identified issues for this research. The diverse opinions and conceptualizations relating to social policy were analysed and synthesised to produce a coherent discourse on social policy and human capability which are the theme of this study.

In terms of ethical standards the documents used for the research needed no prior consent from the publishers and the study has thus abided by the universal code of respect for privacy and by the ethical code of the university of Fort Hare.
1.10 Conclusion

This chapter has argued that growing inequalities and persistent poverty are still a feature of the post apartheid era. Racial disparities in income and wealth and marginalisation and powerlessness are still characteristic of the poor and rural dwellers. In a highly monetised economy such as South Africa employment income is a major source of livelihood. And as a result of employment vulnerability due to lack of education and skills, joblessness and cash hunger among the poor is very high. These unfreedoms are antithetical to social development and economic progress. Social policy needs to integrate welfare (social services and safety nets) and development (the development of the capabilities of the poor) in order to take the poor out of the trap of deprivation and to contribute to the economy. There is a need for a new conceptualisation of social policy as well as a new theoretical lens that can inform an integrated approach to a comprehensive and holistic social policy with a goal of promoting human capability.

Methodological issues that have led to the accomplishment of the objectives of this study have also been discussed. The structural historical approach is the most appropriate method for it has enabled the study to analyse the actions of policy actors and their world view in policy making. The qualitative and quantitative methods could not fit with the objectives of this study because policy making is a process that can better be studied through analysis of actions, historical events, statements and legal pronouncements of policy actors more than through observation.

The research design has followed the case study method, the case study being social policy in South Africa as policy and practice with the concomitant social, economic, political and historical dimensions. As an explanatory case study the
study sought to highlight causal links between these dimensions in social policy. Data collection was premised on documentary analysis. This method provided ample time to study the interconnections between the policy process, the actors and the context and to make conclusions. The analysis utilised the coding approach for detailed treatment of phenomena under study.

The rest of this thesis is divided into ten chapters which are probing the different facets of social policy. Chapter two consists of a review of literature. The discussion starts with an elaboration of the genesis of the welfare state as a traditional anchor of social welfare. The chapter proceeds with an examination of different social welfare policy regimes comprising the conservative approach, the social democratic and the liberal regime. The chapter closes by analysing the major theoretical frameworks that inform social policy arrangements, namely, the utilitarian perspective, the social contract and the capability perspectives. Chapter three discusses the legislative foundations of social policy in South Africa as well as looking at comparisons to the rest of the African continent. Chapter four delves into the concept of social protection. It shows how social protection as an approach has influenced social policy strategies in the African Union in the considerations of poverty and inequality in the continent. Chapter five elaborates on the history of social welfare policy in apartheid South Africa. It shows how apartheid social provisioning became the basis for social inequalities and inequitable development, disarticulated planning in social policy, economic policy and rural development. This discussion is based on the elements which constituted a direct attack on the ability to function and on the productive capabilities of the black population. Chapter six expatiates on the characteristics of the transition in South Africa, the contestation of political power and compromise, the new reconfiguration of power along class, and the resultant policy
making environment of incrementalism in relation to the idea of social citizenship. Chapter seven discusses the concept of inclusion and its role as a framework of social policy in South Africa. The chapter goes on to question the ability of the inclusivity framework to address social inequality and to contribute to the expansion of capabilities. Chapter eight is an analysis of a developmental state. It explores the claim of South Africa as a developmental welfare state and points to the inherent prospects and challenges facing such a claim. Chapter nine argues that a comprehensive social policy in South Africa requires the acknowledgement of the underlying causes of social inequalities by government as well as the return of civil society to active politics. The chapter also presents the human security framework as a way forward for a transformative social policy for addressing capabilities. Chapter ten presents a comprehensive summary and conclusion for the study.
Chapter 2
Approaches and methods of social policy

2.1 Introduction

This chapter is a review of different perspectives of social policy and the underlying ideological motivations that give shape to social interventions. The chapter begins with a discussion of the genesis of the welfare state as the basis for social welfare intervention, as well as the three main theoretical frameworks associated with explanations of welfare, which are, structural-functional perspectives, pluralist, and state oriented theories. This discussion is followed by an analysis of three welfare regime types characterising the western social policy landscape as identified by Esping-Anderson (1999). The chapter goes on to discuss a characterisation of policy regime types in developing countries. The discussion engages Nita Rudra’s (2007) classification which identifies intervention policies and institutions in the three regions of developing countries that are prototype of welfare regime types in policy and practice. The chapter closes with a discussion of the conceptual underpinnings of social policy and the theoretical perspectives that are informing this study. These theories are the utilitarian approach, which calls for the maximisation of good outcomes in social policy decisions; the social contract theory, which is based on the principles of equity and justice in social provisioning; and the capability approach, which calls attention to the development of human abilities to enable them to achieve a life they have reason to value.

There are varying conceptualisations of social policy which are related to the various welfare arrangements in different countries of the world. These differences in conceptualisation are as a result of evolving historical priorities and changing
attitudes towards the causes of social problems and solutions perceived as being most appropriate. Nonetheless, welfare programmes in all instances address common social needs such as issues of poverty, equity, rights, inequality and social justice among others, as well as social demands such as housing, health and education. These interventions are often shaped by what is perceived as the causes of social problems in a given space. In the majority of developing countries, social welfare policy interventions have evolved in relation to three historical epochs, namely, the colonial period, the post-colonial era and the current phase of macroeconomic structural adjustment.

In the colonial period, social policy sought to exclude local populations from social provision in education, housing, health, and infrastructural development. Minimum social services were provided only in the sites of extractive activities by the colonial administrations, as well as for those sections deemed necessary as sources of cheap labour in the process of production. In contrast, in the postcolonial period the developing world saw the emergence of strong interventionist states of which development was a national priority and an important national project. This important national project was to be realised through comprehensive social interventions in order to address widespread national deprivation manifested by poverty, inequality and marginalisation. In this context social policy occupied a central position for social transformation. Conversely, in the current trajectory of neoliberal structural adjustment social intervention occupies a residual position, where the state is expected to pull out of the economy and to make way for the liberalisation of the market for the provision of needed social services.
Unlike the developing countries, social policy in the countries of the west has followed an evolutionary process which emanated from the internal class struggles of these countries as outlined in the subsequent paragraphs. Social welfare arrangements in these countries have responded to the values, needs and preferences of dominant social classes. These arrangements are thus manifested through different regime types represented by different political traditions, such as, social democracy in Nordic countries, liberal political values in Anglo Saxon countries and conservatism in some countries of Western Europe, as shall be seen later in the chapter.

2.2 The welfare state and social provisioning

Generally, the growth of social policy, as policy and practice, is historically associated with the growth of state intervention in western countries after the Second World War, which resulted in the emergence of the welfare state as it is known today. During this period of the latter half of the twentieth century, the growth in the regulation of economic activity and the expansion of social services by the state became the defining features of the new welfare state. In Europe and Japan increased state intervention was precipitated by the devastation of the war which left them temporarily crushed and in need of assistance. In the United States the devastation of Europe became an opportunity to extend state activity beyond the domestic borders and to wrest economic and political leadership of the world from Britain. The expanded role of the state in economic and social matters for the post-war period was greatly manifested in the Marshall aid plan for the reconstruction and development of Europe in which the welfare states in Europe and the United States played a big role. As a result these developments formed the basis of the unprecedented role of the welfare state and the growth of social policy in western
countries. Consequently, much thought has since been devoted to the evolution and
development of the welfare state in the literature on social policy. However, debates
on the depiction of the welfare state have been controversial and contested.
Debates on the welfare state and explanations of welfare are framed within three
main theoretical perspectives, namely, structural-functional perspectives such as
industrialisation, neo-marxist and international explanation theories; the pluralist
perspectives focusing on democratic politics and; theories from the state oriented
perspectives.
The structural-functional perspectives emphasise the role of economic factors in
welfare state development. The state is seen in terms of its systemic function of
reproducing society and the economy. Basically, the modern welfare state is seen as
a product of the capitalist society. Gough (1979) depicts the welfare state as both
functional to the needs of capitalist development and a result of the political struggles
of organised working class populations. In his view, social policy is an apparatus of
the welfare state and an arena of class struggle. Accordingly, class struggle is an
important determinant in the development of social policy. In this view, Gough is
echoing similar sentiments with classical writers such as Marshall (1950), and also
expressed by contemporary writers such as Esping-Anderson (1990), and O’Connor
(2001) in their analysis of the welfare state.
Similarly, Marshall (1950) depicts the welfare state as an aggregation between
intense individualism and the promotion of safety guard for the whole community. To
Marshall the welfare state is not a rejection of the capitalist market economy but a
qualified approval of it, the result of which is capitalism softened by socialism. This
perspective is buttressed by one of the early writers on the welfare state Piet
Thoenes (1976), who sees the welfare state as a new form of society which differs
from the liberal state which preceded it and also from the socialist state which was its rival. To Thoenes (1976), the welfare state is distinguished by its democratic features of less emphasis on collectivism and its two basic elements of private property and the profit motive, which he sees as the necessary conditions for the survival of the capitalist system. Even in contemporary thinking, the state-economy thesis for the analysis of the welfare state still provides a powerful tool for understanding the underlying basis for social policy. Esping-Anderson (1990) makes the assertion that industrialisation makes social policy both necessary and possible because pre-capitalist modes of social reproduction such as the family, the church and guild solidarity are destroyed by the forces attached to modernisation such as social mobility, urbanisation, individualism and market dependence. For Esping-Anderson, capital accumulation, as an inevitable product of the capitalist mode of production, creates contradictions that compel social reform. These contradictory functions are identified by O'Connor (2001) as the accumulation function, where the state must try to maintain or create conditions in which profitable accumulation of capital is possible; and the legitimation role, where the state must try to maintain or create the conditions for social harmony. In explaining the co-existence of the two contradictory functions, O’Connor argues that a capitalist state that openly uses its coercive forces to help one class accumulate capital at the expense of another loses its legitimacy and hence undermines the basis of its support. Conversely, a capitalist state that ignores the necessity of assisting the process of capital accumulation risks drying up the sources of its own power from the taxes and other forms of capital. Furthermore, legitimation efforts such as social welfare programmes must be kept within boundaries in order not to hamper accumulation.
Clearly, structural-functional explanations of the welfare state have made a significant contribution in terms of providing an understanding of the underlying structural motivations of social policy.

When this debate is taken up within the international context of social policy, the concern becomes more on the process of globalisation and the level of trade openness to international trade. The main contention is around the impact of increasing levels of international competitiveness on the fate of the welfare state. The protagonists of globalisation argue that the process fosters the diffusion of market friendly policies, the relaxation of labour market rigidity and deregulation measures. On the contrary, the globalisation logic has been empirically challenged by many authors pointing to its effect of weakening state autonomy in the formulation of its own social agenda. Research shows that since the 1980s many developing nations have been hard hit by the policies of privatisation and minimal state intervention particularly concerning welfare activities of social security, health and education provision.

On the other side of the spectrum, the pluralist action oriented theories focus on the independent influence of political activities of the various social and political groups on social policy outcomes. They argue that the existence of democratic political institutions and the high level of political participation and competition may positively influence both the adoption of social policies and the level of spending for them since governments have a tendency to increase income transfers and public investment just before the election to make the economy look favourable (Kim, 2004).

Invariably, collective action such as protests by the poor and industrial workers is seen, in democratic politics, as having great potential to elicit concessions from the ruling elite in the form of implementation of new welfare programmes or increased
social expenditure. In this perspective the dominating role of social institutions in
shaping public policies is seen as paramount.

The third perspective on welfare, which is from the state oriented theories, argues
that the state plays a more active and constitutive role in articulating political
structures than the political behaviour of groups and social actors. They uphold that
the state has its own interests and capacities that are not merely the interests of
others. Also, that social policies are put into effect by a specific set of political
executives, civil administrators and political party leaders (Kim, 2004). This view is
succinctly expressed by von Hayek (1959) when he states that “it would scarcely be
an exaggeration to say that the greatest danger to liberty today comes from the men
who are most needed and most powerful in modern government, namely, the
efficient expert administrators exclusively concerned with what they regard as the
public good” (von Hayek, 1959:94).

Accordingly, the reason why many of the new welfare activities of government are a
threat to freedom is that while they are presented as mere service activities, they
constitute an exercise of the coercive powers of government and rest on it claiming
exclusive rights in certain fields.

While the above three perspectives of the welfare state have dominated social policy
debates, Esping-Anderson (1990), in an attempt to find a more representative
theoretical model for welfare contends that questions on the nature of the welfare
state can only be answered if there is a commonly shared conception of a welfare
state. This prompted him to ask new questions regarding, firstly, the pointers by
which the actions of the welfare state can be identified as either responding
functionally to the needs of industrialism or to capitalist reproduction and legitimacy;
and, secondly, how to identify a welfare state that corresponds to the demands that a
mobilised working class might have (Esping-Anderson, 1990:19). It is on this basis that he introduced a theoretical model that looks at the content of social policy as outlined in the next section.

2.3 Social policy and welfare regimes

As can be seen from the discussion above, the particular goals of social policy objectives depend on the conceptualisation of social policy and the ideological values to which a particular welfare arrangement subscribes, as well as on the theoretical perspective within which social needs and problems are defined. In western countries, different ideological frameworks (social policy regimes) have informed social policy arrangements over time. In his attempt for a common conception of the welfare state Esping-Anderson (1990) employs two variables comprising the decommodification of labour and citizenship rights. Citizenship rights are composed of three elements, namely, civil rights in the form of individual liberties, political rights in the exercise of political power, and social rights in terms of a modicum of welfare and security (Marshall 1992). Esping-Anderson premises his articulation on the new model by stating that in the industrial era, as the markets become universalised and hegemonic the survival of the individual has come to depend entirely on the cash nexus. The fact that society has been stripped of institutions that guaranteed reproduction outside the market means that people have been commodified, and when workers are completely market dependent they are difficult to mobilise for solidaristic action.

Indeed decommodification occurs when a service is rendered as a matter of right and when a person can maintain livelihood without reliance on the market. Accordingly, a minimal definition of decommodification must entail that citizens can freely opt out of work when they consider it necessary, without potential loss of job,
income or general welfare. Citizenship constitutes the core of welfare in that “if social rights are given the legal and practical status of property rights, if they are inviolable and if they are granted on the basis of citizenship rather than performance, they will entail the decommodification of the individual vis-a-vis the market” (Esping-Anderson, 1990:21). In taking this perspective Esping-Anderson raises an important argument that the mere presence of social security or social assistance may not bring about significant decommodification if they do not substantially liberate the individual from the market.

However, while Esping-Anderson sees commodification as complete dependence of the worker on the market for social reproduction, Stephen Gill (1991) has a more encompassing view of commodification. To Gill, modern capitalism has brought about the commodification of social relations in terms of the power of capital over states and labour. As he points out, commodification entails “the propensity of capitalist society to define and to quantify social life in market terms” (Gill, 1991:87). Clearly, the elements of life which were previously an integral part of the fabric of society before the rise of modern capitalism such as land (nature), labour (lived time) and productive capacity (the construction of society, living space and the capacity to provide for human needs) have become commodities which are bought and sold. These have become increasingly subject to the laws of the market (Gill, 1991).

Furthermore, in the current form of capitalism since the 80s the structure and language of social relations is more systematically conditioned by market forces and practices. Capitalist norms and practices pervade everyday life in sports, leisure, play and the process of consumption, this process of consumption is increasingly monitored, aggregated and conditioned by the use of surveillance technologies. Through these, consumption is broadcast and wealthier consumers are targeted and
potential ones identified and constructed through income, lifestyle, health, credit rating and criminal history (Gill, 1991). This is seen as new utilitarian thinking which is hyperconsumerist and socially exclusionary. In this context higher unemployment and marginalisation mean that more flexible forms of production have given rise to niche markets, while a large number of people do not have sufficient income to enjoy the fruits of production. While in the 1950s and 60s corporatist politics and the state’s Keynesian policies made social choice a product of planned capitalist development in Europe, in the 1980s and 90s an increasingly narrow, utilitarian and short term calculus appears to prevail (Gill, 1991).

Nevertheless, relying on the analysis of social policy content Esping-Anderson (1990) goes ahead to identify three types of welfare policy regimes, namely, the corporatist/conservative, social democratic and liberal policy regime models. The survey of the different welfare policy regimes was predicated upon variations in social rights and welfare-state stratification. As a result it shows different arrangements between state, market and the family. The three policy regimes are discussed below as follows:

2.3.1 The Corporatist/Conservative policy regime

This model is typically shaped by the church hence the preservation of traditional values where social insurance excludes non-working wives and family benefits. It encourages motherhood, and day care and similar family services. Historically, the conservative approach to social welfare is based on the organic view of society, in particular, the collective arrangements of family, society, class and religion. Conservative social policy is based on the political discourse of responsibility,
individual rights and liberties which are a reflection of a commitment to the values of an organic society as opposed to natural rights.

This model is based on the means-tested social assistance which promotes stratification. It was pursued in Germany, Italy, Austria and France and its establishment was particularly for privileged welfare provision for the civil service, for rewarding loyalty to the state. As Esping-Anderson (1990) states, in this model, the liberal obsession with efficiency and commodification were never preeminent and as such granting of social rights was never a seriously contested issue.

Conservatives look sceptically on both the free rein of the market and on state intervention and, hence occupying a compromised position of minimum intervention is seen as necessary to help those who cannot benefit from market allocation (Pinker, 2003).

While still committed to the values of collectivism, contemporary conservatism has nevertheless tilted more to the left with the rise of neoliberalism in the 1980s. Pinker indicates this by stating that the Conservative Party in Britain has managed to balance an attachment to tradition with ability to respond to change. This has been shown by a commitment to raising public service standards, reducing the role of the state and cutting taxes (Pinker, ibid). Under a conservative regime social welfare adopts a residual approach in providing social services targeting only those who cannot compete in the market such as the elderly, children, unemployed and the disabled.

Within predominantly conservative welfare states the government remains at the periphery of intervention but, unlike the individualistic liberal theories, the
government does not fail to intervene to protect those who are unable to succeed in the market place through no fault of their own (Hagbag, 1999).

2.3.2 The Social Democratic policy regime

In this policy regime type, principles of universalism and decommodification of social rights are extended to the middle class to promote high levels of equality by guaranteeing workers full participation in the quality of rights enjoyed by the better-off. The state incorporates the middle class within a luxurious second-tier, universally inclusive, earnings-related insurance scheme on top of the flat-rate egalitarian one. This is done by upgrading services and benefits. The model translates into a mix of highly decommodifying and universalistic programmes. It crowds out the market and constructs an essentially universal solidarity in favour of the welfare state. It directly takes care of children, the aged and the helpless, it minimises social problems and maximises income (Esping-Anderson, 1990). Archetypes of this model are the Scandinavian countries.

The social democratic tradition of social welfare places the role of the state at the centre of welfare provision. The state is seen as an instrument of change and a politically neutral administrative arm of government not encumbered by any particularistic interests. The political discourse of social democracy is based on social rights and equity, espousing the values of equality and security. The conception of equality stems from an egalitarian notion that allows for disparities in income and wealth. The role of the state in social allocation is to eschew crude exploitation of labour by capital (Sullivan, 1992).
A social democratic approach to social policy argues that welfare diminishes social divisions, and would oppose means testing as criteria to receive assistance. Furthermore, social democratic theory advocates for full employment and promotes equality including the provision of a safety net that no one should be allowed to fall through. As with liberalism, advocates of social democratic welfare espouse individualism and strive to remove reliance upon family groups as the first alternative to the market. The primary concern is not to wait until the family is unable to provide further, but to socialise the costs of familyhood in order to pre-empt disaster (Esping-Anderson, 1990). This is a direct contrast to the conservative approach that assumes that the family is a constant variable.

2.3.3 The Liberal policy regime

In the third policy regime, the liberal approach, the benefits of social welfare are aimed mainly for the low income working class and state dependents in the form of means tested assistance, modest universal transfers and modest social insurance. Entitlements rules are strict and associated with stigma. This system promotes equality of status irrespective of class or market position. The resultant dualism is that the poor rely on the state and the remainder on the market. The effect of this model is that it minimises decommodification effects, circumscribes social rights, promotes market differentiated welfare among the majorities and a relative equality of poverty among state welfare recipients. Examples here are Anglo-Saxon countries such as the United States, Canada, England and Australia (Esping-Anderson, 1990).

Generally this model is opposed to state intervention in the economy and favours the free rein of the market. They believe that the allocation of resources should be left to market competition as this is more efficient than state intervention. Social
policy in this view is seen as obstructive and as payment for consumption without addressing the issue of resource constraints. It is therefore relegated to the level of safety nets for vulnerable groups. Society is thus seen as individuals with motivations to maximise gain in the open market as it is assumed that all individuals are capable of market participation.

Consequently, this leads to the stratification of society because the underlying premise is for freedom of competition, and competition produces winners and losers. The freedom to compete in the market contains elements of insecurity that may result in poverty. From a liberal perspective this is not the fault of the system, but solely a consequence of an individual's lack of foresight and thrift (Hagbag, 1999). As can be seen from this mode of thinking, the political discourse of liberalism is based on individual responsibility and efficiency, while the policy outcomes aim at equality of opportunity for all (Powell, 2003).

From the preceding discussion it is clear that the welfare state is not just an intervention mechanism to correct the structure of inequality, it is also a system of stratification. It is an active force in the ordering of social relations. This is witnessed by the fact that while all the nations under study had similar levels of industrialisation, economic growth and working class political power and powerful labour movements and parties in the early years of the development of their welfare models, they nevertheless were different in terms of the historical formation of working class collectivities. Social stratification in the corporatist/conservative tradition is in terms of corporate social insurance for the middle classes, and means-tested social assistance for the rest of the people. In social democratic arrangements stratification is in the form of the universally inclusive benefits that accommodate existing social
inequalities, while the liberal approach promotes equality of outcome where all citizens are endowed with similar rights irrespective of class or market position (Esping-Anderson, 1990).

However, while the commodification debate continues, the policy regime approach of social policy analysis is nonetheless seen as largely concerned with advanced industrial societies. Criticism of this and other similar approaches, as outlined in the United Nations Research Institute for Social Development (UNRISD, 2007) report, is due mainly to the underlying assumptions upon which social policy conclusions in these approaches are based. The three main problems identified include, first, that the approaches assume the development path and market economies that have solved the problems of underdevelopment as givens. As a result, the concern is largely with the distribution of national income. The issue that is being overlooked here is that in many developing countries a large proportion of the population still operates outside the formal economy. Secondly, the policy regime approaches assume the existence of properly functioning democracies and strategic interaction in policy making between organised groups, political parties and governments. On the contrary, in developing countries such interactions are weak and as a result there are non-class variables that determine interest articulation, voting behaviour and governmental practices. Thirdly, the policy regime analysis takes government and state capacities as a given, that policies and institutions can be made to deliver outcomes that reflect the characteristics of each regime. In contrast to this assumption, the many governance failures in developing countries are an indication that capacities to direct policies and pursue development vary widely across the developing nations (UNRISD, 2007).
These political, economic and institutional inadequacies outlined above are characteristic of the state of underdevelopment as espoused by the dependency theorists. According to dependency, these impediments inhibit genuine reform effort that might benefit the wider population, lead to lower levels of living and perpetuate underdevelopment. The continued existence of these problems is attributed to exclusive emphasis on macroeconomic management and on attempts to maximize GDP which lead to the neglect of desirable institutional and structural reforms. In the view of dependency theorists, a combination of imbalances in international power relations between developing countries and western countries and domestic social inequalities in developing countries are responsible for the chronic nature of underdevelopment problems confronting poor nations. However, despite such impediments imposed by the state of underdevelopment, developing countries have over the years devised means and ways to respond to social policy needs of their populations. The section below elaborates on different interventions that have been adopted by poor nations to address social needs.

2.4 Social policy in the developing world

The developing countries in the three regions, namely, Africa, Latin America and the Caribbean, and Asia share a common historical background of colonialism and of policy reforms owing to the demands of the process of globalisation. Therefore, unlike in advanced capitalist countries, the welfare state in these three regions is not an outcome of an evolutionary process of nation building and working class mobilisation processes. It is rather a response to the state of underdevelopment that is a result of years of colonial occupation. In Sub-Saharan Africa and Latin America-the Caribbean the postcolonial state has not been able to overcome the social...
welfare framework that was carved out by the colonial administration, instead social policy provisions have rather emanated from this framework.

However, Latin America has since the 1990s shown a trend in the deconcentration of wealth and reduction of inequality in twelve of the seventeen countries (Lopez-Calva et al, in the UNDP Report, 1999). This Report shows that these changes in inequalities can be attributed to two main factors, comprising a fall in earnings between skilled and low-skilled workers, and an increase in government transfers targeted to the poor. The causes responsible for the narrowed gap in earnings are identified as the extension of coverage in basic education, and the decline of the skill-biased technical change of the 1990s. These changes in Latin America make Africa the only region lagging behind in the developing world.

In the same way, the East Asian region displays a different history in that they have been able to bounce back quite well from mass deprivation. The main reason given which is behind the success of East Asia is the ability of the state to intervene, that is, a developmental state. Accordingly, a developmental state requires four characteristics, namely, growth-oriented leadership, a strong tendency to be authoritarian, a commitment to property rights and, an effective bureaucracy (Mailafia, 2009). It is argued that it is such developmental orientation that is behind the success of East Asia, marked by power elites that are fairly insulated from contradictory development pressures and demands, and are able to form a coalition that is able to forge national consensus. The UNRISD Report (2010:37) puts it as follows:

East Asian states have successfully the classic industrialisation model of the now developed economies. They prioritised economic growth and established a strong state structure to influence investment decisions and mobilise labour ..... created strong links between formal employment and social protection, which was provided by private firms with the state acting as a regulator.
In contrast to East Asia and Latin America, Mailafia (2009) sees Africa as lacking in the requisite characteristics of a developmental state including, lack of interest by the elite in development, weak capacity of the leadership, lack of demand for development outcomes and the tendency to share the cake rather than to grow it.

Conversely, Mkandawire in the UNRISD Report (2007), argues that neither Africa’s post colonial history nor the actual practice engaged in by the successful developmental states rule out the possibility of an African developmental state capable of playing a more dynamic role. He maintains that analysis about Africa has rarely been based on the actual experiences, but on an intellectual tradition that is characterised by casualness in making assumptions about the prospects of capital accumulation in Africa and the nature of its states and societies as well as a deterministic and aprioristic nature of the discourse. Also, that the analysis is based on comparison between African states in crisis and idealised characterised states elsewhere. As a result the state is the most demonised institution in Africa accused of being weak, interfering in the market, over-extended and dependent.

In contrasting African development with that of the East Asian countries, Mkandawire (2007) upholds that lessons drawn from this were clouded by pre-analytic biases. He points out that the World Bank Report of (1981) (hereafter Berg Report) with its faith in the market forces and the minimalist view of the state, presented the successes of these countries as evidence of market forces and the adoption of export oriented development strategies. On the contrary, these countries were highly dirigiste economies in which the state had governed markets to ensure high levels of accumulation, technology absorption and conquest of foreign markets.

Secondly, that the view that accentuates government failure in Africa holds a case against a developmental state in Africa by arguing that although the state has played
a central role in development in East Asia, African states cannot correct market failure in ways that do not make things worse. According to this view replication of the Asian experience is somehow impossible for Africa on the basis of dependence, lack of ideology, softness of the African state and its proneness to capture by special interest groups, lack of technical and analytical capacity, past poor record of performance, and the changes in the international environment that do not permit protection of industrial policies.

In responding to these arguments above, Mkandawire (2007) argues that the problem emanates from the wrong economic history of the African continent by the World Bank which is largely contained in the Berg report. In this report post colonial policy and performance are portrayed as undifferentiated and as disasters while the impact of the crisis of the 1970s was ignored, and the report went on to make generalisations and to provide political explanations on this basis. Also, the report underestimated the enormous importance of the global conjuncture of the African economies and the role of foreign advice. Because of this global conjuncture, African economies do well when it is good, and do badly when the conjuncture is bad. This is in addition to the preponderance of foreign advice in Africa which has generated conditions of lack of policy ownership (Mkandawire, 2007).

The above exposition places its analysis from the historical and contextual positions of the African political and economic conditions focusing on the external politico-economic environment of the continent. While these arguments hold true, they fall short of presenting a comprehensive picture by not alluding to the internal problems of governance in Africa. The total picture is that external and domestic factors are intimately linked in that the political choices that African elites make are important determinants of the state of the continent today.
The importance of internal governance problems help to explain why some countries, such as Ghana, have managed to fare better and to achieve food security while confronted with the same difficult international environment. Jackie Celliers (2004) argues that it is the policies and actions of many of the African political elites that have compounded rather than ameliorating the impact of the external influences on development. He points out that unlike their Asian counterparts, African leaders have sought to magnify their own uniqueness as liberators and thus many have assumed a self-gratifying and imperial right to rule, behaving as if they are being owed a massive debt of liberating the countries. Further that, this led to patronage politics and a thirst to stay in power thus building personal bases rather than economic and social development. Consequently, social policy within this context emerges from a process of social engineering shaped by prevailing personal interests. Analyses that do not situate social policy struggles within the proper configuration of external and domestic circumstances miss out on assisting African countries to confront the crises they are currently facing. It is for this reason that the following section looks at the classification of social policy regimes identified by Rudra (2007). In this classification the reaction of the state to prevailing conditions becomes the basis for identification of the variables pertinent for social policy arrangements in developing countries. This is different from Esping-Anderson’s class struggles approach and Mkandawire’s historical perspective.

2.5 Welfare arrangements in Africa, Asia and Latin America

Motivated by the social policy regime model of Esping-Anderson (1999), Nita Rudra (2007) used a cluster analysis to investigate social policy arrangements in developing countries. The point of departure for Rudra’s study is that unlike advanced capitalist countries welfare states in developing countries did not act with a
specific purpose to either promote commodification or decommodification. Rather the primary concern for states in the developing world was how to address lack of proletariatisation and to create a modern industrial order. Following from this, government intervention in the economy was guided by an objective either to make firms internationally competitive or to insulate them from international competition. Consequently ruling elites pursued social policies compatible with the chosen development strategy. Further that, because developing countries suffer from prolonged absence of a guaranteed minimum income the state is inclined to intervene to provide this minimum income and, as a result, labour is more dependent on a decommodifying welfare state.

The study identifies three types of welfare states, namely, the productive welfare state type (classified as cluster 1), the weak dual welfare state type (cluster 2) and the protective welfare state (cluster 3). For an assessment of the productive welfare state three variables are used, comprising health and education, in terms of the levels of government expenditure on education and health as a proportion of the GDP, and the variable of high programme outcomes which is seen as emphasizing commodification. For the protective welfare state the aim of government to protect workers from market risks was measured in terms of five variables including, the extent of public employment; spending on social security and welfare (pensions, family allowances, unemployment, old age, sickness and disability); housing subsidies; labour market protections and; investment in tertiary education (Rudra, 2007). The three classifications are presented in detail in the subsequent section below.
2.5.1 The productive state welfare type

In the productive welfare state model, welfare efforts are primarily directed towards promoting market dependence of citizens, that is, the model privileges commodification (dependence of citizens on the market) over decommodification (liberation of citizens from market dependence) by encouraging wage labour. In such cases the emphasis is on economic growth and instrumental promotion of education for skills for the market. The focus is on encouraging international competitiveness by promoting export markets and emphasising on minimising costs. Consequently, government is required to surrender some control of the economy and as such social policies pursued are limited as rulers are constrained from pursuing worker benefits that are independent of employer interests. Social policies therefore serve the interests of both the labour and capital. Countries in this category comprise several of the Latin American countries as well as some from the East Asian region, namely, Columbia, Costa Rica, Panama, Paraguay, Malaysia, Singapore, Thailand, Sri Lanka, Mauritius, Trinidad and Tobago, Cyprus, Greece, Israel, Korea republic and Kuwait (Rudra, 2007:17-19).

Furthermore, the productive welfare regime type shares affinities with the liberal welfare model in several aspects such as emphasis upon promoting the commodity-status of labour in the globalising world; complementary state-market relationships; social policies circumscribed by enhancing market participation and promoting worker loyalty without hindering business activity; rapid expansion in white collar and blue collar work to keep up with the global economy as the author points out. This is in contrast to the protective regime type that minimises direct market interaction. In this type of arrangement social policy becomes an important framework to promote national interest as outlined below.
2.5.2 The protective state welfare type

The protective welfare states are a fusion of elements of socialism and conservatism. The main player is the public sector with major efforts aimed at protecting certain individuals from the market through social insurance-type variables. These states have their roots in a political economy that historically eschewed emphasis on international markets and focused government intervention on decommodification. Public employment plays an important role in market protection and labour market protections are common. The public sector becomes the biggest employer and a strategy for job creation. Countries in this cluster comprise Bolivia, Dominican Republic, El Salvador, Egypt, Lesotho, Morocco, Tunisia, Turkey, Zambia, Zimbabwe, India and Iran (Rudra, 2007:12-13).

In protective welfare arrangements social policy serves human development needs in the areas of education, health, housing and the promotion of small and medium enterprises. Control of the economy and social policy are subjected to serving particular national needs. Zimbabwe after independence serves as a good example of this approach, where massive investments were made in education and training, health care and housing without paying due attention to productive capacity. This lopsided view of development is summed up by Rahim when characterising development in Sub-Saharan Africa that “development is perceived mainly as accumulation of stock, which can be increased in per capita terms to make it possible to ease poverty rather than technical progress in terms of new methods of production and new forms of industrial organization” (Rahim, 2011:14-15). It was such social policy arrangements that attracted the ire of the advocates of liberalism and have come under heavy criticism from the IMF and the World Bank. Such arrangements are seen by these institutions as obstructions to economic growth and
as giving the unwarranted space to government to interfere with the smooth running of the markets. It was this perception that led these multilateral institutions to impose stringent macroeconomic measures that led to the virtual collapse of the state in Africa as outlined in the preceding section.

Besides the above two models of social policy arrangements there are countries that are identified as having a combination of both policy arrangements types, that is, they occupy a middle position between productive and protective regime types. Such arrangements, the dual welfare types, exhibit an amalgamation of strong elements integrated to give the best results of both models. The discussion in the next section articulates the dual welfare arrangement.

2.5.3 The dual welfare state type

This welfare regime has elements of above two models. It places emphasis on different aspects of productive and protective activities. In the study conducted this model ranked higher in labour protection and social security and welfare while the scores for housing, wages and salaries and tertiary spending were lower than the other two clusters. This regime type represents an ideal type in that social policies respond to the needs of capital and to the demands of labour. Countries comprising this category include Argentina, Brazil, Mexico and Uruguay (Rudra, 2007:17-19).

It needs to be noted here that this analysis on the three regime types as outlined above is silent about the impact of colonialism and the forces of the global economy that have given shape to state interventions in these countries. The problems of social provisioning that are confronting developing nations raise questions regarding classifications such as advocated by Rudra (2007). The major problems confronted by development in these nations emanate from the nature of social policies and the impact of underdevelopment which determine and constrain the nature and range of
social responses. The post colonial state in the developing countries inherited policies from the colonial administration which were implemented with very little modification. The provision of social services were merely extended to the whole population without proper attention being paid to the capacities of both the state and the economy to sustain the interventions.

The second aspect which has been ignored by the analysis is the impact of the austere measures of economic adjustment that countries in the developing world had to go through. Osteria (1999) argues that structural adjustment is neglecting the human factor by sidetracking the social goals that these countries had set for themselves. Further that, this takes place within the context of changing social values where a growing middle class is alienated from the poorer groups and where traditional social welfare safety nets provided by the family and community have deteriorated as a result of increasing urbanisation and industrialisation. The effects of the stabilisation policies of the multilateral financial institutions are that the market determines the organisation of economic and social affairs. It has reconfigured state-society relations on the basis of market considerations. Therefore the development path was not a given. Tade Akina (1999) points this out when he states that:

The crisis of the postcolonial period has not produced signs of resolution or relief. It has become more complex with the so-called economic reform programmes, which produced changes in political and economic regimes and redefined patterns of social relations between economic and social groups and ethnic and gender relations. Changes during this period have reorganised the colonial and early post colonial social class structures, creating new sets of winners and losers and leaving the vast majority of the population in the latter (Akina, 1999:9).

The limited space accorded states to respond to social needs of their populations has not been offset by the market. Worst still the inability of the state to provide people with social security compounded with the inability of the market to provide
people with employment and job security, create conditions of overall insecurity where circumstances of daily life constitute a threat (Baltodano, 1999).

The issue here is that in the rest of the developing world responsibility for economic and social management has been appropriated by the international financial agencies. As argued by Akina (1999), rather than improving the quality of life for the majority of the people, the adjustment policies of these financial agencies have made it worse. Therefore being that states in developing countries have limited space for policy making and weak intervention capacity the question remains valid whether classifications of productive and protective activity reflect the real nature of state interventions in developing countries.

Finally, having explored the different perspectives on the welfare state and on welfare approaches, the subsequent section evaluates various definitional attempts and theoretical frameworks of social policy. This is born out of the fact that the foregoing perspectives are more concerned with the nature and form of the welfare state and do not give adequate understanding of the meaning of social policy and theoretical frameworks which give content and shape to policy interventions.

2.6 Attempts at the meaning and theory of social policy

The three main conceptualisations of social policy include three sets of definitions. The first definition derives from the institutional context of social policy by Erskine (2003) - aligned to the United Kingdom-based Association of Social Policy. The second concept is based on social policy as part of the process of development by Hall and Midgley (2004); and the third on the work of the United Nations Research Institute for Social Development by Mkandawire (2001).

Generally, social policy involves activity by state and society which is generally aimed at the promotion of welfare for individuals and groups and for protection
against negative contingencies which have a potential of disrupting social protection patterns. As a study of welfare, and as both an area of practice and an academic discipline, social policy has generated a great deal of attention in terms of attempts to construct a precise definition. The result has been ongoing attempts that are looking at the different features of social issues and social problems that make up the concern of the discipline.

2.6.1 The institutional view

The Association of Social Policy in the United Kingdom has identified four pillars upon which social policy is resting (Erskine, 2003). These comprise firstly, the welfare of individuals and social groups, secondly, an interest not only in the philosophy or theory of welfare but also the analysis of policies and their impact, thirdly, a concern with how policies are institutionally organised and implemented and, fourthly an examination of the components which construct “welfare”. A definition emanating from these pillars sees social policy as being concerned with those aspects of public policies, market operations, personal consumptions and interpersonal relationships which contribute to, or detract from the well-being or welfare of individuals and groups. This definition also presents social policy as exploring the social, political, ideological and institutional contexts within which welfare is produced, distributed and consumed. This way of looking at the function of social policy therefore recognises, as Erskine (2003) argues, two important components which are a concern with welfare and the normative and contested nature of social policy. He goes further to point out that it is the normative and contested nature of social policy that makes the study of the discipline interesting and fruitful.
2.6.2 The development process perspective

The second conceptualisation of the term is more concerned with the role of social policy in the development process. This conceptualisation has three strands where social policy is looked at from the points of view of welfare services, safety nets and as livelihoods (Hall & Midgley, 2004). The first strand in the post-war era, in the 1950s and 60s, social policy was synonymous with government intervention to provide social services for the needs of the poor and destitute. It was seen as government responsibility to ensure certain living standards by funding key social services such as health, education, housing including employment generation through statutory regulation. This process of social provision, took the form of the residual model where intervention was targeted at the socially disadvantaged and needy following the political rhetoric of citizenship rights. However, the eruption of the oil crises in the 1970s made the residual model unworkable. This was because the standard of living and welfare of the poorer classes could not be guaranteed, also, the model was not suitable to deal with mass poverty. In the face of these difficulties, social demand for basic services as such health, education and housing kept on growing in the newly independent nations. These services were seen, in these new nations, as rights after years of colonial domination, and the new elites were under pressure to expand these services through building new schools, new hospitals and new houses to the growing urban middle classes. By the end of the period it was becoming clear that the new nations in the developing world were becoming heavily indebted (Hall and Midgley, 2004).

Following the oil crisis in the 1970s, the second strand in the definition of social policy emerged. This happened in the early 1980s when the idea of social policy as safety nets was introduced. The safety nets approach was again a crisis intervention
which was targeting poorer, more vulnerable groups in poor countries. The crisis was brought about by the policies of adjustment which exacerbated poverty and vulnerability in many countries of the South in the 1980s. This is the time when the post-war welfare approach had come under severe attack from advocates of neoliberalism and a new set of policies were introduced through economic structural adjustment. These policies were seen as appropriate for strengthening the repayment capacity of indebted countries and to enhance their productive capital. The measures included, among others, privatisation of state owned enterprises, liberalisation of the economy to allow the free flow of international capital, promotion of exports and the withdrawal of the state from welfare provision. As a result welfare provision became heavily compromised with steep declines in the provision of services such as education, health, water and sanitation (Hall and Midgley, 2004). The third strand, which is a feature of the post-adjustment era, is the livelihoods approach which is a reaction to the safety nets idea. The livelihoods approach views social policy as encompassing any planned or concerted action that affects people’s lives and livelihood (Hall & Midgley, 2004). Accordingly, Social policy is concerned essentially with more fundamental questions of sources and stability of employment, support institutions, processes and structures that determine people’s wellbeing as well as broader natural and political factors which encourage and constrain human development. The argument here is that there are shortcomings in Northern concepts when applied to the profound social problems and extreme poverty of developing countries. Therefore there is a need for a more comprehensive notion of economic and human development. Although it will always be necessary to address crisis situations through social fund-type emergency solutions, longer term development requires investment in people (Hall and Midgley, 2004). The emphasis
on investment in people is born out of the belief in the development debate that acknowledges the fact that the poor are not a homogenous group which is merely weak and passive recipients of government handouts, the poor are active, and have assets and capacities that can be mobilised.

2.6.3 A social development perspective

This third conceptualisation views social policy as involving overall and prior concerns with social development, and as a key instrument that works in tandem with economic policy to ensure equitable and socially sustainable development (Mkandawire, 2001). Social policy is defined as collective interventions directly affecting transformation in social welfare, social institutions and social relations. This definition is further elaborated as follows:

Social welfare encompasses access to secure and adequate livelihoods and income. Social relations range from the micro to the global levels, encompassing intra-household relations of class, community, ethnicity, gender, etc. Social institutions are the humanly devised constraints that shape human interaction” or “the rules of the game” in a society… it is now widely accepted that these are important determinants of human development, which, in turn, facilitate achievements in these areas (Mkandawire, 2001:1).

This conceptualisation places social policy within its proper context of the broader goal of social development and, secondly, it addresses the issue of the disjuncture between social policy and economic policy planning. It is such a comprehensive understanding and approach to social policy that this study is calling for in the context of South Africa. The issues of investment in human development, the interaction between the determination of social policy and macroeconomic planning as well as consideration of institutional arrangements that facilitate or inhibit the participation of the people in economic activity need to be foci for research if South Africa is to deal seriously with social inequalities, poverty and unemployment.
Moreover, investment in human development requires social policy to be conceived of in the space of the notion of human security. That is, the conceptualisation and implementation of social policy will need to go beyond addressing social inequalities and deal with threats to survival that undermine human capability and human dignity. Dealing with such threats will enable social policy to transcend the apartheid racial and locational biases to social development and to economic participation that still characterise the population landscape almost two decades after the democratic transition in the country.

2.7 Policy and social theory

This section is concerned with the role of theory in social policy. As discussed under section 3 above, social policy decisions are based on ideological assumptions and values about how social problems can best be tackled and social needs addressed. Within this context, the role of social theory becomes important in terms of providing explanations regarding assumptions underlying social policy decisions, that is, the reasons why policy decisions have been made.

Generally, there are three main categories of social policy theories, comprising, representational theory, analytical theory and normative theory. Representational theory is mainly concerned with classification of social interventions known as typologies or models. Examples in this regard include the residual model, institutional model and the three worlds model. The analytical or explanatory theory seeks to answer a variety of questions about the nature of social policy, its functions in society as well as to account for the reasons why social policies have evolved over time. Lastly, the normative theory provides a value framework for social policy and is closely associated with political ideologies and other convictions such as religious
points of view, nationalist beliefs or free market principles (Hall and Midgley, 2004). It is the normative approach of social policy that this study has adopted for analysis. The study is interested in exploring the implications of inherited inequalities on social interventions by the new government. Normative aspects underlying this study include an outline of the value of social policy interventions, the form they ought to take and the role of different stake holders.

Further to the different categorisations of social policy theories, there are three varieties of normative positions that are employed by social policy thinkers in analysis. These positions comprise the statist, the enterprise and the populist approaches. The statist approach is based on the idea that governments could improve social conditions and raise living standards by introducing social services. In this view the duty of the state is seen as that of ensuring that basic needs of citizens are met (Hall and Midgley, 2004).

The second normative position, the enterprise approach, has as its central focus individual liberties and minimal state intervention in social welfare. Accordingly, social needs should, as far as possible, be met through the market. Its express idea is to integrate the poor into the market economy. This is different from the third approach, the populist perspective, which sees the collective, rather than the individual, as the core of society. Unlike the first two approaches, populism is a powerful tool for promoting popular sentiments (Hall and Midgley, 2004).

This study is more aligned to the statist perspective for more meaningful social policy interventions in South Africa. This is for the fact that in the past decade and half, the market mechanism has only helped to maintain and to exacerbate inherited inequalities in the country. The World Bank Report (1997) openly acknowledges the
fact that deliberate policy intervention is a necessity if livelihoods are to be ensured. The market does not correct failures, it only reflects the existing structure of society.

In the subsequent section a discussion of three main theoretical frameworks that have informed social policy over time is undertaken. These are the main theoretical frameworks that have, over time, dictated the political philosophy governing welfare arrangements in different countries, namely, the utilitarian, the social contract and capability theories. The utilitarian approach sees the state as existing to bring about the good for the individual as a political objective. The social contract, on the other hand, is based on the idea of equality, where the state acts as a guardian which is there to use its authority to protect the freedom of the individual. The third theory, the capability approach is a fairly recent paradigm which introduces a departure from viewing social provisioning in terms of utility and equality of opportunity, to paying attention to the condition of a person, in the form of the capability to achieve. The capability approach has unarguably emerged as a leading alternative to mainstream economic frameworks for conceptualising and assessing human well being and development. Poverty, inequality and well being are analysed in terms of the capability or freedom people have to achieve.

2.7.1 Welfare as maximisation of satisfaction

The main ideas of the utilitarian approach are based on want satisfaction, that is, people’s preferences and the attainment thereof. In terms of this view, a person is judged to be better or worse off as he/she satisfies more preferences or more of the same preference. The sum total of utilitarianism is that the aim of social action should be to minimise harm and to promote maximum satisfaction for individuals and groups. Thus it is by the outcome of the action that, that which is done is judged right
or wrong. In outlining Bentham’s utilitarian doctrine, Ghita Ionescu (1984) states that a thing is said to promote the interest, or to be for the interest of the individual, when it adds to the sum total of his pleasures, also that, the interest of the community is the sum of the interests of the several members who compose it.

Therefore, in addressing social needs, utilitarianism aggregates welfare provision with a view to maximise satisfaction. Thus, the business of a good government, according to utilitarianism, would consist in increasing the happiness of citizens and the utility that is derived from this action. This state of affairs has led Ionescu (1984) to conclude that utilitarians see the “general interest” as an objective criterion of government policy and legislation, definable through the utility principle, and that, equality means equality in the safety of such rights as the rule of the greatest happiness assigns.

While the utilitarian theory has been a popular approach with many governments, it has nevertheless attracted heavy criticism on account of its two outstanding features, namely, the idea of utility that is derived from the maximisation of happiness and the aggregation of individual interests to that of the community.

Firstly, it is argued that in its attempt to provide welfare for the majority, utility maximisation fails to protect fundamental individual interests. This failure is seen as an infringement of the basic principles of individual freedom. The main objection is that political action which is based on utilitarianism, fails to pick out significant or urgent preferences that cannot be counterbalanced by simply aggregating the interests and preferences of the greater number of people (Weale, 1983).

Secondly, as an aggregative theory, utilitarianism seems to operate on the axiomatic assumption that the only consideration that matters is the extent of satisfaction or dissatisfaction arising from an action. As a result, the only weight that counts for the
utilitarian is the weight of numbers, that is, satisfaction of the majority view seems to meet the condition of “good” and just cause. Consequently, anyone individual’s strong preference can be outweighed by the preferences of a large enough number of other people. Furthermore, where preferences are equally strongly felt on either side, utilitarianism is committed to weighing them equally. This can easily lead to an erroneous conclusion that the welfare of society is an aggregate of the welfares of its members (Sugden, 1993).

In South Africa, the aggregation of welfare, while it has achieved desirable outcomes such as reducing poverty and extending social services to the majority of the population, it has however tended to ignore social inequalities. Research shows that while income inequality is said to be diminishing between groups it is growing within race groups. Also, that poor education remains preventing the poor from benefiting from labour market developments (van der Berg et al, 2007). Welfare aggregation has not addressed the underlying causes of poverty and racial inequality which are perpetuating the position of deprivation, marginality, and powerlessness of the majority of the people previously excluded by the apartheid system.

Among the causes of poverty and inequality is, firstly, lack of access to productive resources, which encourages a high rate of dependency on government social assistance programmes; secondly employment vulnerability, resulting from low levels of educational qualifications and the failure of the economy to produce unskilled employment opportunities and, thirdly, unequal social relations which make poor people vulnerable to exploitation and manipulation by the more powerful (du Toit, 2005). In accounting for poverty and inequality in South Africa, Turok (2007) points out that monopoly business, which is predominantly white, in the private sector remains locked into an accumulation model which uses relatively cheap
labour to generate large profits which are then allocated to top executives and shareholders. These profits contribute to the persisting huge inequality in the society. It can be clearly seen from the arguments above that the aggregation of welfare has served to depoliticise debates on questions of the inequalities created by apartheid and on the mode of accumulation in place that is entrenching these inequalities in the country. Attention has successfully been swayed to the urgency of “service delivery”; though important, this has shifted the fundamentals of inequality and poverty in South Africa out of focus.

2.7.2 Policy as a social contract

The social contract school of thought argues against the aggregation of welfare, as espoused by the utilitarian approach, and favours equality of distribution. The view of the contractarians is that equal opportunities to welfare provision rather than aggregation, is a reflection of a just society.

The hypothetical social contract, as espoused by Jean Jacques Rousseau (1973), is premised upon the notions of the freedom and equality of all men, the natural rights they have to property and on the rationality of the citizens and their need to cooperate. The need to cooperate seems to be an innate impulse of the people in the state of nature as Rousseau believes that “since a people is a people before it chooses a king, what made it a people, except the social contract?, therefore, the social contract is the foundation of all civil society” (Rousseau, 1973:333). The contractarian view addresses itself to questions about the moral obligations among cooperating people within a group, about the legitimate functions of government and its obligations, and about justice in the distribution of income and wealth. These sentiments are expressed by Rousseau as follows:
Each of us puts his goods, his person and all his power in common under the supreme direction of the general will, and, in our corporate capacity, we receive each member as an indivisible part of the whole. ...this act of association creates a corporate and collective body.....it is called by its members state. This act of association comprises a mutual understanding on the part of the public and the individual, and that each individual, in making a contract, as we may say, with himself, is bound in a double capacity, as a member of the sovereign he is bound to the individuals, and as a member of the state to the sovereign. ... according to the social pact, the sovereign is only able to act through common and general resolutions. Thus the social contract never needs any other guarantee than the public force” (Rousseau, 1973:33).

The point of departure in this theory is the original position, an imaginary state of nature where persons agree on a contract to govern their relationships, each being a signatory. This act supposedly takes place behind a veil of ignorance where no one knows their social status, whether they are rich or poor, weak or strong, man or woman, intelligent or dull, Greek or barbarian. However, each one is capable of reasoning clearly, that is, to bargain rationally.

One of the main proponents of the social contract theory in the modern times, John Rawls (1971), advocates that the original position, upon which the social contract is based, is the appropriate initial status quo which ensures that the fundamental agreements reached in it are fair. Elaborating on the theory of justice, Rawls states that the guiding idea is that principles of justice for the basic structure of society are the object of the original agreement. They are the principles that free and rational persons concerned to further their interests would accept in an initial position of equality as defining the fundamental terms of their association. Furthermore, that these principles are to regulate all further agreements, specify kinds of cooperation that can be entered into and the forms of government that can be established.

In his view, the veil of ignorance behind which social choice is made represents the ‘original state’ and a just social order of equality. Accordingly, the veil of ignorance is a condition that nullifies temptation and advantage of self-gain on the part of the
bargainers. Hence the oblivion in terms of existing various alternatives that are available to influence the actions of the bargainers. Rawls dwells much on the conceptualisation of justice, emphasising that justice is fairness. This concept of justice is based on two principles, firstly, where each person has an equal right to a fully adequate scheme of equal basic rights and liberties, and secondly, where social and economic inequalities are attached to positions and offices open to all under conditions of fair equality of opportunity and are to the greatest benefit of the least advantaged members of society.

In the view of Rawls (1971), justice as fairness is anchored in the idea of society being a fair system of cooperation between free and equal persons which, he asserts, is implicit in the public culture of a democratic society. The fair terms of social cooperation are conceived as agreed to by those engaged in it, the free and equal citizens, and they (conditions of agreement) must not allow some persons greater bargaining advantages than others.

In terms of bargaining for equal shares, the rational bargainers are motivated by self-interest to be party to the contract and the veil of ignorance provides an environment of just outcomes in the bargaining process. Rawls asserts that since the differences among the parties are unknown to them, and everyone is equally rational and similarly situated, each is convinced by the same arguments, and that, if anyone, after due reflection prefers a conception of justice to another, then they all do, and a unanimous agreement can be reached (Rawls, 1971).

In reacting against utilitarianism, Rawls argues strongly that each person possesses an inviolability founded on justice that even the welfare society as a whole cannot override. Moreover, in a just society the basic liberties are taken for granted and the rights secured by justice are not subject to political bargaining or to the calculus of
social interests. Hence justice does not allow that the sacrifices imposed on a few be outweighed by the larger sum of advantages enjoyed by many. This clearly is an objection to the utilitarian aims of the maximisation of welfare in social policy. The move from the utilitarian notion of equality of welfare to equality of opportunity for welfare, is justified on the basis that the aggregative character of the utilitarian approach impinges on individual justice and that its pattern of distribution is unconcerned about inequality.

From the above exposition, it is clear that Rawls has managed to identify a serious weakness in the utilitarian approach, which is inequality of welfare distribution. However, a fundamental problem with the contractarian theory is its point of departure in terms of the ideas of cooperation and mutual advantage from bargaining behind a veil of ignorance. As pointed out by Gauthier and Sugden (1993) the question remains on the baseline for negotiation, which is, what each individual brings to the bargaining process in order to bargain with. Those who have most to bargain with are likely to settle on the most favourable terms. Gauthier and Sugden (1993), state that Rawls simply assumes that individuals are capable of a sense of justice such that within certain limits they can rely on one another to respect the constraints which justice imposes on them.

In the case of African countries the constraints of social justice are nullified by the marginalisation of the voice of civil society. The gap between the rulers and the ruled is increasing and pervasive poverty represents the space between the ruling elite and the ordinary people. As Celliers (2004) points out, political power and the benefits that accrue from the control of state power have become the focus in Africa at the expense of social development. As a result the people have been silenced and have disappeared from the political radar screen as active participants. Therefore,
democracy in the form of social participation as espoused by Rousseau has become a theoretical constitutional artefact.

One of the earliest critiques of the social contract theory, Robert Dahl (1970) states that to Rousseau, the only legitimate source of authority for the state was the assembly of the people, and that no form of government was legitimate that did not receive its authority from the people. Dahl (1970) refers to this form of government as primary democracy. He continues to state that to Rousseau, it was impossible for the people to be represented – the form of government which he (Dahl) refers to as representative democracy. In quoting from Rousseau, “The people’s deputies are not, then, and cannot be their representatives, but only their agents [commissaries]; they can conclude nothing definitely. Every law that the people have not ratified in person is null, it is not a law” (Dahl 1970:61). Dahl states that in Rousseau’s vision primary democracy was the only legitimate kind of state or political body.

In such a situation, if the meaning of democracy is taken to mean that in a given set of persons every person has a full and equal opportunity to participate in all decisions and in all the processes of influence, persuasion, and discussion that bear on every decision; then when the number of people involved increases to become a larger number the limits of physical possibility will be reached. From this perspective one may reach a conclusion that this form of democracy can exist only among a very small number of people and as such it rules out countries with large populations such as India (Dahl, 1970).

It seems Dahl’s argument is more cogent because Rousseau speaks of the people as if “the people” were a single, well-defined homogenous unit with well ordered harmonious relationships. He seemed to hold that in a perfect state there will be no factions and that factions and leadership must be avoided. Also Rousseau could not
conceive of a democracy with its pluralism, factions, parties, oppositions and political competition (Dahl, 1970). This is in direct contrast with the perspective of democracy visualised by Dahl who emphasises that any form of democracy is sure to witness the emergence of factions and leaders, further that, organised, competing and institutionalised political parties often introduce an additional element of conflict and interest that necessitates the search for mutually satisfactory solutions. Therefore, in Dahl’s view, the readers of the Social Contract do not learn much about factionalism and leadership in democracies other than that these are evils to be avoided (Dahl, 1970).

The problem with the notion of ‘the people’ is that Rousseau provides no criteria for deciding what constitutes “the people”. Dahl stresses that, that “the people” must rule by assembling together and passing rules is not clear enough. Although Rousseau wrote that no man can be a slave of another he did not question the fact that along with women and foreigners slaves were excluded from democratic liberties in Athens (Dahl, 1970:64-65).

Finally, it is noteworthy to point out that the issue of the veil of ignorance becomes even more of an interesting question in the case of social provisioning in South Africa. The stark social inequalities such as are currently prevailing, cannot be ignored nor can they be veiled through equal opportunities. The problem is, opportunities have been equalised in the provision of social assistance which can hardly be said to have addressed inequality and helped people to escape poverty.

The history of apartheid in South Africa is proof to the fact that bargaining which is motivated by self-interest does not necessarily lead to just outcomes as claimed by the theory. Bargainers do not come as free and equal persons, on the contrary, they come to the negotiation table carrying baggages which arise out of their cumulative
social, economic and historical backgrounds. This was evident during the political negotiations in South Africa where the transition was not, as Gelb (2003) puts it, “tabula rasa” in which all options were equally likely possible, instead certain political and economic imperatives ruled out some options and weighted social choices towards others. The origins of post apartheid policies are the legacy of apartheid, and have been unable to resolve the problems of poverty, inequality and unemployment. These problems have shaped economic and political choices in the transition and have influenced the prospects for addressing inequality in the post apartheid era. One of these is that the concentration and centralisation of capital in the hands of a few conglomerates has been left untouched except for an agreement to absorb a tiny minority of the black middle class through market-focused processes. This shows that the idea of mutual equal restraint is problematic in such a situation because it can only help to mask unequal power relations in wealth, education, health and employment opportunities, which is currently the case in the country.

It needs to be noted that differences in resources subvert equality and that inequality and advantages are cumulative. People who own the most resources are likely to have greater wealth and income, highest status, the most education, better knowledge of intricacies of politics and social organisation, better facilities for keeping in touch with others even beyond their own social class and the greatest political power (Dahl, 1971). The same cumulative multiplier effect applies in the case of deprivation if interventions are aimed at alleviating poverty rather than reducing inequalities.
2.7.3 Social welfare and capability

Amartya Sen approaches the question of social distribution from the point of view of capability to achieve. In criticising both utilitarianism and equality, Sen (1992) argues persuasively that in the enterprise of assessing a person’s wellbeing, attention needs to be paid to the condition of a person (his/her capability to achieve functionings) in abstraction to the utility of what he/she receives and the goods themselves (a bundle of commodities - income, wealth, resources). He asserts that a bundle is not a perfect indicator of capability (the freedom to achieve).

The weaknesses of the utilitarian approach are identified, by Sen, in three main aspects, firstly, the distributional indifference - the approach ignores inequalities in the distribution of happiness and that only the sum total matters no matter how unequally distributed. Secondly, the neglect of rights, freedoms and other non-utility concerns - the approach attaches no intrinsic importance to claims of rights and freedoms, these are valued only indirectly and only to the extent that they influence utilities. Thirdly, utilitarianism displays a casual attitude to the question of wellbeing.

Consideration for individual wellbeing is not robust since it can be easily swayed by mental conditioning (Sen, 1999). Sen expresses his central contestation as follows:

Concentrating on mental characteristics such as pleasure, happiness or desires can be particularly restrictive... our desires and pleasure abilities adjust to circumstances, especially to make life bearable in adverse situations. The utility calculus can be deeply unfair to those who are persistently deprived: for example, the usual underdogs in stratified societies, perennially oppressed minorities in intolerant communities, traditionally precarious share croppers living in a world of uncertainty, routinely overworked sweatshop employees in exploitative economic arrangements, hopelessly subdued housewives in severely sexist cultures. The deprived people tend to come to terms with their deprivation because of the sheer necessity for survival, and they may, as a result, lack the courage to demand any radical change, and may even adjust their desires and expectations to what they unambitiously see as feasible (Sen 1999:58).
In the same vein, the inadequacy of Rawls’ conception of justice in the allocation of welfare is seen, by Sen (1992), in the same light as the confinement of social welfare to utility and social aggregation. He argues that Rawls’ difference principle underlying the idea of equality of opportunity, “... greatest benefit of the least advantaged members of society” (Sen, 1992:75) still speaks to the focus of producing the greatest benefit of the least advantaged. Advantage in this view is judged by the holding of primary goods (income, wealth, basic liberties, choice of occupation, freedom of movement etc.). Further, that primary goods are not constitutive of freedom but are a means to freedom. The utility and the justice approaches are seen as not attaching intrinsic importance to freedom of choice but to the goodness of commodities. Freedom is assessed in instrumental terms in the form of a chosen bundle (Sen, 1992).

The second argument raised is that the definitional exclusion contained in the political conception of justice limits the scope of the concept of justice drastically and abruptly. Rawls’ pronouncements that, “in a constitutional democracy, the public conception of justice should be, as far as possible, independent of controversial philosophical and religious doctrines. Thus to formulate such a definition we apply the principle of toleration to philosophy itself: the public conception of justice is to be political, not metaphysical” (Sen, 1992:79) makes it hard to identify political rights and wrongs that a theory of justice should address. Also, that toleration as a qualifying view of justice is problematic because there might be serious issues of inequality and justice in the opposing views which are outside the tolerated consensus (Morawetz, 1993). Therefore equality of opportunity is limiting, in that it ignores entrenched inequalities and the freedom to achieve. That real equality must
be based on equality of capability or through the elimination of unambiguous inequalities in capability (Sen, 1992).

Clearly, Sen (1992) evaluates equality using the notion of capability. He refers to capability as representing the alternative combinations of things a person is able to do or be – the various functionings he/she can achieve. Functionings in this regard represent parts of the state of a person – in the various things that he/she manages to do or be in leading a life. Living is seen as a set of interrelated functionings constituting beings and doings. Functionings are constitutive of a person’s being – and an evaluation of a person’s wellbeing has to be in terms of the assessment of functionings. In this way achievement is seen as a vector of functionings. In sum, the capability of a person reflects the alternative combination of functionings the person can achieve, and from which he/she can choose one collection (Sen, 1992). Accordingly, some functionings are very elementary, such as being adequately nourished, being in good health etc., and that these may be valued by all for obvious reasons. Other functionings may be more complex, but still widely valued, such as achieving self-respect or being socially integrated.

As can be seen, Sen replaces equality with capability, which he sees as constituting an important part of individual freedom. Accordingly, it reflects the freedom to lead one type of life or another, that is, a person’s freedom to choose from possible livings. Sen is of the view that the capability of a person depends on a variety of factors which include personal characteristics and social arrangements.

Moreover, the capability approach is concerned with identification of value objects in terms of functionings and capabilities. It makes room for doings and beings thus providing a variety of ways in which life can be enriched or impoverished.
In terms of the relationship to wellbeing, Sen (1999) points out that wellbeing is thoroughly dependent on functionings achieved, and that, if achieved, functionings constitute wellbeing, then the capability to achieve functionings will constitute the person’s freedom, the real opportunity to have wellbeing. Further that freedom reflects a person’s opportunities of wellbeing, and that achieved wellbeing depends on the capability to function. Therefore, acting freely and being able to choose are directly conducive to wellbeing, and that, it should not just be about the availability of choices but about freedom to choose. A distinction is made between well-being and agency goals. Well-being in this context refers to functionings like being well-nourished, being sheltered and being able to appear in public without shame, while agency goals refer to the objectives the person sets him/herself and are therefore person specific. These may incorporate commitments to other individuals or causes (Burchardt, 2009).

The issue of upgrading the ability to function is an interesting question in the polemic of distributive justice and resource allocation. Ability to function is important in probing the element of human agency in development, but more importantly, ability to function centres human agency as a value in making policy choices. In his attempts to refine the social choice theory Sen has evolved a powerful form of policy analysis guided by humanist values rather than those of mainstream economics, it has become a form of policy analysis consistently guided by human development values rather than just the values of the market (Gasper, 2007).

However, this study has noted a shortcoming in the articulation of the capability approach which concerns the role of political power in shaping individual choices. As a human development principle the enhancement of capabilities takes place

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6 These attempts are reflected in his works on Social Exclusion (2000) Development as freedom (1999), Inequality examined (1992).
within an environment dominated by political contestation. While Sen (1992) acknowledges this fact by stating that developing and strengthening a democratic system is an essential component of the process of development, he is clearly reticent about the role of political power and the extent to which market capitalism can nullify democratic potential through creating inequalities. Political power is rather indirectly implied in his notion of democracy, which neglects political power that may lead to decisions that undermine capability and worsen the situation of the poor.

In relating the capability theory to politics, economic needs are seen as adding to the urgency of political freedom. In doing so, Sen urges that developing and strengthening a democratic system is an essential component of the process of development. Further, that the significance of democracy lies in three virtues, firstly in its intrinsic importance in human living associated with basic capabilities, secondly in enhancing the hearing that people get when expressing their political and economic claims, and thirdly, its role in the conceptualisation of needs and understanding economic needs in a social context (Sen, 1992). While this is certainly true, this benign view of democracy seems to be oblivious to the pervasiveness of political power in shaping the needs of the people.

However, Steven Lukes (1974), sees the exercise of power as not only consisting in overt operations, but also by the socially structured and culturally patterned behaviour of groups and social institutions. Thus the exercise of power includes influencing, shaping and determining wants and securing compliance by determining desires. Also, leaders do not merely respond to the preferences of constituents, they also shape preferences through the process of socialisation. Moreover, contrary to the pluralists claims that power shows up in actual conflict in the contestation of interests, the most effective and insidious use of power is to prevent conflict from
arising and to prevent people, from whatever degree, from having grievances by shaping their perceptions, cognitions and preferences in such a way that they accept their role in the existing order of things, either because they can see or imagine no alternative to it or because they see it as natural and unchangeable, or they value it as ordained and beneficial. The values underlying collective goals may be the outcome of a negotiated order built on conflicts between parties holding differential power (Lukes 1974:12-13).

On the other hand, Robert Dahl (1998), places the question of individual capability within the nexus between democracy and market capitalism. He states that because market capitalism inevitably creates inequalities, it limits the democratic potential of democracy by generating inequalities in the distribution of political resources. Furthermore, political resources include everything to which a person or a group has access that they can use to influence, directly or indirectly, the conduct of other persons such as wealth, income, prestige, information, status, organisation, education and knowledge. As a result, the capacity to make effective personal choices is unequally distributed and therefore the freedom and opportunity are also unequal.

Moreover, a range of personal choices is drastically restricted by deprivation. Regulatory devices may serve to compensate for loss of income but they cannot compensate for loss of choice, freedom, dignity and respect. This is confirmed by Denzin (2008) when he states that individuals’ view of themselves and the world are influenced by social and historical forces than previously believed.

The observations of Steven Lukes (1974) and Robert Dahl (1998) are a fitting characterisation of the democratic dispensation in South Africa. The political compromises of the negotiated political settlement of 1994 contain limitations that
restrict the scope of the ANC government to bring about socioeconomic changes that would change the structure of the “two-nations” society. Liberal democracy in South Africa is promoted in the face of growing inequalities and resistant poverty that undermine capability and makes the poor to increasingly be dependent on state welfare. The inability of the ANC government to engage in socioeconomic restructuring and to address the structural drivers of inequality and poverty is reflected in the growing welfare bill. This has a potential of the political system shaping perceptions, cognitions and preferences and presenting a captive electorate. This therefore is indicative of the fact that the extent of individual freedom in exercising functionings that a person has reason to value is dependent on the space permitted by the political system.

It is important to note that the choice of an individual is not independent of the prevailing social conditions of inequality and disadvantage. An agency’s assessment of well-being is influenced by these conditions. As a result, possibilities for making adjustments that reflect a history of hardships do exist in the form of scaling down aspirations in the process of exercising the freedom to choose valuable functionings. The implication here is that in such instances the agency goals must still be taken as sovereign, whether or not they are conditioned by circumstances. This therefore, shows that there are circumstances where an equal distribution of capabilities does not necessarily imply a socially just outcome.

In reflecting on circumstances surrounding agency choice, Bog (1993) presents a view that among factors that impede effort and that injure rather than enhance the quality of life for the intended beneficiaries, a faulty understanding of human needs plays a prominent role. This happens either through ignorance, miscalculations and assorted biases that skew so many well meant projects, including political power.
In summing up, this study is of the view that focus on the development of individual capability is instrumental in promoting human agency with capacity to take advantage of the equality of opportunity and to maximise outcomes that are of intrinsic value to an individual’s life. The equality of capability and the concomitant freedom to achieve desired functionings are central elements in the consideration of social policy programmes.

Capability freedom is a core element of human security which propagates important issues of freedom from fear and freedom from want. According to the human security notion, freedom from fear denotes protection from violent threats that are associated with poverty, lack of state capacity and other forms of inequities, while freedom from want is associated with human insecurities such as hunger, diseases and natural, political and economic disasters (Alkire, 2003). Moreover, there is a need to promote national discourse on the way forward in terms of addressing the legacy of apartheid. Talks and slogans about national unity and reconciliation cannot be used for “papering the cracks” of poverty, inequality and growing unemployment. A healthy political debate on divisive issues of national resources needs to become part of human solidarity and national cohesion. Lessons can be drawn from the past history of negotiations that saw the ushering in of a democratic order in South Africa, following a period of high levels of political uncertainty and a deeply polarised society divided along racial lines. The victory towards democracy is indicative of ability to resolve explosive issues and to find a common ground on which to rally around. The opportunity has not been lost nor the potential exhausted to address these issues of national importance.
2.7.4 Conclusion

Debates on the welfare state are framed within three theoretical perspectives comprising, the structural-functional perspectives which understands the state in terms of its functions; the pluralist perspectives which is concerned with the influence of different interest groups on social policy; and state oriented theories which sees the state as an entity in its own right with policies reflecting the interests of political executives, civil administrators and political party leaders. These perspectives go in tandem with corresponding social policy arrangements in both developed and developing countries. However, in the developing world social welfare arrangements are an outcome of an evolution of class interests and are reflected in terms of the values of conservative approaches in Germany, Italy and France; the social democratic configurations in the Nordic countries and the liberal values in the Anglo-Saxon nations.

In terms of developing countries, a cautionary note is in order regarding the shortcomings of western social policy regime types and their applicability in these countries. These shortcomings are in relation to three underlying assumptions, a development path and market economies that have solved the problems of underdevelopment; the existence of properly functioning democracies; and state capacities that are a given. On the contrary, conditions surrounding social policies in the developing countries are different from those prevailing in developed countries. Welfare policies in the developing world are not a result of working class mobilisation processes, but are a response to social inequalities on one side and to the demands of the global economy on the other side. While this applies to the three regions of Africa, Latin America and Asia, they at the same time are at different levels of development. A group of East Asian countries have reinvented themselves as
leading developmental states in Asia and the developing world. They have thus managed to respond to the needs of their populations through growing their economies and providing state leadership.

Welfare arrangements in developing countries are classified in terms of three categories comprising, productive, protective and dual welfare. The main problem with this classification is that it is ahistorical, and as such, fails to build into its analysis the shaping conditions of underdevelopment and the effects of the dictates of the global economy.

In terms of the conceptualisation of social policy, three evolutionary stages can be identified involving an understanding associated with the institutional landscape of social provisioning in the first stage; concern with the role of social policy in the development process in the second stage; and neoliberal safety nets which are only targeted at the poorer and vulnerable members of society in the third stage. Alongside the three perspectives of social policy above, there are three different categories of social theory, namely, representational theory which is concerned with models of social policy; analytical or explanatory theory concerned with the nature of social policy and its functions; and the normative framework. The normative theory has been adopted for this study as it provides a value framework for social policy as it is associated with political ideologies, national beliefs and free market principles.

The normative perspective is in line with the idea of the role of the state in development as opposed to the enterprise view which emphasises free market, and the populist approach which sees the collective rather than the individual as the core of society. The following chapter examines the foundations of social policy in South Africa and argues that, while in comparison to other African countries, the country
has a solid legislative framework for social provisioning, it falls short of addressing persistent deprivation which undermines the gains of the new democracy. The chapter identifies the factors that reinforce the status quo.
Chapter 3

The foundations of social policy in South Africa

3.1 Introduction

While the African policy landscape is characterised by collapse of social policy interventions, South Africa, as a new democracy, shows the capacity for intervention to the levels of Latin American countries. Social provision is directed by legislation aimed at addressing apartheid disparities. The ruling ANC government believes that it is more of government, and not less, that is required to realise the objectives of meeting the basic needs of the population. This dirigisme approach in South Africa is the subject of this chapter. The chapter discusses the policy foundations which are anchoring social intervention as well as the position of social policy with regards to the African continent and some Latin American countries.

3.2 The legal framework of social policy

In South Africa, the constitution recognises social and economic rights in the Bill of Rights according to which citizens have a right to access to adequate housing, health services, education and social security. Since the end of apartheid in 1994 South Africa has instituted a range of social protection systems comprising social assistance, social insurance, mechanisms that protect and promote livelihoods and transformative measures that advance social inclusion and social justice. The role of the state is seen as central in “developing an anti-poverty strategy that addresses income, assets and social poverty with the objective of eradicating poverty and creating employment” (ANC policy document on “Social Transformation”, 2007). The document emphasises the principles of a “people-centred and people driven state”
and that the social transformation programme is based on these principles. In the earlier discussion document on “The State and Social Transformation”, (2006) the ANC emphasised that “the defining feature of the South African democratic state is that it champions the aspirations of the majority who have been disadvantaged by the many decades of undemocratic rule” and that, “that is one of the reasons why the democratic movement must resist the liberal concept of “less government” (ANC, 2006:8).

Furthermore, the primary challenges of the state are identified as addressing underdevelopment and an attack on poverty through comprehensive social security and the extended public works programme. The White Paper on Social Development (1995) emphasises a developmental approach to welfare as opposed to hand out.

Social policy in South Africa is resting on three pillars, comprising firstly, public services (education, health, housing, water, sanitation and electricity, the public works programme, the envisaged National Health Insurance Scheme), secondly the contributory insurance scheme (for the employed) and thirdly, non-contributory means tested social assistance (various state funded grants in the form of old age pensions, care for children and the disabled, grants for some ailments). Outside the regulatory framework, private transfers in the form of remittances sent by migrants to rural dependants, is another form of welfare provision.

South Africa has the most comprehensive social protection package in the region. The country’s exceptionalism, as noted by Devereux (2010) is based on three prerequisites, namely, human, financial resources and political will. Devereux points out that the country is endowed with administrative capacity (including computerised data bases and sophisticated electronic grants delivery systems) and commitment to
the poor and poverty reduction (exemplified by progressive social legislation since 1994) to reverse the inequalities of apartheid. Moreover the South African approach to social protection offers valuable lessons in four areas comprising, social protection efforts led by government rather than donors; mobilisation of civil society in securing and enhancing rights to social protection; the establishment of a justifiable social contract through the constitution and Bill of Rights, designed delivery choices that aim to maximise access to, and the impact of social grants.

As a result of the solid legislation underpinning social protection and the central role played by the state, social policy in South Africa is delivered as a legal obligation. It therefore is situated within the human rights perspective and it asserts the right to be free from hunger. At the same time, provisioning can be looked at in terms of its basic needs orientation. Social protection provides both for consumption necessities in the form of cash transfers and for social services in the form of shelter, health care, education, water, sanitation and public transport. Cash transfers are predicated upon the rationale that some of the poor people, the aged, children and the chronically ill cannot be employed and have no access to income. Therefore it is incumbent upon the state to meet their basic needs. In the same vein the provision of public services, especially of infrastructural type, is aimed at the generation of productive employment which is essentially an important feature of the basic needs approach.

The use of both the rights perspective and the basic needs approach are complementary in social provisioning in South Africa and are grounded in the central role of government in ensuring provision.
South Africa’s social protection system is equated with that of leading Latin American countries of Argentina and Brazil. These three countries are seen as middle-income nations and growth poles in their respective regions. South Africa’s social expenditure is the highest of the three, accounting for 3.5% of the GDP for 11 million beneficiaries in 2006, Brazil 0.36% of the GDP for the same number of 11 million beneficiaries in the same period, and Argentina is the lowest with 620,000 beneficiaries. Mexico’s GDP share is slightly higher than Brazil at 0.4% with a lower number of beneficiaries, 5 million (UNRISD Report, 2010:150).

The same report further states that social policy programmes in South Africa have a substantial mitigating effect on poverty. Moreover, the means-tested social pensions paid to men and women from the age of 60 have been found to reduce the overall poverty gap by 21%, and by 54% for households with older people.

In Africa, there are some kind of social assistance services that are only found in South Africa. The AU Report shows that, services such as targeted free school for the very poor; access to low cost housing; free targeted quota of municipal services for the poor for electricity; water and sanitation; and residential care for children, older persons, and persons with disabilities are peculiar to South Africa on the continent. Other rare services found only in South Africa and Tunisia are, targeted health care for pregnant women, children under six and the poor; occupational/contributory pension; and disability pension (UNRISD Report, 2010).

A close assessment of South Africa’s welfare regime reveals close similarities with social democratic welfare arrangements while incorporating some elements of the liberal tradition. At the same time elements of both the productive and the protective regime types of developing country classifications are found. The political discourse
of state intervention, as elaborated in the Alliance document (1998) is aimed at realising the constitutional value of inclusion, resulting in the equality of outcomes, in other words, the equal treatment of unequals. This, together with total commitment by the state to the elderly, the children and the disabled, including the provision of housing, health, water and electricity, is what aligns the South African model to the social democratic principles. On the other hand, the issue of means testing in social assistance and the absence of intervention for those who have fallen through the cracks such as the unemployed, display liberal principles that encourage individual responsibility. This is made clear by the rejection of the Basic Income Grant idea which was recommended by the Taylor commission (2002) to ameliorate the situation of the unemployed and other low income groups.

Nonetheless, despite the extended coverage of social policy to include eligible members of society on an equitable basis, there are still problems of welfare that are bedevilling the system. Poverty is still a persistent problem in spite of the limited reductions achieved, inequality is still the highest in the world as indicated by the Gini coefficient of .68 as outlined in the previous chapter, the issue of unemployment which stands at 25% nationally and is as high as 28% in some provinces such as the Eastern Cape, KwaZulu-Natal, Limpopo, the Northern Cape and Free State (StatSA, 2009) needs to be resolved, including the question of the majority of unskilled and low-skilled workers who are not covered by any welfare measures in the informal sector.

Moreover, it needs to be noted that acclamations about extended coverage of welfare emanate from three assumptions, namely, that South Africa is a developed country much better that the rest of Sub-Saharan Africa; secondly that economic
planning takes precedence over social planning and that the two can be kept apart and; lastly that the informal sector will continue to absorb displaced labour from the formal economy. These assumptions are baseless in the sense that, firstly, contrary to the popular view that South Africa is a developed country, it is still largely rural. This is because half of the population still resides in rural areas. Rural areas in South Africa have historically served as important sources of social reproduction of labour (largely unskilled) for the economies of metropolitan areas of Gauteng, the Western Cape and Durban. This phenomenon engendered a process of development of underdevelopment leading to mass impoverishment, high levels of unemployment in addition to a number of the sick and the aged. According to Statistic South Africa (2002), rural unemployment is currently ranging between 25% and 43%, in addition, it is indicated that 60% of the population cannot afford health services. There is clearly a need to incorporate rural development and human capability development into economic growth planning.

Secondly, the formulation and planning of social policy separate from economic policy helps to maintain the status quo as indicated by continuing inequality and poverty and the patterns of property ownership. In this disarticulation in planning, issues such as commodity production, the methods of production and the nature of elasticity of demand in the manufacturing sector are treated as a preserve of economic policy. Such planning has emphasised skill and capital intensive production and left out questions regarding the responsibility of the market to skills development. Needless to say, the state of underdevelopment in the country requires considerations for labour intensive production methods which can contribute to employment and skills development. In the same manner, the slant of the
economy towards production for export and large scale luxury items for the few needs to be balanced with production of mass consumption commodities.

The artificial separation of social policy from economic planning reflects a failure to contextualise social policy within the overall pattern of development and underdevelopment in South Africa. It is also a reflection of a bias that presents social policy as measures that seek to prevent developmental disasters and to promote the welfare of individuals and communities rather than to achieve economic growth and capital accumulation. It is important to note that social policy is a critical component of economic policy and as such macroeconomic priorities should include key social development objectives of social protection, human capability development and the provision of basic services.

Thirdly, the informal sector has been experiencing an influx of participants in the past years, the majority of whom are poor and unemployed. The growth of this sector is characterised by survivalist micro enterprises with poor wages and working conditions. The majority of these are not able to make a transition into fully fledged business. They are facing serious blockages which make it difficult for them to transit into the formal economy. These blockages include, among others, poor product quality, lack of project management and marketing skills, poor funding and lack of expertise on conflict management.

Therefore the separated responses of economic policy, rural development and the informal sector from the programmes of social provisioning are an indication that social policy in South Africa is tinkering on the peripheries and not addressing the realities of inequality and poverty on the ground.

This study contends that these major problem areas need to be addressed, namely, the disarticulation of social policy from economic policy, rural development and the
informal sector. It is on this basis that this study is of the view that social policy in South Africa needs to move towards a more transformative function of social protection through building the capabilities of the poor and vulnerable. These issues will be fully explored in chapter eight.

3.3 The landscape of social policy in other African countries

In the rest of Africa, the most popular social protection programmes are cash transfers, food transfers to the destitute, food security inputs, social pension for older persons and the public works programme. The child support grant and the disability grant are implemented only in a few countries. Through the AU and HelpAge International, awareness has been raised in Africa about the importance of including social protection in national development plans and in poverty reduction strategies. Through the assistance of HelpAge International, meetings and national consultations have been held in different countries including Zambia and Camerron in 2006, Burkina Faso, Mozambique, Rwanda, Sierra Leone and Tunisia as a call on governments in Africa to strengthen social protection and social transfer interventions, to engage in capacity building and experience sharing on social protection, and to adopt comprehensive social protection schemes for older people and introduce universal social pensions (AU and HelpAge International (2008).

The absence of comprehensive social protection systems in Africa is attributed to, among other things, the lack of political will on the part of governments and the depoliticisation of the electorate which leads to apathy regarding mobilisation for social demands as Devereux (2010) points out. Other challenges identified by the Taylor Report (2008) include, lack of integration of social protection into national plans; lack of comprehensive plans on the implementation of social protection
programmes; poor intersectoral coordination and collaboration with civil society; poor budget allocations to social protection and poor mobilisation of resources as a result the funding is not sustainable and is not adequate for scaling up; high dependency on donor funding for social protection; ineffective targeting of recipients, for example social protection programmes benefit people living in urban areas better than in rural areas; technical and institutional capacity constraints: low institutional capacity to develop social protection programmes and to administer some social protection programmes; lack of reliable data: lack of reliable data on which policies on social protection could be based; lack of monitoring and evaluation of the effectiveness of social protection programmes; limited information dissemination on the availability of existing social protection programmes.

As has been discussed in the preceding chapter the struggle of governments to survive is intensified by the need to adapt to rapid global changes while attempting to identify development options amenable to tackling poverty and social inequalities. Moreover, this struggle to adapt to external demands is continuing in the face of dwindled state capacity and resources to respond to social needs. Consequently, it remains a daunting task for African governments to meet the AU call for developing comprehensive social policy interventions. Morales-Gomez sums up the situation of the three developing regions when he states that:

Most countries in Latin America are better prepared to face the challenges of public policy reform, given their history of state and civil society organisations, than most countries in Africa. Some East Asian countries have been able to adapt more quickly to the short term objectives of policy reform than the majority of countries in Latin America. In other cases such as in West and Central Africa, the notions of public and social policy reforms have only recently entered the vocabulary of policy makers and social sector practitioners. This is partly because the state is weak and its social protection role is limited and almost non-existent or because there are no consolidated policies to forward change. Yet in other cases the policy agenda for reform is more reflective of
global Western trends than the local necessity for change (Morales-Gomez (1999:5).

Indeed, states in East Asia have managed to cease the opportunity to develop markets with Western countries and to create institutions that have been able to respond to the needs of their populations. East Asian countries utilised the opportunities prior to the era of the World Trade Organisation (WTO) in 1994 to develop strong industrial strategies based on technology development. With the advent of the WTO in the management of international trade, stringent trading stipulations for protecting intellectual property were put in place. These include the trade related intellectual property (TRIPS) and the trade related investment measures (TRIMS) rights which have usurped the opportunity for developing countries to use Western technological models for development.

The Latin American region has in the past ten years made some strides in the lowering of poverty and inequalities. This improvement has been attributed mainly to government intervention in social assistance and in education. It has borne some results in terms of enhancing some aspects of human capability such as education and training which have in turn contributed to narrowing the gap in income distribution and unemployment inequalities. As Puryear (2010) indicates, spending on social assistance does reach the poor and 75% of the benefits of conditional cash transfers accrue to the poorest 40%. Further that social assistance programmes have grown significantly in the past decade. Important to note in this situation of Latin America is again the capacity of the states in the region to respond to social needs, while struggling under the constraints of fiscal austerity of the Breton Woods financial institutions. State intervention in this region is lower than the level of the East Asian states, however, it is more significant than the African region south of the
Sahara. It is noteworthy to reiterate at this juncture that state intervention is informed by the political values that are held by the policy makers. For this reason the subsequent section delves into the main theoretical frameworks that inform social policy (Puryear, 2010).

3.4 Conclusion

This chapter has outlined the features of social policy in South Africa that make the country to be different from its counterparts on the African continent. These outstanding strengths comprise a comprehensive legislative framework that anchors social provisioning and government capacity for intervention. This capacity is manifested by a strong and effective administrative network for the implementation of provisioning. Both the ANC party and the government places social provisioning as a priority for addressing deprivation in the country.

South Africa’s capacity for social protection places the country at the level of successful nations in Latin America such as Argentina and Brazil, however, with a GDP share of 3.5% for social provisioning South Africa is above these countries. Social policy in South Africa exhibits features of both human rights and the basic needs approaches. The strong legal foundations of provisioning accentuates the human rights orientation which presents social protection as a right, while the provision for consumption and the public services reflect the basic needs approach to development. These two approaches converge in the three pillars of delivery comprising, public services, contributory insurance and non-contributory means-tested social assistance.

Social policy in South Africa reflects similarities with both democratic welfare arrangements and liberal welfare regimes. The equality of outcomes principle and the total commitment by the state to providing basic needs approximates the country
to social democratic principles, similarly, means testing for social assistance and lack of intervention for those outside such as the unemployed reflects liberal principles. The social protection framework in South Africa has been found to have effectively reduced overall poverty by 21% (UNRISD, 2010).

The subsequent chapter discusses the state of social protection in the African continent. The efforts of the African Union to put protection mechanisms in place are outlined, highlighting the differences between targeted and universal protection in the context of IMF and World Bank adjustment policies.
Chapter 4
Social protection in independent Africa

4.1 Introduction
This study is based on social policy in South Africa to demonstrate that the country shares a common background of the colonial legacy with the rest of the continent in relation to social inequality, the poverty of the majority of citizens, and low state capacity for social provisioning resulting in unfulfilled aspirations. As a member of the African Union, South Africa subscribes to the legal framework of the organisation to address poverty and deprivation in the continent. Therefore, this chapter presents a deliberation on this important aspect of social policy, which is social protection, and shows how this approach has been influential in informing social policy interventions in Africa. The chapter does this by discussing the legal framework of the African Union (AU) which underpins social protection measures to address poverty and inequality in the continent. This is followed by conceptual issues surrounding social protection, after which the chapter closes with an analysis of examples of three pairs of countries which differ in terms of their levels of industrial development and the extent of their social protection interventions in addressing vulnerability.

Debates on the understanding of poverty have in recent years shifted from seeing poverty in narrow economic terms, based on income and asset deprivation, to a more comprehensive view which includes the socio-political context underpinning social deprivation. This view sees the function of protecting people from the harsh edge of the market and from the changing circumstances of life as the main objective of social policy and as its major role in development. The UN Report on “combating poverty and inequality” states that social protection is a key component of social policy which is concerned with preventing, managing and overcoming situations that
adversely affect peoples’ wellbeing. It helps people to maintain their living standards when faced with problems of illness, market risks, old age and other contingencies (UNRISD, 2010). The report states that in developing countries social protection is a recent phenomenon as a policy framework for addressing poverty and vulnerability.

4.2 The AU framework for social protection

In highlighting the potential of social protection as a key component of social development, the UNRISD Report (2010) states that social protection, as an aspect of social policy, can support people in moving out of poverty and living more dignified and productive lives. Also, that it can contribute to human security, the reduction of poverty and inequality and build social solidarity. Furthermore, that social protection can help to protect living standards in general and provide basic levels of consumption to those living in, or at the risk of falling into poverty. The strength of social protection is seen as important in facilitating human and other productive assets that provide escape routes from persistent and intergenerational poverty.

Applying the potentialities of social protection in the African context, the Taylor Report (2008) posits that shifts in thinking about social protection in Africa are moving towards its links with sustainable economic development and its relevance as a comprehensive response to poverty and capability deprivation. Emphasis is put on its developmental approach that is seen as a necessary component of growth and human development. The report points out that recent studies confirm that when social protection is located as a critical component of social policy and development, it has the potential to address multiple dimensions of poverty, to reduce inequalities and to play a role in the national development agenda (Taylor Report, 2008).

As a result of the renewed vigour in social protection, strategic and deliberate policy choices are under consideration by African governments. These include issues such
as the type of provisions that should constitute social protection, the level at which provisions are made, the kind of instruments required to monitor and evaluate programmes and how to build implementation capacity at national, local and sub-regional levels (Taylor Report, 2008). At the practical level the AU sentiments have been translated into social protection framework that is informed by four instruments as follows:

- **The Constitutive Act of the African Union 2000, of Lome adopted by the thirty sixth ordinary session of heads of State and Government.** This Act calls for the promotion of a common agenda to address issues affecting the people of the continent. In its Article 3 and 4 the Act emphasises the promotion and protection of human and people’s rights as well as the promotion of cooperation in all fields of human activity to raise the living standards of African peoples. The Act provides overall framework discussions on poverty, unemployment and vulnerability (Taylor Report, 2010:23).

- **The Ouagadougou Declaration and Plan of Action of 2004, in Burkina Faso.** With focus on poverty and unemployment, the meeting culminated into a Declaration on Employment and Poverty alleviation in Africa, A Plan of Action, and a follow-up mechanism for implementation, monitoring and evaluation. The stated overall aim includes to empower people, open opportunities and to create social protection and security for workers through creating a people-centred environment for development and national growth. The Plan is based on mobilising resources for implementation of the plans of the Action at national, regional and international levels. It places emphasis on the need for action at the national, regional and international levels and
highlights the need to enhance the capacity of Regional Economic Communities to promote productive employment and social protection within the framework of regional and interregional cooperation in Africa (Taylor Report, 2008:24).

- **The Livingstone Call for Action and the Yaounde Declaration of 2006.** This is a commitment of the African governments to promote social protection as an urgent response to the increasing vulnerability of people to chronic and new crises in the region. In prioritising social protection, the meeting reached consensus on the implementation of programmes such as social pensions and cash transfers to vulnerable groups including, children, older people and people living with disabilities. The Action recognises that an approach that links employment policies and poverty alleviation is critical to a comprehensive social development agenda. The guiding principles of social protection are embedded in both human rights and an empowerment agenda (Taylor Report, 2008:27).

- **Promotion of decent work agenda of the UN International Labour Organisation (ILO).** The Ouagadougou Declaration supports the ILO development agenda of Decent Work, including the enhancement of the coverage and effectiveness of social protection for all sectors in society, particularly the poor and vulnerable. Decent work is seen as “work that not only provides a sufficient level of income but also ensures social security, good working conditions and a voice at work” (Taylor Report, 2008:25).

It is estimated that the number of the working poor in Africa is the highest in the world constituting 55.5% in 2003. As a result, social protection is considered an essential part of a decent work agenda to secure human security of workers in
the formal and informal sectors in Africa. This fact is reinforced by the exigencies of the economic globalisation processes that create risks and vulnerabilities of poverty and unemployment where workers are being pushed into informal and casual labour where health care and secure employment are less available (Taylor Report, 2008:25).

The report further states that in the past two decades African governments have been implementing a range of poverty reduction strategies in an attempt to address poverty and inequality and to address the millennium development goals (MDG) of the UN. Social protection and poverty reduction strategies are spread throughout the continent, however, most of these strategies are outside the framework of national poverty strategies of these countries and fall far too short to meet the MDGs by 2015 as expected. The AU framework of social protection is depicted in the table below.

**Table 1: AU policy dimensions and processes**

<table>
<thead>
<tr>
<th>Policy Agreements / Commitments</th>
<th>Core Strategic Themes</th>
<th>Values &amp; Principles</th>
<th>Core focus</th>
<th>Linkages with Global &amp; Regional Commitments / Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>AU Constitutive Act of 2000 &amp; Related Policy Documents</td>
<td>Social protection as a contributor to growth, as a human right and to promote a common agenda on poverty</td>
<td>contribute to inclusion of poorest citizens in decent &amp; productive work reduce inequalities</td>
<td>Social transfers /cash programmes to women, the elderly, people with disabilities, children and other vulnerable sectors</td>
<td>Decent Work Agenda of ILO, MDGs, WSSD Commitments, African Charter on Human Rights, Universal Declaration on Human Rights and the Rights of Children etc.</td>
</tr>
<tr>
<td>March 2006 Livingstone and Yaounde Calls for Action on Social Protection</td>
<td>Integrated employment policies and poverty alleviation in Africa - Affordability of social protection</td>
<td>social protection is both a right and is part of an empowerment agenda a way to directly reduce poverty and inequality</td>
<td>promote social security for vulnerable groups in Africa social pensions and cash transfers to vulnerable</td>
<td>Integration of the employment and social protection agendas within the context of the national PRSPs, especially second generation</td>
</tr>
<tr>
<td>Declaration</td>
<td>Employment and poverty alleviation</td>
<td>to empower people, open opportunities and create social protection and security for workers in formal and informal sectors of the economy.</td>
<td>Address pervasive and persistent poverty, unemployment, and underemployment. Enhance and expand coverage and effectiveness of social protection for all sectors in society, particularly the poor and vulnerable. Focus on workers in the formal economy as well as agricultural workers, seasonal and domestic workers in the informal economy. The focus is also on strengthening and expanding the reach of existing measures.</td>
<td>Links to AU Constitutive Act. AU to enhance the capacity of the Regional Economic Communities (RECs). Resource mobilisation with Development Partners. Promote decent Work agenda of the ILO Member States of the AU and Regional Economic Communities (RECs) are the principal bodies for the implementation of the Declaration and the Plan of Action; AU Labour and Social Affairs Commission coordinator of the implementing mechanism.</td>
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<tr>
<td>Ouagadougou Declaration on Employment and Poverty Alleviation in Africa September 2004</td>
<td>Employment and poverty alleviation. The need for action at the national, regional, and international levels. Promote productive employment and social protection dimensions within the framework of regional and interregional cooperation in Africa.</td>
<td>Complement health, education &amp; basic service.</td>
<td>groups including children, older people and people living with disabilities should be implemented more widely throughout Africa.</td>
<td>PRSPs and MDGs.</td>
</tr>
<tr>
<td>Johannesburg Declaration</td>
<td>Expedite poverty reduction</td>
<td>Prevention, mitigation and enabling dimensions</td>
<td>reduce exposure to risks &amp; enhance capacity to protect against hazards</td>
<td>WSSD, MDGs + Second Generation PRSPs; Regional social policy processes.</td>
</tr>
</tbody>
</table>

**Source:** Taylor 2008:30, The African Union Report
The values and principles adopted by African leaders at the Livingstone meeting for this framework include, human rights, enabling macro policy environment, political will and commitment, a socially acceptable minimum to generate sustained development, optimal policy outcomes, access to resources and other means, social solidarity and cross subsidisation, financial and institutional sustainability, reducing vulnerability and poverty, gender equity and women’s empowerment, adequacy of coverage (Taylor Report, 2008:48-51).

4.3 Universal versus targeted social protection

Social protection interventions can take two forms, namely, universal or targeted coverage. The UNRISD Report defines universal social protection as a minimum level of income or consumption granted as a right by the state to all citizens and residents of a country, thus treating everyone with equal consideration and respect. The report states that the aim of universal social protection is to guarantee a decent standard of living for all, making social services and basic income accessible to the whole population. Also that universalism is concerned with the notion of solidarity and social citizenship, social rights, civil and political liberties and collective responsibility for individual wellbeing. According to the report, a key argument for adopting universal social protection and social services is that it is essential to sustained improvements in wellbeing (UNRISD 2010:135-156).

Secondly, universal social protection requires a strong state. The central role of the state in providing universal protection is demonstrated by the strong interventions of the social democratic countries and corporatist states which have accomplished universal coverage of social protection and social services. These have shown that public provision plays a central role in decreasing the
participation of citizens on the market for their livelihoods and in preventing them from falling into poverty. Indeed the role of the state cannot be substituted, and that, the advantage of the state is that it can provide uniform standards and universal coverage using different redistribution mechanisms among different groups depending on risks and vulnerabilities, income and class, gender and ethnicity and other characteristics (UNRISD 2010).

Thirdly, universal social protection offers greater benefits in that the more universal a programme becomes, the greater the potential for redistribution, risk pooling, cross-subsidisation, efficiency gains and quality control. Furthermore, universalism can enhance economic progress through positive impact of investments in education and health on human capital formation and on labour productivity as the report indicates. Instruments such as income transfers help poor people access services such as health and education and cover costs such as health and medicines. According to the UNRISD (2010) report, social protection programmes also guarantee social reproduction in households that are affected by poverty and fosters local development through increased income security and diversification of assets and livelihoods.

Finally, under social protection a range of services can be provided which reduce poverty and inequality. These include health, education and care services which are meant to effect vertical redistribution towards low income groups and horizontally towards groups with specific risks and vulnerabilities such as women with care responsibilities, the disabled and those who are ill (UNRISD, 2010).

On the other side of the spectrum is targeted social protection. Targeted protection is a mechanism of distribution directed only to certain groups or members of the community who are seen as needy or in crisis situations.
Targeted protection schemes have expanded dramatically in recent years through instruments such as cash transfers to the needy; income transfers conditional on work; and non contributory social pensions financed out of general budget revenues (UNRISD, 2010). Accordingly, such targeted protection is important for low income countries with large informal sectors where it can be used as a means to extend protection to sections of the population excluded from statutory contributory social insurance.

However, the benefits and shortcomings of targeted social protection are controversial. The problems of targeted protection as identified by UNRISD (2010) include high administration costs, errors of inclusion and exclusion and potential stigmatisation of beneficiaries through separating the poor from other social classes. Also, income-based targeting can be specifically challenging where poverty and informality are widespread and where governance structures and administrative and technical capacities are weak. Furthermore the report shows that lack of a recognised basis for the protection entitlements may create a wrong perception that people are receiving something for nothing, thus leading to a criticism of welfare dependency.

While the debate of the pros and cons of social protection continues to dominate social policy and development approaches, concerns for a clearer understanding of the concept has also emerged. It is the newness of this approach in the policy and development terrains, that warrants debates to clarify its meaning and application as outlined in the following section.
4.4 Conceptual issues of social protection

The social protection approach has emerged in recent years as a reaction to the failed neoliberal macroeconomic policy reforms which have cost unprecedented problems of social deterioration, poverty and deprivation in developing countries. The UNRISD Report (2010) refers to the era of these attempted market reforms, late 80s and early 90s, as a decade of lost development in many parts of the world.

Taking the debate of the failed market reforms further, Devereux et al (2004), argue that the ‘safety nets’ approach of the World Bank was conceptualised as minimalist social assistance in countries too poor and administratively too weak to introduce comprehensive social welfare measures. Safety nets are criticised as residualist and paternalistic in that they link risk management with economic growth and argue that protecting the poor against income and variability (risk) will allow them to invest and accumulate. Devereux et al (2004) refer to this as a “trampoline” effect out of poverty of a social risk management approach. In this conceptualisation vulnerability is attributed to the characteristics of a person or group (e.g. disability, farmers’ group), an event affecting a person or a group (e.g. orphanhood, domestic abuse), or a point in a person’s life cycle (e.g. old age, HIV/AIDS). Vulnerability emphasises risks and shocks that affect one or more of livelihoods assets and thus introduces policy instruments to meet resultant needs such as orphanages, shelters for domestic violence victims, food grain houses for farmers and others. This form of intervention continues to influence governments and development agencies. Devereux et al (2004) uphold that this conceptualisation of social protection in terms of safety nets is narrow, and that it
is economic protection and not social protection, therefore it is not socially transformative.

Since the 1990s thinking on poverty, risk and vulnerability has moved to embrace social risk management which concerns equity and social rights. The argument for a link between livelihoods, risk, vulnerability, the multidimensional nature of poverty with equity and social rights, is that this framework can help to create a virtual-cycle of policy conditions that are pro-poor growth, governance systems that are accountable to the poorer as well as to the wealthier citizens as Devereux et al (2004) further point out. Equity issues probe into the extension of social protection to incorporate both economic and social aspects of risk. Devereux maintains that a more political or transformative view extends social protection to include equity, empowerment, economic, social and cultural rights, rather than confining protection to targeted income and consumption transfers. He further asserts that a transformative approach conceptualises vulnerability as emerging and embedded in the socio-political context. Therefore attention should not be on how to design policy so that various groups face less risk in a given context, but rather how to change this context to minimise risk for a range of vulnerable groups (Devereux et. al. 2004).

A broader conceptualisation of social protection should be based on the appreciation of structural inequalities, also, addressing such vulnerabilities requires a political approach to social protection. The argument here is that the understanding of poverty has moved to incorporate social dimensions of wellbeing together with rights based approaches. Therefore fundamental to long term poverty reduction is a positive relation between livelihood security (social protection) and enhanced autonomy (Sebates-Wheeler, 2007).
According to this new empowerment perspective, a transformative approach to social policy should be able to achieve a positive change in power relations among various stakeholders including different socioeconomic groups, agencies and different household members. Its importance should rest in the extent to which it enables those whose lives are affected to articulate their priorities and claim genuine accountability from different implementing and provisioning stakeholders. Accordingly, transformative refers to “the pursuit of policies that integrate individuals equally into society, allowing everyone to take advantage of the benefits of growth, and enabling marginalised or excluded groups to claim their rights” (Sebates-Wheeler, 2007:25).

Within the purview of the transformative approach, social protection is defined as “all initiatives that transfer income or assets to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of the marginalised, with the overall objectives of extending the benefits of economic growth and reducing the economic or social vulnerability of poor, vulnerable and marginalised people” (Sebates-Wheeler, 2007:25-26). Accordingly, protection is operationalised through four policy instruments involving provision, preventative, promotive and transformative measures.

- Provision measures: these are the conventional narrowly targeted safety nets measures that provide relief from deprivation. These include mechanisms such as social assistance for the chronic poor; targeted resource transfers such as different types of grants by the state and/or NGOs; social services for poor individuals and groups who need special care such as the extension of free education, free health care and other services such as housing.
Preventative measures: to prevent deprivation and deal with poverty. These include social insurance for economically vulnerable groups, formalised systems of pensions, health insurance, maternity benefits, unemployment benefits. It also includes informal mechanisms such as savings clubs, funeral societies and others.

Promotive measures: these are aimed at enhancing real incomes and capabilities through a range of livelihoods enhancing programmes targeted at households and individuals. They include livelihood promoting income stabilisation measures such as microfinance that is invested in small enterprises in order to generate income; as well as livelihood protecting measures such as public works projects that transfer food rations or cash wages, while at the same time building infrastructure such as roads and or irrigation schemes.

Transformative measures: these address concerns of social justice such as the exploitation of workers or discrimination against ethnic minorities. They include collective action such as workers’ rights, changes to the regulatory framework to protect socially vulnerable groups (Sebates-Wheeler 2007:25).

Social protection mechanisms in this conceptual framework may overlap for the reasons that many interventions aim to achieve more than one objective. Sabates-Wheeler, (2007) points out that public works programmes, feeding schemes and microfinance programmes all strive to promote income in the long term while preventing deprivation in the short term. Also, that these measures have both economic outcomes in terms of growth and social outcomes in terms of the transformative aspects of social protection. For instance, microfinance schemes that
provide both social insurance and economic opportunities often have positive knock-on effects by empowering individuals within their families and households, as well as within their communities. For instance, a school feeding scheme stabilises food consumption for the poor, enhances access to education for poor and socially excluded children, thus building their human capital and improving their lifetime earning potentials through linkages with education services (Sebates-Wheeler and Devereux, 2007).

By pursuing activities that overcome structural inequalities and injustice, people are able to engage in society and the economy for their livelihoods and for economic growth (Sabates-Wheeler and Devereux, 2007).

Therefore the question of overcoming structural inequalities has value in itself and cannot be overemphasised as structural inequalities are the greatest impediments to social justice in South Africa. As indicated by the UNRISD Report (2010) high levels of inequality make it harder to reduce poverty through growth. The report further states that instead growth tends to be concentrated in certain sectors and those who are not linked to these sectors are excluded from the benefits. According to the report, inequalities restrict the productive capacities of the poor and their potential contribution to growth. A study of three pairs of countries by the UNRISD (2010) report shows that countries with high structural inequalities can have high levels of inequality even though they achieve high economic growth rates. The study compares countries with different levels of structural transformations from low, medium and high in relation to inequality, economic growth and the impact of social interventions adopted as follows:

- low structural transformation in Botswana and Kenya: in terms of production structures, these countries are still exporters of primary
commodities. The report shows that their limited industrialisation has meant that only a small portion of the labour force enjoys social protection even though significant steps have been taken to promote education and other social services. Poverty levels have tended to be high. Moreover, less than 10% of the population is employed in manufacturing in both countries (UNRISD, 2010).

- In Botswana the transformation of the first decade of independence moved the country form being one of the poorest in the world to a middle income country. This rapid growth generated great income inequalities, with the income of those involved in cattle farming and those in the public sector rising faster than those involved in arable farming. The discovery of diamonds created a few jobs. Despite the prevailing level of poverty in the country, Botswana’s social spending is the lowest in Africa in terms of the budget. The government has managed to hold on to the country’s massive foreign currency reserves that equal three months provision while poverty continues. On the other hand Kenya’s inequality is in terms of the regional differences in the provision of social services. Basic services such as water are still not available in many parts of the country. Social exclusion in Kenya is based on region, gender and ethnicity which have contributed to great disparities. The role of civil society organisations, especially NGOs is very pervasive in social provision (UNRISD, 2010).

- Medium structural transformation in Costa Rica and India: Both countries used the state in the 1950’s and 60’s as an agent of
development including promotion of industrial policies with an export-institution focus. Both have experienced economic liberalisation and high growth rates. However, Costa Rica’s social democratic orientation to welfare has earned it higher levels of human development and poverty reduction than India (UNRISD, 2010). Nevertheless, these gains have been undermined by the economic crises, growth has been volatile and inequality is increasing with a rise in unemployment, inflation and negative economic growth. The government of Costa Rica in the 1980s was dependent on the United States where it was receiving 36% of its budget. This has gone with the creation of several autonomous agencies that handle public funds. These agencies are in charge of 65% of the public budget of Costa Rica, leaving the government with only 35%. This has had a profound effect of curtailing state autonomy in determining social interventions (UNRISD, 2010).

Formal employment in Costa Rica depends on the growth of exports processing zones. However, these have very little links with the domestic sector and therefore employ a tiny proportion of economically active people. As such the informal sector is growing, accounting for more new jobs than the formal sector. On the other hand in India, there has been no clear relationship between growth and poverty reduction. Poverty is concentrated in certain areas of the country while economic growth has been achieved in different regions largely through the service sector and through manufacturing and business processing (UNRISD, 2010). The report shows that poverty estimates in India are normally based on consumption rather than income, and that these
consumption rates do not adequately capture the high income population and as such inequality is difficult to monitor accurately. However, rural-urban and formal-informal sector inequalities are increasing. Efforts to address poverty are through education and health. Further that poverty in India is about food, and particularly water. According to the report the main problem facing India is water and as such land redistribution is not even discussed because even if land was to be made available there would be no water to use it effectively (UNRISD, 2010).

- High structural transformation in Brazil and South Africa: The report shows that these two countries represent cases with far reaching structural transformations, with large industrial labour forces, commercialised agriculture and a vanishing peasantry. Nevertheless, their industrial strategies are skill and capital intensive, and as a result they have high levels of inequalities and poverty. These industrial strategies have produced high levels of unemployment. While both countries have left-leaning governments, they are vigorously pursuing neoliberal strategies. In terms of Brazil, the unemployment rate reached 12% in 2003 with 58% of the economically active population in the informal sector (UNRISD, 2010). Public welfare provision is based on universal coverage for health and education alongside targeted social assistance and cash benefits to the poor, as well as contributory services in the form of social security and market provisions. In South Africa, the vestiges of state-led racial discrimination in terms of income and wealth inequalities are very high. The capital and skill intensive
growth strategy has led to rising productivity, high wages for those in employment and growing unemployment. As a result of the insignificant informal sector in the country, the underemployed and unemployed are particularly vulnerable. Although policies have been deracialised they only benefit the formal skilled workers. With a 40% unemployment rate, the 10 million poor depend on state grants (UNRISD, 2010).

The three cases of the six countries above are proof of the argument advanced by Devereux et al (2004) and Sabates-Wheeler et al (2007) that a transformative approach holds little meaning if it is unable to achieve positive changes in power relations among various stakeholders. From this perspective a social protection strategy must be rights-based and have an agenda of inclusive citizenship. The six cases above, especially Brazil and South Africa which have reached higher levels of industrial transformation, have not managed to use their industrial transformation strategies to take their populations out of poverty as in the definition of transformative social protection of Sabates-Wheeler et al (2007) which views transfers as “to pursue policies that integrate individuals equally into society, allowing everyone to take advantage of the benefits of growth, and enabling excluded or marginalised groups to claim their rights” (Sabates-Wheeler, 2007:24).

Social assistance in South Africa and Brazil, including the other four countries, exhibits the tendencies of both the basic needs approach which has a focus of smoothing out consumption for the poor through cash transfers, and the safety nets approach which targets the vulnerable groups. Absent from these strategies is concern for social risk, the political and social relations, which underpin poverty and inequality and are reinforcing vulnerability and social exclusion.
4.5 Conclusion

Social protection is an intervention strategy that conceives poverty beyond elements of income and asset deprivation to include the socioeconomic context. This view has been adopted by the UN as a key social policy intervention for managing and overcoming adverse effects that affect people’s wellbeing. It has also been adopted by the AU as a framework for development in Africa, to move people out of poverty for them to live a dignified life. Within the AU social protection is seen as a link to sustainable development that addresses multiple dimensions of poverty.

The situation in Africa and the rest of the developing world is characterised by the crisis of stabilisation and adjustment policies of the 1990s, which have created poverty and social disintegration. The state was limited to residual interventions which were insufficient. Intervention policies were conceived only in the form of targeted social assistance for the neediest groups to alleviate the adverse impact of these policies. These social conditions eroded the rights of citizenship and undermined the prospects for development of human capability.

Furthermore, transformative social protection is political and is concerned with social security and solidarity. It adopts a comprehensive development approach for growth and human development. It is a critical component of social policy and development that addresses multiple dimensions of poverty and deprivation and reduces inequalities. Following this approach the AU has adopted a regulatory framework for addressing deprivation in Africa that prioritises social protection. The framework embraces strategic and deliberate policy choices that call for a common agenda for social protection, prioritisation of poverty alleviation and empowerment, and protection programmes that are worker centred and care for the vulnerable. In this, the universal approach to protection is deemed more sustainable than targeting the
vulnerable. Universal protection centres the role of the state for the provision of decent standards of living for all through uniform interventions among different stakeholders. While targeting provides protection to the needy, it however is costly in terms of state capacity and it stigmatises the beneficiaries.

The subsequent chapter delves deeper into the framework of social protection in South Africa. The chapter shows how the current framework has been shaped by apartheid policies during the transition in 1994 and how it has managed to extend only limited protection to those formerly excluded by apartheid. The context of the transition will be discussed extensively in chapter six.
Chapter 5

Social policy in the old and the new South Africa

5.1 Introduction

The purpose of this chapter is to give an exposition of some of the variables of social policy which have an impact on social inequality and poverty in South Africa. Only three of these variables will be discussed comprising, social assistance, income distribution, and education. The main aim of the deliberation is to look at the achievements of these programmes and their shortfalls in their quest to address inequality and poverty and to bring about social transformation. The broader view of this study is to look at the extent to which social policy in South Africa has managed to address the inherited historical legacy of inequality and poverty in the three identified areas. The chapter will start with an outline of the historical background of apartheid (racial segregation) in the first section which gave shape to racially based allocation of social services in apartheid South Africa. The second section goes on to assess the three policy instruments of social assistance, income distribution and education in relation to the changes introduced by the ANC government and the existing policy gaps in the implementation of the programmes. The subsequent chapters place the three policy interventions within the context of the political transition in 1994 and identify the areas of compromise that underpin weaknesses in the ability of these programmes to deal with inherited social contradictions.

It is important at this stage to start by showing that the post war period of 1945 in South Africa emerged in the aftermath of internal struggles between the Afrikaners and British rule and between Afrikaner land owners for the ownership and control of land and black labour. As a result, the ensuing policy thinking on social protection was predisposed and anchored upon this context. Terreblanche posits that these
circumstances provided opportunities ripe for the mass mobilisation of Afrikaners as an ethnic group. This mobilisation was based on two propagandist factors which were, first, British imperialism which was seen as a foreign factor and an inappropriate system meant to impoverish the Afrikaner nation and; second, the black indigenous population which was seen as an uncivilised majority swamping the Afrikaners. These two factors were used to concoct threats which were used to create a syndrome of victimisation that presented Afrikaners as a threatened species and to appeal to Afrikaner ethnic power (Terreblanche, 2005). He further states that as a result of these developments, South Africa witnessed the rise of aggressive and religiously oriented Afrikaner nationalism in the 1940s advocating “white purity” and racial segregation.

The ideology of ethnic purity and the need to preserve it went parallel with a racist portrayal of the black populations as barbaric and heathen groups that needed to be civilised and christened by the Afrikaners. The mobilisation on the basis of ethnic sentiments of concocted dangers against the Afrikaners led to the attainment of political power by the National Party in 1948. This historical opportunity, as Terreblanche (2005) points out, was used to institute racist legislation to turn blacks into cheap labour and to amass wealth and to promote Afrikaners sectional interests, particularly the upliftment of poor Afrikaners and maintenance of power and privilege for white people in general. Also that economic factors, and in particular, social policy played a major role in the crystallisation of the ideology of apartheid based on uncritical self-righteousness.

However, Marais (1998) asserts that an understanding of NP rise to power and the Afrikaner nationalist ideology including its subsequent policies cannot be abstracted from the material conditions, contradictions and struggles in the development of
capitalism in South Africa. Furthermore, that Afrikaner nationalism had at its core ambitions for bourgeoisie Afrikaners, who assiduously articulated and promoted Afrikaner nationalism, the ideology through which Afrikaner capital developed via an extensive network of cross cutting organisations. Key to this capitalist accumulation was dependency on mining, agriculture and industry and on guaranteed cheap African migratory labour (Marais, 1998).

The institutionalisation of apartheid in the 1950s and 60s, as Terreblanche (2005) further points out, brought about a new socioeconomic order which brought about two things, first, a plethora of legislation for the subjugation and control of black labour by controlling their movement, living and working patterns and their intellectual lives in order to meet the demands of the agricultural sector and the growing Afrikaner industry. The second aspect was the enlargement of the bureaucracy and a welfare system to uplift Afrikaners through lucrative employment opportunities in the public sector and parastatals as well as direct favours from the NP government in the form of mining and liquor concessions, fishing quotas, government contracts and all sorts of privileged inside information. By the 1970s the problem of poverty had been removed among white people and a strong Afrikaner bourgeoisie had been built (Terrebanche, 2005).

5.2 The social welfare of deprivation

One of the consequences of the institutionalisation of apartheid in order to segregate and discriminate against blacks was to invoke a chain of administrative and control measures that included the Job Reservation Act of 1958 which reserved all management jobs for whites in both the public and private sectors; Influx Control Act of 1952 which allowed blacks for exploitative jobs in the manufacturing industry; the migratory labour system for blacks to enter urban areas as migrant workers; the
Group Areas Act which demarcated residences on racial basis; Reservation of Separate Amenities Act and Separate development of 1960 which provided for separate social services in education, health, housing, transport and other amenities. The quality of these services was characterised by large differences between whites and other population groups, with those meant for Africans being the least. As Marais (2007) points out, these and many other administrative and punitive measures transformed the surplus producing peasantry into a pool of labour for the mines and the emergent capitalist agriculture.

During apartheid whites were the primary beneficiaries of public expenditure. They received well over 50% of all social spending for health, education, housing welfare as well as water and sanitation – while black social expenditure remained constant at 12% of the white level (Pauw and Ncube, 2007:18). Moreover, Whites were guaranteed access to jobs and experienced rising wages while cushioned by a wide ranging security system and access to credit. To support this, vast resources were invested in education, health, housing, cultural, recreational and sports infrastructure and services. When social security was extended to other population groups much later in the 1980s it remained unequal along racial lines. Distinction between deserving and non deserving poor was marked by race. The first group to be included was coloureds who benefitted from the child support grant and non-contributory old age pension. In 1990 54% of all maintenance and foster care grants went to the coloured population. By 1993 the allocation per race of the children covered was 13% coloureds, 8% Asians, 2% whites and 0.5 Africans despite the fact that Africans constituted 75% of the population. They were restricted to a lower income cut off with no outreach to educate them (Pauw and Ncube, 2007:18).
In addition to the above, the old age pension provided non-contributory grants to the white and coloured populations. The exclusion of Africans was justified on the basis of kinship, that responsibility for reproduction would be borne by extended families perceived to be better placed to meet subsistence needs. The idea was that people with modern lifestyles and consumption patterns had a greater need for social protection. Pauw and Ncube (2007), further show that when old age pension and grants for the blind was later extended to Africans the racial disparities were maintained where the maximum for whites was five times higher than that of Africans. Coloureds and Indians received half as much as whites. The coloured and white groups also benefited from the disability grants as early as 1937 and Indians were included much later.

In terms of the state maintenance grant which was meant to assist poor families, the situation was that African women were largely excluded from receiving it, access was uneven especially in rural areas. The Lund Committee Report (1996:14-20) indicates that for coloured and Indian children, the access rate was 48 and 40 out of every 1000 children respectively compared to two grants for every 1000 children for Africans.

Regarding economic welfare the scenario was that in terms of land, the Native Land Act of 1913 restricted land ownership for Africans to certain areas, constituting only 13% of the country’s land area. Many Africans in areas reserved for whites lived as labourers on white farms. Thus white commercial agriculture managed to produce 90% of agriculture value added with massive state support on the basis of restrictions on African ownership. In the same way the Group Areas Act of 1950 restricted property ownership to specified areas for Africans, Indians and coloureds
and, together with the restricted movement into urban areas, this prevented housing ownership for Africans and limited collateral available for loans (Gelb, 2003). Moreover, on the labour market front black male workers were forced into short term migrant labour contracts providing little employment security. They were housed in single-sex compounds on the mines and with strict colour-bar enforced in the occupational hierarchy. Migrancy remained a central feature of labour supply right up into the 1980s shaping the gender balance within the rural households and restricting black women’s participation in the labour market as Gelb points out. Gelb (2003) further contends that the restrictions imposed by the Group Areas Act prevented Africans from owning more than one business enterprise, from establishing companies and partnerships and from owning business premises even in the demarcated African areas (Gelb, 2003).

The results of the situation above, was that a great majority of Africans were ruled out of the circuits of production, distribution and even consumption. Marais (1998) points out that the effects of these repressive conditions curbed the development of class formation in African communities, that African middle class remained a distant project as the state closed up access to most accumulatory activities and continued to drive African business people from the central business district. Also that even the informal sector was closed down through stiff legislation that forced African consumers to spend their earnings on white businesses.

The Taylor committee Report of 2002 succinctly outlines the situation when it states that by contrast, black South Africans, particularly Africans, were subjected to extensive labour-market discrimination and disadvantage. The report points out that inferior education, influx control, the Group Areas Act and a range of other instruments undermined the incomes of Africans and consequently their social
development. Moreover, that given the chronic labour shortages that plagued low-wage sectors in agriculture and mining in the post-war period, the apartheid state was averse to providing any alternative means of subsistence for African job seekers. Further that, instead the state relied on coercive labour legislation to channel unskilled Africans labour where it was most needed (Taylor Report 2002:19).

In summing up the attitudes of the past white governments the Lund Committee Report (1996) states that, “former South African governments preached family preservation as a social policy, while their economic and political policies systematically disrupted family life for people who were not white. Thus some of the fragmentation of families in all population groups is part of a broader phenomenon, but the specific effects of apartheid policies affected the African population particularly severely. Those same policies locked the majority of people into poverty” Lund Committee report, 1996:6).

On the other hand the system poured massive investments in public education for white children in the 1950s and 1960s which resulted in white workers securing the skills that enabled them, in the 1970s and 1980s, to command high incomes in free labour markets. Accordingly, this removed their dependence on direct state interventions in the form of job reservation based on race, which was essentially based on a combination of income (cash) measures through job reservation and other forms of assistance including in kind benefits through education, health and housing to name a few, characterising a state-driven or institutional approach to social policy for whites.
As labour market regulation was de-racialised, the wage-setting machinery was extended to the African working class. This was as a result of the crisis of the economy in the 80s. Prior to this crisis the state old age pensions for Whites saw a constant increase over the years, while those for Africans were reduced. The gap between the two widened until 1971 (Taylor Report, 2002).

Table 2: racial gaps of old age pensions, 1970-91

<table>
<thead>
<tr>
<th></th>
<th>Whites</th>
<th>Indians</th>
<th>Coloureds</th>
<th>Africans</th>
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<tbody>
<tr>
<td>1970/1</td>
<td>7.5</td>
<td>3.4</td>
<td>3.5</td>
<td>1</td>
</tr>
<tr>
<td>1975/76</td>
<td>4.3</td>
<td>2.3</td>
<td>2.3</td>
<td>1</td>
</tr>
<tr>
<td>1980/1</td>
<td>3.3</td>
<td>1.9</td>
<td>1.9</td>
<td>1</td>
</tr>
<tr>
<td>1985/6</td>
<td>2.3</td>
<td>1.5</td>
<td>1.5</td>
<td>1</td>
</tr>
<tr>
<td>1991/2</td>
<td>1.4</td>
<td>1.2</td>
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The gradual closing up of the racial disparities was as a result of the economic crisis in the 1970s no longer relying solely on a small pool of White workers to sustain economic progress.

With the limited opening up of the economy due to the crisis, the African people remained with high indices of deprivation where millions of citizens were (and still are) plagued by continuous ill-health, high levels of anxiety and stress characterised by prevalent stress related disease and abuse on women and children. Harsh and dangerous work and low income is still a feature for the majority. Furthermore, in the midst of high inflation rate and soaring unemployment Africans became consumers without humane infrastructure in their demarcated areas such as electricity, water,
sanitation in addition to poor housing, poor health facilities, transport, roads and poor social amenities. Consequently, deterioration increased as a large number of surplus workers sought for better opportunities in the urban areas. In the white farms the rate of expulsions was intensifying and swelling the ranks of the unemployed in the urban areas (Taylor Report, 2002).

This systematic exclusion and repression has produced a society that is characterised by high levels of extreme inequalities in the world which are the foundations of persisting poverty in South Africa. Marais (1998) indicates that by the 1990 social inequalities in income and wealth, education, housing, health and other areas were remarkably high. During this time the poorest 20% of the population were receiving only 1.5% of total income, being 23% of African households in this bracket, 11% coloureds and 1% Indians and whites. This was in comparison with 65% of all income going to the richest 20%. Sixty five percent of white households were in this category of the richest including 45% Indians and 17% coloured households. Africans constituted a mere 10%. Also at the same period, 1995, the poorest half of the households earned 11% of household income. As can be seen poverty was concentrated among the African population who bore the brunt of racist discrimination. As a result, 57.2% Africans were living below the poverty threshold compared to 2.1% whites. Forty percent of the country’s poorest population were African females in the rural areas, as a result female headed households constitute 26% with a poverty rate of 60%. The unemployment rate among this group was the highest at 52% (Marais, 1998:193-201).

This socio-economic framework set in a process of social deterioration and created unprecedented levels of poverty and deprivation, unemployment and racial
inequalities within South Africa. As a result, poor education, poor health and housing and low standards of social amenities became the livelihood patterns of black people, particularly the Africans.

The systematic and violent segregation between privilege and deprivation during the apartheid era lies at the roots of the social inequalities in South Africa. These conditions are responsible for shaping black people’s unequal access to resources, their potential for asset accumulation, and the returns from their assets.

However, as evidence that the system was not sustainable, in the early 1970s, the South African economy began to stagnate. Faced with this problem, the National Party came to the realisation that the economy could no longer rely solely on a small pool of White workers to sustain economic progress. This led to an increase in the demand for Black workers and job reservation laws were loosened and trade unions for other race groups were legalised. These changes also resulted in a move towards greater inclusivity in the social security system. The period experienced an influx of large numbers of Africans into the urban areas in search of better life opportunities. However their hopes were soon to be dashed in the face of an economy that could not produce jobs at the level of unskilled occupations. Hence joblessness and increasing poverty among the African population came to be a defining feature of existence. When the new democratically elected government came into power in 1994, the stakes were stacked against them to deal with a huge backlog in all areas of economic and social policies to address huge cleavages of inequality and poverty between races.
5.3 The social welfare agenda of the democratic government

Social policy in South Africa reflects the preponderance of three main normative principles comprising, state responsibility, equity and justice, social cohesion. The motivations for the state assuming responsibility are clearly articulated in the Discussion Document (1998) of the Tripartite Alliance “The state, property relations and social transformation”. The document states that “... the kind of state that the NLM is building is one in which the democratic forces have the capacity decisively to use state instruments for purposes of social transformation”. In acknowledging the need for the transformation of the state itself the Alliance points out that “transformation of the state also means a clear programme to restructure state assets in the interest of development which favours disadvantaged sectors of society”. Also that “... the NLM is committed to a strong and efficient state that is tenacious in its loyalty particularly to the poor” (ANC 1998:3). It is thus believed that the inherited legacy of poverty, inequality and unemployment cannot be overcome without major intervention by the state.

From these pronouncements, the state in South Africa assumes the role of social distribution to redress the inherited inequalities in social provision for the improvement of the social conditions of the population, particularly the poor. The state is seen as being responsible to meet the basic needs of citizens. In this task the state does not act alone but in consortium with civil society. This is indicated by the use of the concepts of “people-centred and people-driven state” in the discussion document “Social Transformation” (2007:3). The role of communities in the functioning of the state is again emphasised that “... the effective engagement of

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7 See explanation of these concepts in the ANC “Umrabolo” publication, 1997, third issue.
communities as co-producers of services is the sine qua non of a successful 21st century developmental state” (ANC, 2007:3). This statist approach resonates with development thinking that was promoted by the United Nations in the sixties and seventies. It has again resurfaced as the “Third way” with the failure of neoliberal structural adjustment. The values of the “Third way” include concepts such as social inclusion, civil society, active government, investment in human and social capital, redistributing opportunities or assets rather than income, positive welfare and an active approach to employment, rights and responsibilities (Powell, 2003:121). Accordingly, this approach has generated a new discourse with the rise in the USA of former President Clinton, former Prime Minister Blair in the United Kingdom, Prime Minister Schroder in Germany including social and democratic labour parties in Denmark, the Netherlands and Belgium. The “Third way” is seen as renewed or modernised social democracy which is more receptive to solutions based on the market and civil society than traditional social democracy.

The statist approach or developmentalism, as it is sometimes referred to, offers a macro perspective on social policy and seeks purposefully to link social and economic policies within a comprehensive, state directed development process involving both civil society and business organisations in promoting development goals (Hall & Midgley, 2004). It is within this perspective of the “Third way” that the ANC government and its alliance partners have positioned South Africa as a developmental state that “puts in place regulatory and other mechanisms not only to obviate market failure but also to afford the state capacity to intervene in a proactive way to facilitate growth and redistribution” (Umrabulo 1997, Issue No.2:).
It is such a developmental platform that the government has used to address the needs of the majority of the population by extending the coverage of social services to all areas and the equalisation of social assistance provision. This approach of addressing needs, including achievements made in the areas of education, housing, health care and basic services, reflects the utilitarian model of meeting social needs (see chapter 3). It places the primacy of need satisfaction on aggregation of majority needs in order to attain the highest possible level of provision.

The second principle of the policy is equity and justice. The concepts of equity and justice are placed within a human rights perspective to refer to the right to benefit from activities of the state including having people, with the help of the state, taking part in improving their lives. Within this framework, redistribution is placed as a critical element of development (ANC Discussion Document, 1998). In re-affirming their commitment to eradicating poverty and inequality, the ANC government and partners resolved to develop an anti-poverty strategy that addresses income, assets and social poverty and employment creation (Social transformation 2007, ANC Discussion Document). The areas of education, health care, housing and basic services were also targeted in line with the UN Millenium Development Goals to halve poverty by 2014.

Allied to issues of equity and justice is the question of human solidarity and non-racialism. Human solidarity is seen as a pillar in social cohesion and as an attribute of a caring society which calls for the forging of a social compact (social compact is unqualified in the discussion document). The social compact is made up of all races and has, as its central objective of social policy, the preservation and development of human resources and ensuring social cohesion (ANC Discussion Document, 2007).
Taking the ethic of human solidarity further, one of the ANC stalwarts, Pallo Jordan emphasises that “the ANC has been the most consistent advocate of an inclusive South African nationhood rooted in the universalist, liberatory outlook of modernity and the realities and imperatives of South Africans of all races sharing a common territory” (Discussion Document, 2007:1).

The two principles of equity and justice under a social compact (though unqualified) clearly manifest the influence of the social contract approach to social provisioning which has been discussed in chapter 2 of this study. The social contract approach takes equality as a point of departure in the distribution of resources. What becomes of importance in this approach is the outcome of the distribution, thus making similarities to be more important than differences. It would seem like the assumption is that the values of social cohesion and solidarity will emanate from the outcomes of equality of opportunity than from changing the context of inequality and poverty. Evidently, inclusion without meaningful structural transformation has led to growing social inequalities that continue to undermine the expansion of human capability and access to social rights.

The political transition saw a turning point in the history of South Africa by extending full social participation to population groups which were excluded by the apartheid regime, especially the Africans. The new government was faced with huge challenges of changing a fragmented social security system made up of 14 different departments into a comprehensive one to cover the whole population. This entailed the restructuring of the existing welfare system into an equitable and non-racial one and redefining the role and responsibilities of welfare. To face this task, the government armed itself with a concept of developmental social welfare; this was
based on the rationale that social development cannot occur without economic development, and that economic development is meaningless unless accompanied by improvements in social welfare.

As a sequel to the developmental approach the government produced a policy framework which was premised upon the interrelations between social and economic policy. The White paper (1997) states “that economic development has to be accompanied by the equitable allocation and distribution of resources if it is to support social development; social development and economic development are therefore interdependent and mutually reinforcing” (White Paper, 1997:9). The ultimate goal of the welfare policy was “to facilitate the provision of appropriate developmental social welfare services to all South Africans, especially those living in poverty, those who are vulnerable and those who have special needs” (White Paper, 1997:9). Therefore, the new government committed itself to use welfare as a poverty alleviation programme, linking social and economic development and assigning the state a major role to realise the intended goals of the policy. These promulgations were buttressed by the country’s constitution in the Bill of Rights (chapter 2) section 27 which espouses the right to social security as well as the findings of the Lund Committee of 1996 on child and family support; and later the Social Assistance Act of 1999 providing for the rendering of social assistance to persons, national councils and welfare organisations, and the recommendations of the Taylor Committee of 2002 which suggested a comprehensive welfare system for the country.

The idea of developmental welfare has been a widely held view in relation to the development successes of the East Asian countries, particularly reforms in the area of social security. This has led Kwon (2007) to conclude that the success of rapid economic development in East Asia pacific was due to a developmental state, where
both social and economic policies were institutionalised in order to play a part in the overall strategy for economic development. East Asia adopted social welfare programmes as policy instruments for economic development. Skirting around the definition of a developmental state, Kwon refers to a developmental strategy as a development ideology that subordinates welfare to economic efficiency and discourages dependency on state promoted sources of welfare. Accordingly, this enabled East Asian states to divert resources to the development of infrastructure. Moreover governments in this region have successfully shifted the responsibility for social security to the private sector. This is evidenced by minimal state intervention in social assistance which owes its success to the strong non-government charitable assistance, particularly the family. The extended family remains as the provider, saver and distributor (Kwon, 2007:5-8).

While the East Asian countries are depicted as driving a developmental strategy by Kwon, Gough (2000), states that the countries in the region comprise a welfare regime of productivist welfare capitalism in which social policy is subordinated to economic policy. He further posits that within this generic welfare regime, Korea, Japan and Taiwan constitute, what he calls, a developmental universalist mode where the state underpins market and family provision with some universal programmes, mainly to reinforce the position of productive elements in society (Gough 2000:14).

Indeed democratisation politics has played an important role in policy changes in East Asia. Different social actors have been brought together and are actively involved in social policy making, what Kwon (2007) refers to as mainstreaming social policy in politics. According to Kwon, labour market policies provide recipients of welfare with skills necessary to enter the labour market while providing income
maintenance to make their own living and to contribute to economic development. Furthermore, social factors such as excessive concentration of wealth and income, income inequality in education opportunities and power structures impede development and should be dealt with by social policy.

In elaborating further on the developmental aspect of social welfare, Kwon (2007) cites the Scandinavian experiment in the 1930s where these countries while providing income maintenance, used labour market policies to develop skills to enable entry into the market. Further, that this strand of welfare developmentalism was further adopted and elaborated upon by the United nations and its agencies, namely, the UN Economic and Social Council in 1966 that emphasised the interrelated character of social and economic factors, thus showing the importance of incorporating social development into economic development in order to achieve a better standard of living.

Accordingly, the UN emphasis on social and economic factors was based on four principles of social policy, namely, (1) to leave no important section of the population outside the scope of change and development; (2) to make it a principal objective to activate a wider sector of the population and to ensure its participation in development; (3) to accept and aim at social equity as being morally important, as well as a significant element in increasing long-term economic efficiency; and (4) to give high priority to the development of human potential, especially that of children, by preventing malnutrition during their early years and by providing health services and equal opportunities (Kwon, 2007:7). These initiatives failed to have a significant impact on policy making due to the worldwide economic recession in the 1970s, and the ascendancy of neoliberalism in the 1980s also prevented this strand of welfare
developmentalism from influencing development thinking. However, some UN agencies such as the UNDP the UNRISD have attempted to reinvigorate the idea in the 1990s. This new focus on developmentalism will be further discussed in chapter 8 below.

In South Africa, with the zeal inspired by developmental welfare, the ANC-led government, despite the mounting problems posed by the socioeconomic context, undertook the task of the reconstruction and development of the welfare system. The socioeconomic problems they were facing at the time included the demographic features in terms of the population structure, the HIV/AIDS challenge, huge disparities in income distribution, high levels of poverty and low quality education for Africans, unemployment, and other inequalities in health, housing and infrastructural development.

- The demographic challenge entailed a growing population at the rate of 2.2% which did not compare well with economic growth and especially job creation. Moreover the population comprised an age structure characterised by a high concentration of young people in the category of 0-34 years and a high proportion of females between the ages of 66-80. Furthermore 54% of all children were living in poverty. These had significant implications in terms of the design of social security (Taylor, 2002).

- The unprecedented increase in the rate of HIV/AIDS infections and a steady increase in adult mortality which was 3.5 higher by 1995. This was particularly young women in the age range of 25-29 years. At that time an increase in the number of orphans was projected to reach 2million by 2010. These would be
particularly in the rural areas where 70% of the poor are located. Life expectancy had fallen to 48 years by 1999 from 62 in 1990 (Taylor, 2002).

- Inequalities in income were as a result of repressive legislation such as job reservation, Group Areas Act and unequal spending in education and health which had an impact on educational attainment for Africans. The per capita personal income of other groups as a percentage of that of whites were 13.5% for Africans, 20% for coloureds and 48.4% for Asians. Forty percent of the poorest were earning less that 60% of total income while the richest 10% were taking a lion’s share of 54% earnings (Taylor, 2002).

- Educational attainment during the time of apartheid had an effect on entry to the labour market and it is indicated by a large majority of whites in non-manual work 72.9% compared with Africans 25.2% with Asians making up 60% and Coloured 31.7% in 1996. This was within the context of a national illiteracy rate of 27%, decomposed into 61% for Africans and 68% for coloureds. At the same time the national unemployment rate was 32%, with Africans constituting 42.6%, Coloureds 20.3%, Asians 12% and Whites only 4.4%. Twenty percent of the Africans had no schooling at all and more than half with no more than primary schooling. With a Gini coefficient of 68% these inequalities made South Africa the most unequal society in the world. (White Paper, 1997; Leibbrandt et. al., 2010; Treiman, 2005).

- In sum, the majority of the population was excluded from full participation in all aspects of South African society; society was divided along racial lines; government programmes perpetuated racial hierarchy with the greatest allocation going to whites and Africans getting the least; economically the country was isolated through sanctions and many firms were unable to
compete in global markets; economic growth declined to below 1% per annum and came to a standstill in 1992; the public sector debt was ballooning out of control; the country was also excluded diplomatically and excluded from almost all multilateral institutions; the police and justice system violated most of the human rights and were primarily used to defend apartheid with little respect for the rule of law or constitutionality; the tricameral system and the Bantustan system were supported by a minority; finally, by the 1980s the country was ungovernable with a failing economy, a social fabric rent assunder by apartheid and dislocations as a result of endemic conflict (PCAS, 2003).

Notwithstanding the above problems, the government managed to introduce a social protection programme which is publicly funded and it is disbursed in the form of cash transfers to more than 12 million people in 2009/10, costing approximately R80 billion. The bulk of the recipients, 95%, are children, the disabled and old age pensioners. Children accounted for 68% of the total budget in 2009. The rural provinces of KwaZulu-Natal, Limpopo and the Eastern Cape account for almost 60% of the beneficiaries. Of importance to note, is the reported fact that households receiving the grants spent them more on food and education (Jacobs et al, 2010). Other grant-like social expenditures include the national School Nutrition programme, the Expanded Public Works Programme, Municipal infrastructure Grant, Umsobomvu Youth Fund, land reform and agricultural support grants.

Despite the difficult conditions at the time of the transition, the ANC government has managed to accrue some gains over the period of the implementation of policy changes since 1994. One of these has been achievements in economic growth
which has averaged 3.5% between 1999 and 2005 and reaching a peak of 4.5 in 2005 and has had positive values since then. This increased growth helped to contribute to an increased share of government expenditure for social services. The beneficiary programmes for social spending have been welfare, particularly for children, water and sanitation provision, municipal services, adult education, electricity supply, job creation, housing and health services among others (Leibbrandt, 2010).

Research shows that the South African state has achieved some gains in terms of mitigating both relative and absolute poverty and reducing inequalities of opportunity by redistributing substantially through the budget. According to Seekings (2002) the three pillars of redistribution through the budget are the education system which has achieved a high primary enrolment rate of 95% in 2004, an efficient and progressive tax system relying primarily on income taxes and a non-contributory grant system providing generous benefits to the needy. The welfare social protection programme comprises a mix of private transfers which include: remittances from migrants to rural dependents; contributory insurance schemes (such as the pension or provident funds); medical aid schemes and the unemployment insurance funds to which employers and employees contribute; and non-contributory insurance in the form of social assistance (see Table 2).

5.3.1 Social assistance

Government made poverty alleviation a central programme of the social sector by employing a range of programmes to address income poverty, human capital and asset poverty. For addressing income poverty two major programmes were identified, namely, state targeted grants and the public works programme. Government equalised old age pensions and extended the reach of the child support
grant. There are at least seven types of grants instituted by government targeted at pensioners, poor families with children, war veterans, foster care of children, disability and people in need.
<table>
<thead>
<tr>
<th>Nature of grant</th>
<th>Beneficiaries</th>
<th>Value p/m (in Rands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State pension</td>
<td>adults over sixty who are not cared for in a state institution or are receiving other grants.</td>
<td>1 080</td>
</tr>
<tr>
<td>Disability grant</td>
<td>Must be between 18 years old and retirement age. They must not be in a state institution and medical certification is required.</td>
<td>1 080</td>
</tr>
<tr>
<td>Foster care grant</td>
<td>For foster parents. The child is placed by the court in the custody of a suitable foster parent under the supervision of a social worker. The grant is not means tested as fostering is not considered a poverty issue.</td>
<td>710</td>
</tr>
<tr>
<td>War veterans grant</td>
<td>South Africans who fought in the second world war (1939 to 1945) or in the Korean war (1950 to 53)</td>
<td>1 100</td>
</tr>
</tbody>
</table>
and who are not in any social grant.

<table>
<thead>
<tr>
<th>Care dependency</th>
<th>For parents who care for children with a confirmed permanent and severe disability. The child must be under 18 and not cared for in a state institution.</th>
<th>1 080</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant in aid</td>
<td>Adults who need full time attendance by another party due to mental or physical disability.</td>
<td>250</td>
</tr>
<tr>
<td>Child support grant</td>
<td>For children in need under 14 years of age, and extended to 18 years in 2010. The means test measures the financial ability of the care giver.</td>
<td>250</td>
</tr>
</tbody>
</table>

The general household survey (GHS) (2009), shows that the social security aspect of the government covers 28.3% of the population with the higher proportion of beneficiaries in Limpopo 59.4%, Eastern Cape 56.8%, Free State 53.9%, Northern Cape 52% and Mpumalanga 51.3%. Overall 45.8% of households in South Africa are benefiting from this intervention constituting 28.3% of the population. In terms of the ratios the allocations are as depicted in the table below.
Table 4: Racial allocations of grants since 2002 in % of population(respective population groups)

<table>
<thead>
<tr>
<th></th>
<th>Africans</th>
<th>coloureds</th>
<th>Asians</th>
<th>Whites</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.6</td>
<td>21.8</td>
<td>14.6</td>
<td>9.8</td>
</tr>
</tbody>
</table>

Source: General Household Survey 2010 (embargoed)

As depicted in Table 4 above, Africans constitute the main population group with more beneficiaries for social grants at 31.6% followed by Coloureds and Indians at 21.8% and 14.6% respectively. Whites have few numbers of beneficiaries at 9.8%. Social grants are a major source of poverty reduction. Research shows that in the absence of the old age pension (OAP) 56% of the elderly would be poor and 38% would be ultra poor. On the other hand, under conditions of perfect uptake poverty would decline to 23% for the poor and 25% for the ultra poor elderly. In terms of the child support grant (CSG) for children under seven years poverty would decrease to 34% from 43% for the poor and from 13% to 4% for the ultra poor. The combined effect of the OAP and the CSG would bring poverty down to 24% from 40% (Pauw and Ncube, 2007: 9-12).

It has been found that pensions are a reliable and significant source of income leading to household security and contributing towards food security. This is particularly so given the fact that pensioner households are typically larger and they have been found to have a noteworthy effect on reducing poverty. In 2001 it was revealed that 87% of the bottom 40% of households relied heavily on social grants as they had either only one or no one working family member. About 45% of these are African households (Pauw and Ncube, 2007).
Social grants reach the poor since they are targeted on the basis of means testing. In 2000 about 27 billion was estimated to be going to the poor, the bottom two quintiles, that is the bottom 40% of the poor. This group is made up of more than 95% of Africans and Coloureds (Pauw and Ncube, 2007). This shows that while government has abolished racial disparities in the allocation of social assistance, race still determines the characteristics of the most disadvantaged groups as a resistant legacy of apartheid in South Africa. This is similar to other countries that have had a similar background, such as in Latin America where features of inequality which define privilege and poverty are on the basis of race and ethnicity. For instance the poorest 10% of the population in Brazil comprises groups that are black or of mixed race. In all countries of Latin America except Colombia, ethnic minorities constitute more than two thirds of the proportion of the poorest 10% (de Barros et al. 2009). This confirms the fact that racial inequalities are a resistant phenomenon that needs more serious engagement with ways of dealing with it in social policy.

In South Africa the welfare budget has grown from R61.7 billion in 2006/7 to 89.4 billion in 2009/10, an annual growth rate of 11.9% per annum. Of this budget 93% goes to social grants. Currently the grants cover 14 million people (DSD Budget Speech, 2010).

The non-contributory aspect of South Africa’s social assistance makes the country’s public welfare system exceptional in the developing world. The expenditure on social assistance amounted to a higher percentage 3% of the GDP in 2002 which currently stands at 3.5% GDP (Seekings, 2002). Comparing the 1996 and 2000 census which showed a notable decline in deprivation in terms of services and a decline in poverty
from 51.1% to 48.5%, Gelb (2005) concludes that it can be confidently asserted that the aspect of cash poverty has been reduced since 1994.

Social welfare allocations in South Africa are the best in comparative terms. With a 3.5% share of the budget and 92% going to social assistance, it offers comparatively generous benefits which are higher than the majority (if not all) of countries in Sub-Saharan Africa and some in Latin America. For instance in Brazil and Mexico social assistance accounts for only 15% of the budget while a hefty share of 85% goes to social insurance. Brazil’s cash transfer programme, the Bolsa Escola programme cost 0.2% of the GDP in 1992 while Mexico’s progresa had a percentage share of 3 of the GDP in 2003. This shows that Latin American social insurance programmes channel very little as most governments in this area do not give high budgetary priority to social assistance programmes (Puryear et al, 2010).

In terms of Africa, a study carried out by Kakwani et al (2005) simulating cash transfers based on less than 3% of the GDP for 15 African countries, concluded that social assistance was too big a cost to bear for African countries and that this could be the reason why governments set a lower level of benefits. The study concludes that a higher percentage share of between 2 to 8% of GDP could result in significant reduction in the impact of the programme on poverty in Africa.

From Kakwani’s assessment results, cash transfer programmes have been an important social policy tool for influencing income of the poor in the short run and improving their human capability in the medium and long run. In addition, evaluations of such programmes from Mexico, Brazil, Honduras and Nicaragua have shown the ability of cash transfer programmes to focus on the poor and for making it easier to integrate different types of social services such as education, health and nutrition. Furthermore cash transfers provide greater financial relief to those who are still
unable to escape from poverty; they can become a channel through which the poor household builds up assets by means of investment in human capital which plays a pivotal role in poverty reduction and accelerated growth in the long run (Kakwani, 2005).

Nevertheless, cash transfer programmes have been found to be expensive, particularly for poor countries. The costs associated with targeting beneficiaries and the monitoring thereof increase with each beneficiary added and may have adverse effects of reducing the efficiency of the programme. Much of the resources are spent on getting the benefits to the poor. Also, the programmes are seen to be administratively complex in terms of programme design, administration, follow-up and evaluation (Kakwani, 2005).

In the case of South Africa, one of the problems identified is the dependency of social assistance on fiscal expansion. This comes at the expense of other government functions as there is a need sometimes to increase spending in other areas. Also, while social assistance has benefited from the government efficient tax collection system, tax overturns are not a sustainable feature. Gelb (2005) argues that while social grants are continuing to have a major impact on poverty reduction because of their unprecedented expansion in the past years since 1994, as a poverty reduction strategy the method is nearing the boundaries of its effective use because of fiscal constraints. This problem was pointed out by the Taylor Committee Report (2002) that the tax base of about 3 million tax payers was providing for a little less than ten million beneficiaries. This shows that efforts have to be wholly directed to the creation of more jobs in order to have a sustainable programme of poverty alleviation. Experience shows that this problem is the same elsewhere. Jewers (2009) in reviewing the trends of inequality and poverty in Latin American countries,
points out that the region’s low tax revenues are responsible for limiting governments’ ability to provide effective broad social protection services. Further, that the question does not only lie with the narrow tax bases, but also in inefficient systems of tax revenue collection. This latter problem does not apply in the case of South Africa though as pointed out in chapter 3.

Furthermore, in addition to financial constraints, there are non-budget limitations on the roll out of the programme in South Africa such as lack of staff training for the widespread beneficiaries living in isolated places. The lack of proper identification documents and medical assessments required have become real obstacles in the face of increasing large numbers of beneficiaries. Irregularities in the disbursements of grants in the form of fraud and corruption have prompted the Department to launch an investigation into the system.

Another policy gap which has the potential of undermining the gains that have thus far been accrued by the social assistance programme concerns the developmental approach of government. It would seem like this approach is more concerned with transferring resources from the productive economy to social welfare services than with ensuring that social policy contributes to development as outlined in the White Paper (1997). The focus on social assistance is failing to consider the possibility of including forms of assistance to address the development needs of the millions who are unemployed and destitute. The Minister of Social Development in her 2010 Budget speech, stated that there are 5million unemployed people in the country. The importance of considering the unemployed and the destitute stems from the fact that these groups are not covered by the social insurance for retirement and unemployment, as these benefits are closely tied to employment status. Also many people in the informal sector, domestic services and agriculture are outside social
insurance. Added to these are female headed households among whom the unemployment rate is very high, the rural dwellers and discouraged job seekers. Furthermore, the situation of unemployment is even more serious with the increasing phenomenon of unemployed youth between 16 and 30 (Hassen, 2008). This is a category of those who have never worked and the majority of them are poor. All these categories represent underutilised human capital who are not covered by any assistance.

It is evidently clear in South Africa that while the government has made some achievements in the fight against poverty the efforts have not targeted the underlying structural causes of poverty that are reflected in the growing rate of inequalities. Living standards are still correlated with race and poverty is still concentrated among Africans followed by Coloureds, particularly in the bottom 40% of the population (Van der Berg et al, 2007:2). While the money-metric poverty has declined substantially through social grants and the roll-out of housing and various categories of social expenditure, the problem still remains that of changes in social outcomes. Social inequalities in income and unemployment continue to work against the poor as backlogs in education leave them with less education, both in quantity and quality, thus creating disadvantages in the labour market (Van der Berg et al., 2007). Having shown the achievements and the shortfalls of social assistance in addressing poverty and inequality the subsequent section discusses income distribution as the underlying cause and driver of social inequality in South Africa.
5.3.2 Income distribution

Shifts in total income in a country in terms of distribution or/and concentration are important measures for assessing the movements of wealth and deprivation in the population. In the case of South Africa where the concentration of income and wealth in the hands of Whites was socially engineered through policy, this assessment helps to elucidate on policy changes with regards to addressing income inequalities and poverty.

The total national income in South Africa emanates from five basic sources, namely, salaries and wages from employees, self-employed and employer income, social insurance transfers, other regular income, other non-regular income. Social insurance transfers comprise receipts from pensions, social welfare and other government grants. Other regular incomes come from items such as royalties, interests, dividends, alimony and remittances from family members; while non-regular income is from income from hobbies, from sales, value of goods and services received while employed, gratuities and other lump sum payments from public pensions, provident and other insurance funds and private pensions (Leite et al, 2006).

The first category of income, that is, salaries and wages of employees constituted 79% of income in 2002. It is the dominant component of total income and therefore has a determining effect in changes in income distribution and, in this case on income inequality. Research has shown that the main driver of income inequality in the country is this category of earnings, comprising salaries and wages, both in terms of its concentration and distribution. The increase in income inequality is regarded as having had a direct impact on poverty levels and worsening the situation of the poorest in 1995 to 2000. However, of interest to note is that in terms of the
world’s per capita income distribution, 5% of the richest South Africans would belong to the richest tenth of the world while the poorest 5% would belong to the poorest tenth. That is, 7.4% (well over 400 million) of the world’s population is poorer than the 5% poorest South Africans (Leite et al., 2006:7).

With a gini coefficient of 70% (Leibrandt 2010:32) South Africa remains the most unequal society in the world. Interracial inequality is still a feature of income inequality with poverty concentrated among the African and to a lesser extent, the coloured populations. This is clearly manifested in the distribution of income (see Table 5) below.

**Table 5: Annual per capita personal income by race in constant 2000 Rand and relative to White levels**

<table>
<thead>
<tr>
<th>Year</th>
<th>white</th>
<th>Coloured</th>
<th>Asian</th>
<th>African</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>46 486</td>
<td>8 990</td>
<td>19 537</td>
<td>5 073</td>
<td>11 177</td>
</tr>
<tr>
<td>1995</td>
<td>48 387</td>
<td>9 668</td>
<td>23 424</td>
<td>6 525</td>
<td>12 572</td>
</tr>
<tr>
<td>2000</td>
<td>56 179</td>
<td>12 911</td>
<td>23 025</td>
<td>8 926</td>
<td>16 220</td>
</tr>
<tr>
<td>2008</td>
<td>75 297</td>
<td>16 567</td>
<td>51 457</td>
<td>9 790</td>
<td>17 475</td>
</tr>
</tbody>
</table>

**Relative per capita personal incomes (% of White level)**

<table>
<thead>
<tr>
<th>Year</th>
<th>white</th>
<th>Coloured</th>
<th>Asian</th>
<th>African</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>100</td>
<td>19.3</td>
<td>42.0</td>
<td>10.9</td>
<td>24.0</td>
</tr>
<tr>
<td>1995</td>
<td>100</td>
<td>20.0</td>
<td>48.4</td>
<td>13.5</td>
<td>26.0</td>
</tr>
<tr>
<td>2000</td>
<td>100</td>
<td>23.0</td>
<td>41.0</td>
<td>15.9</td>
<td>28.9</td>
</tr>
<tr>
<td>2008</td>
<td>100</td>
<td>22.0</td>
<td>60.0</td>
<td>13.0</td>
<td>23.2</td>
</tr>
</tbody>
</table>


As Table 5 indicates, the African share of income remains lower in comparison to all other racial groups, especially that of Whites before and after apartheid. Labour
income dominates the inequality of household income with a contribution of 85% and 90% (Leibrandt, 2010). Furthermore, Africans make more than half of the population of the bottom 40% of the poor, which is a group earning less than 10% of the national income. The post apartheid distribution through social welfare has not managed, nor was it intended, to alter this anomaly. Rather the economic growth model is based on marginal distribution through the budget. The results have thus been that, with the economy managing to absorb only a limited number of new labour market entrants, the unemployment problem, which has risen to 5 million job seekers in 2010 remains (Minister of Social Development, budget speech 2010). Hence a sizable chunk of the welfare budget in which the majority of the recipients are Africans. This state of persistent racial inequality is summed up succinctly by Jeremy Seekings in the following words “apartheid served to transform white privileges into the advantages of class that were rewarded by markets, ensuring that the White elite becomes a middle class whose continued privileges no longer depended upon active racial discrimination by the state. This shift meant that the state could dismantle policies of racial discrimination without undermining white privileges” (Seekings, 2007:12). Following this thought Seekings then reaches a conclusion that privilege in South Africa no longer correlates with race. This study while in agreement with the observation of Seekings (2007), refutes his conclusion that privilege in the country no longer correlates with race. It is a contradiction in terms which overlooks the fact that the structural factors underpinning the economic growth model which maintains and perpetuates white privilege, remain a source of inequality and poverty. The majority of the previously excluded groups, particularly Africans, continue to be locked outside mainstream accumulation and distribution by this economic model which is a result of
accommodation between the ANC and big business. The growth model employs capital intensive production methods in the midst of a country with a large number of unskilled and semi-skilled labour force, which has been disadvantaged through the impact of apartheid. Seekings (2007) himself argues against this model when he states that there is no alternative explanation why profit seeking South African employers do not choose to invest in labour intensive production that entails large scale employment of unskilled labour. He seems to lose sight of the fact that his question is the very reason that, unless something is done, for a long time to come privilege in South Africa will correlate with race. Conclusions such as this by Seekings (2007) have a tendency of depoliticising social inequalities and poverty and underemphasising the persistence of racialised hierarchies.

The fundamental cause of income inequality and poverty in South Africa is attributable to the impact of apartheid which stripped Africans of their assets including land, distorted markets and social institutions; a violent and disabling state which undermined the asset base of individuals, households and communities through ill-health, overcrowding and environmental degradation. The impact of apartheid and its underlying causes have produced structural conditions that undermine livelihood activities and coping strategies. A study by du Toit (2005) identifies three main levels of deprivation in key economic resources that perpetuate inequalities and poverty, namely, asset poverty entailing low rates of access to productive resources, including assets that would allow effective household level food production. Secondly, a high degree of cash dependency, which is a sequel to lack of access to economic resources for food production, and high levels of monetisation and integration into the economy. Finally, low levels of education and the failure of the economy to produce sustained unskilled employment opportunities,
both of which exacerbate the state of asset poverty and cash dependency. For instance Leite et al. (2006) indicate that the increased skill bias in the labour market has resulted into low skill workers such as African women and former agricultural workers not being able to compete for the available jobs in the post-apartheid labour market and have thus ended up being unemployed.

Moreover, permeating all these factors, according to du Toit (2005), is the issue of unequal social power relations that makes up the context within which people make their living. These are the conditions that are facing the poor who represent more than half of the population in South Africa, the majority of whom are Africans.

The Gini coefficient\(^8\) of 70% which is the highest in the world, testifies to the conditions of inequality in the country which continues to be dominantly characterised by race. South Africa is the most unequal country in the world. Leibrandt (2010) points out that the Gini coefficient has been increasing over time from 66% in 1993 to 68% in 2000 and 70% in 2008. Moreover the share of the black middle class constitutes only 3% of capital investment and therefore it is still too low to affect interracial inequality in contrast to what some writers would like to emphasise. In the same vein state transfers make up only 10% of income and therefore they have almost no contribution to inequality (du Toit, 2005:4). Furthermore, it needs to be noted that while social grants have managed to benefit the lowest 40% of the poor, there are a number of households in which the grants represent 80% to 100% of household income. Such households with no income earner constituted 29.2% of all households in 2008 (Pauw and Ncube, 2007:11-12).

Clearly such a situation is not sustainable and does not mitigate the effects of

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\(^8\) Gini coefficient is a measure of inequality. It uses values between 0 and 1 where 0 is perfect equality and 1 is perfect inequality. Movement from 0 towards 1 is movement towards perfect inequality.
deprivation in terms of assets poverty, cash dependency and education deficit which have a strong correlation with employability.

The continued racial privileging in economic policy created inequalities in all sectors including the labour market, housing, health, education as well as between urban and rural areas. In terms of labour market absorption the bottom deciles (20%) of the poor suffers the greatest unemployment (see Table 6).

**Table 6: Labour absorption rates by decil (in %)**

<table>
<thead>
<tr>
<th>Decile</th>
<th>1993</th>
<th>2000</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>11.8</td>
<td>25.7</td>
<td>10.2</td>
</tr>
<tr>
<td>2</td>
<td>14.9</td>
<td>24.2</td>
<td>18.5</td>
</tr>
<tr>
<td>3</td>
<td>20.3</td>
<td>25.9</td>
<td>21.3</td>
</tr>
<tr>
<td>4</td>
<td>25.5</td>
<td>29.5</td>
<td>26.2</td>
</tr>
<tr>
<td>5</td>
<td>29.5</td>
<td>33.2</td>
<td>25.6</td>
</tr>
<tr>
<td>6</td>
<td>37.6</td>
<td>39.2</td>
<td>34.6</td>
</tr>
<tr>
<td>7</td>
<td>43.2</td>
<td>44.9</td>
<td>41.5</td>
</tr>
<tr>
<td>8</td>
<td>52.9</td>
<td>53.8</td>
<td>50.5</td>
</tr>
<tr>
<td>9</td>
<td>65.9</td>
<td>62.5</td>
<td>59.6</td>
</tr>
<tr>
<td>10</td>
<td>78.2</td>
<td>74.3</td>
<td>63.2</td>
</tr>
<tr>
<td>Overall</td>
<td>41.1</td>
<td>43.3</td>
<td>37.2</td>
</tr>
</tbody>
</table>


It can be seen from the table above that the rate of labour absorption among the poorest 10% peaked to 25.7% in 2000 and fell to 10% in 2008. The peak in labour absorption is insignificant compared to that of the richest 10% which was at 74.3% before falling to 63.2% at the same period. Clearly the employment gap between the bottom and the top deciles is big. This corresponds with the unemployment gap between the two income deciles which is 69.4% for the bottom decile which is 95% black and 4.5% for the top decile which is predominantly white. The high rate of
unemployment at the bottom decile is attributed to deficiencies in schooling and lack of proper educational and training qualifications.

It is clear that sustained economic growth since 2000 has benefitted high income households in terms of high earnings and increased demand for their labour. Economic growth has been associated with rising inequalities as has been shown above and has had very little benefits for the unemployed and the poor in terms of integrating them into mainstream economy. As Leite et al (2006) point out, the underlying weaknesses of the economy have been the rising number of Africans, women and rural residents who have entered the labour market in increasing numbers. This influx of new entrants has put a downward pressure on average real wages and has increased inequality and poverty in the process. This is likely to require further expansion of welfare which has shown that it is beginning to reach the borders of its ability to cope with the increasing demand.

5.3.3 Education

The Bantu Education Act (No. 47) which was passed in 1953 provided inferior education for Africans. The idea of keeping Africans inferior was stemming from the concept of racial purity which was the vanguard philosophy of the National Party. This was clearly outlined by the then Minister of native Affairs Dr Verwoerd, who would later become the Prime minister, when he stated that black Africans should be educated for their opportunities in life, and that there was no place for them “above the level of certain forms of labour”. Fiske et al., (2004) note that the poor quality of education was designed to keep Africans out of the modern sector of the economy. This widened the gaps in educational opportunities for different racial groups. Also, the government tightened its control over religious high schools by eliminating almost
all financial aid, forcing many churches to sell their schools to the government or close them entirely.

Furthermore, cultural diversity was reinforced in that instruction in the first years of primary school was given in the mother tongue. The basic idea of the NP philosophy, as Fiske et al. (2004) assert, was that a person's social responsibilities and political opportunities are defined by that person's ethnic identity. While a number of schools for blacks increased during the 1960s, their curriculum was designed to prepare children for menial jobs. Statistics show that per-capita government spending on black education slipped to one-tenth of spending on whites in the 1970s. Black schools had inferior facilities, teachers, and textbooks. While the new government has tried to equalise spending on education, this trend of poor resources on African schools is still stubbornly persisting in the post democratic era (Fiske et al, 2004).

Nevertheless, the new government has made some strides in some areas in turning around the education system. The achievements attained by the new government in education include the creation of a single Department of Education out of the former 19 racially and ethnically divided departments of apartheid; the creation of non-discriminatory school environments and policies and laws that govern education; increases in matriculation pass rates; improvements in the delivery of learning materials and high enrolments (UNDP, 2004). Moreover, the government has made school enrolment compulsory up to grade 9 and, as such enrolment is high at primary level. Nonetheless the downside of the picture is the increasing incidences of grade repetition alongside poor pass rates. The country’s good record in service delivery in education and high enrolment rates is marred by serious concerns
regarding poor performance resulting from poor quality teaching, poor facilities, under-funding of schools and repetition rates (Pauw and Ncube, 2007).

The South African education system suffers from severe deficiencies in terms of both quality and distribution. Poor quality teachers are failing to provide the impetus for students to attend school. Consequently, there is a low percentage of pupils who score 50% and more in mathematics and science education at secondary level. Accordingly, this creates problems for these learners in further education and in the labour market. It is indicated that the performance of those who further their studies in these subjects is poor as well and it invariably affects their chances of employability. Furthermore, 82% of first year students at tertiary institutions are functionally illiterate, that is, their language abilities are below the requirement for functioning properly within a tertiary academic environment. This compromises the future of students given that higher education is usually associated with higher earnings and better lifestyle (Pauw and Ncube, 2007:25).

In terms of racial inequalities, research shows that about half of African youth have fewer than eight completed years of schooling in contrast to the more than four fifths of whites who have completed eight or more years in schooling.

It needs to be noted that there is no question that the effects of apartheid’s long years of poor quality of education are still making their ripples felt. The failure of human capital development are as a result of the apartheid schools which extolled ethnic pride, racial identity and separateness. The education Africans received was designed to keep them out of the modern sector of the economy in order to ensure the supply of unskilled labour to the mines and to agriculture. As a result, advanced vocational and technical subjects were available only to Whites as were higher level maths and science (Fiske et al., 2004).
These developments have produced a legacy of poor quality educators and infrastructure that continue to bedevil the education system in South Africa. In outlining this legacy Fiske et al. (2004) identifies four areas that lie at the core of human capital formation problems. These comprise residential segregation, poverty and inequality in that residential segregation was done along racial lines and as a result poverty and inequality are manifested along the same patterns. Consequently, the best schools are located in formerly white residential areas and draw middle class blacks who commute daily from nearby townships. These schools are barely accessible to the masses of low income black families in the black areas. Secondly, poor quality of schooling for blacks emanate from the fact that educational policies systematically deprived black schools of resources in virtually all areas from text books to toilets. Hardest hit was the quality of education, that is, school facilities and the quality of teachers in addition to lack of water, sanitation, electricity, overcrowded classrooms and lack of security. As a result when the new government took over 19% of South Africans had never gone to school and 92% of these were Africans with 61% being women, the majority of whom lived in poor rural areas. Also, one out of two Africans fifteen years and older was literate, one in seven had passed grade 12 senior examination, and only one in thirty three had any tertiary education. This legacy continues to manifest itself in the poor quality of teachers as shown in the Third International Mathematics and Science study carried out in 1995 where South African learners had the lowest average scores of any participating country in both mathematics and science (Fiske et al., 2004).

In terms of the culture of learning, black schools have shown a deficiency in this area. It is stated that students see little economic or other payoffs in academic learning. Also, teachers get little support from parents or other care givers, most of
whom are struggling with a host of the poverty related issues, ranging from safety to psychological depression. While government has put in a massive effort in terms of making education available to the previously excluded populations in the form of funding for school feeding schemes and transport at primary and secondary levels of education, the funding has not yet addressed problems of lack of proper facilities in black schools to make them conducive environments for learning. Much of the legacy of apartheid inequalities is still continuing to haunt the provision of education in the post-apartheid era (Fiske et al., 2004).

A worrying trend in South Africa, as in countries such as the UK, is that there is a close link between educational attainment and employability. Education is viewed in terms of its instrumental function for access to the labour market and better living. In keeping with the notion of inclusivity of social policy, learning becomes a passport for the disadvantaged people to get out of their conditions of poverty and exclusion and an instrument for participation in the labour market. This view is promoted by both government and the business sector. The emphasis is always on high level skills, that the country lacks high skills that are needed by the economy and high education institutions are urged to align their curricula with this need of industry (Fiske et. al, 2004).

In assessing the instrumentality of education, Williams (2008), argues that in this type of thinking, labour market participation is considered to bring about social inclusion through its role in sustaining financial independence and promoting the prosperity of individuals and families. She points out that there is an assumption that workers will need to be more highly skilled to sustain employability, implying that general educational skills are only necessary as a route to learning that will have direct use in terms of the labour market. Accordingly, this assumption constructs the
socially excluded as lacking in skills and consequently unable to participate in the labour market. Williams argues strongly that this does not hold true for all individuals. She asserts that when skills are seen as a material resource, differences in wealth of communities and individuals tend to be explained away by lack of access to these resources, in this case, variations in the skills base.

It needs to be pointed out that in South Africa such rationalisation will have a serious effect of masking apartheid injustices and continue to produce low quality students thus perpetuating the apartheid stereotype of Africans as failures. It is also likely to affect the enterprise of higher education in South Africa into the type of learning which leaves little room for learning other than linked most directly to the needs of the labour market. This is already happening elsewhere as pointed out by Harvey (2000) who states that “students, in the mass higher education system, are tending to exhibit more overtly instrumental learning. Often, such learning is extremely narrow and intended primarily to secure a qualification or a job rather than reflect an holistic learning experience. This instrumentalism impacts on students’ attendance, range of reading, engagement with the course and involvement in group projects.” In England evidence shows that the tendency of instrumentalism is widespread in that “recent feedback comments from students from all parts of the University of Central England show a growing tendency towards career motivated instrumentalism”(Harvey, 2000:9).

Harvey advocates for what he calls “long learning” education. He states that the concept of long learning was adopted by the OECD Ministers of Education and it embraced individual and social development of all kinds and in all settings – formally in schools, vocational, tertiary and adult education institutions and non-formally, at home, at work and in the community. According to Harvey, the concept focuses on
standards of knowledge and skills needed by all, regardless of age, and it also goes beyond a single focus on an educated work force for economic competitiveness. He contends that graduates will not be able to do that if they are not able to work in teams, communicate well, analyse and synthesise. More importantly the future graduate needs to be self-transformative, which requires reflective and critical abilities.

5.4 Conclusion

The government’s intervention in social services has brought much change that has opened access for the previously marginalised populations to social assistance, the labour market, educational services as well as to the other services such as water, electricity and sanitation. The magnitude of this intervention makes South Africa to spend 3.5% of the GDP on social services, the largest slice in Africa and Latin America. This has brought about a general increase in the income levels of the poor who live on the poverty line and the ultra-poor who live below the poverty line. However, access has not been accompanied by equity in social allocation. Huge disparities exist in the areas of income and education in the democratic era in which the Africans still constitute the majority of the deprived.

State funded social grants have been by far the most successful aspect of delivery in terms of equity and access, particularly the old age and child support grants. A third of the population benefit from a portfolio of grants targeted at the elderly, children, the disabled, war veterans, foster parents and the needy. The grants are means tested and are well targeted to those in need. They have moved many households from the bottom percentiles upward and as a result poverty has reduced.

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However, the problem is that the fact that a third of the population lives on state grants is an indication of a bigger problem regarding human capital development and it is clearly a strain on the economy. About half of this grant receiving population depends on them, constituting 80% to 100% of total household income in these families. This is an unsustainable scenario when put in the context of the limited tax base which supports the fiscus on which the funding depends. Moreover, there is a large number of unemployed people who are not recipients of any government assistance. These are swelling the ranks of the poor and the majority of them are women in the rural areas.

Income distribution is still largely skewed in favour of Whites. This group is concentrated in the top two deciles which receive well over half of total income in the country, while on the flip side of it is the lowest 40% of the poor receiving less than 6% of total income. This hierarchical structure does not have to rely on racial segregation laws anymore, it has been positioned by these laws in such a way that it is reinforced by market operations from which it directly benefits. Furthermore, the education system, despite achievements in high enrolments at primary and improvements in services such as the provision of text books and feeding schemes, the quality of education is still compromised by inequalities. The best facilities and school infrastructure and the best qualified teachers are still found in the formerly white areas. Moreover, the privileging of market considerations in the content of education exacerbates unequal market access and further inequities in income distribution and life chances.

Finally, it has clearly been demonstrated in development economics that inequalities in wealth have an effect in other areas of provision such as education and health as well as in the persistence nature of poverty. The next chapter discusses the question
of social citizenship. The discussion shows how social inequalities with the concomitant deprivation undermine the citizenship status of more than half of the population that is excluded from economic production and distribution.
Chapter 6

Social policy in transition: Implications for social citizenship

6.1 Introduction

The aim of this chapter is to elucidate on the nature of the political settlement resulting from the political negotiations in South Africa in 1994. The discussion will point to the context of globalization and the inevitability of the growth path which was adopted by the government and its character of maintaining and perpetuating existing social contradictions. The chapter will close by engaging in a debate on the implications of these developments on social citizenship rights in South Africa.

Social policy and its outcomes in South Africa is a product of a political transition that was characterised by negotiations, bargaining and compromises. The nature of the transition came to be shaped by the political positions held by different groups before the negotiations and the nature of compromises made in the interest of an ‘amicable’ settlement amenable to the two main role players, the ANC and the NP government. The design of the negotiations took a group approach to policy making and as Marais (1998) puts it “it was a war without absolute winners”. However, the view of this study is that what the ANC has given in the “give and take” has lasting implications in shaping policy action by the ANC government. The compromises reached in the settlement have given rise to a development path that maintains continuities with the past in terms of preserving white privileges. This has left the majority of citizens irking out a living on the periphery of the system of accumulation as in the past. Nothing much, except the equalisation of social assistance benefits, has changed for them in terms of inequalities in income, education and access to the labour market as has been shown in the previous chapter. The continued economic marginalisation of half the population, the majority of which are Africans, raises
questions regarding the rights of citizenship which in the past were violated by the apartheid regime.

6.2 The background of the political transition

In the literature on policy making it is stated that public policy is a product of group struggle, involving attempts to position group values in influencing public action regarding the allocation of national resources. In elucidating further on this statement James Anderson (2006) posits that such group struggles produce an equilibrium which represents a balance which the contending factions constantly strive to weight in their favour. This theoretical perspective is also articulated a renown policy writer such as Lindlom (1993). This view has it that the central issue about the struggle is for the group to have political influence and be able to shape government decisions. A group in this perspective is a collection of individuals that may, on the basis of shared interests or attitudes, make claims upon other groups in society as Anderson points out.

Of interest to this study is the kind of group equilibrium, that is, the nature of the outcome that was produced by the transition in South Africa and how this has given shape to social policy and the implications on social citizenship as stated above.

The two sides of the political forces, the ANC and the National Party, came to the negotiation table each with a strong advantage on their side and both with common concerns for the implosive state the country was in. The balance of strengths of the two sides was that the NP was still in control of state apparatuses including private armies which came to be known in South Africa as “the third force”, while the ANC on the other hand was in control of the forces of the insurrectionist fires and had an advantage of exploiting new spaces gained since the late 80s. Nonetheless, both
forces were earnestly looking for alternatives to get the country out of the economic and social crisis it was engulfed in (Marais, 1998).

Secondly, the NP was strongly backed up by big business which constituted a strong advantage. The business sector was well aware that economic growth would not occur without a political settlement hence they were looking for policies that can bring about long term peace and political and social conditions for economic growth.

The concerns of capital were transparent and aggressively expressed, namely, the need for a market economy, for social and political stability, for continuity in state institutions and for restraint from radical redistributive programmes. Required by South African capital was the “reorganisation of hegemony through various kinds of passive revolution... while providing for the continued development of the forces of production” (Marais 1998:84).

On the side of the democratic forces there was no unanimity regarding the question of the development path. Officially, the ANC supported a mixed economy, while debates continued within the movement and its allies on the role of the state. As Marais points out, differences within the alliance were overshadowed by a shared desire to craft a development path that could address the legacies of apartheid. He further asserts that the history of the ANC had not equipped the movement with what he calls “an intrinsic aversion for capitalism” (Marais, 1998:95-96).

The disparate political stances of these two groups of negotiators found convergence around the need to reorganise the ideological and political basis of state power. Marais points out that as a movement, the ANC’s political struggle was premised upon the ideals of democracy and civil rights, that its analysis located oppression and inequality in the apartheid state and relegated the class dimension to the margins. He therefore concludes that “the ANC’s historical privileging of the political
over the economic allowed for the possibility of a settlement based on significant restructuring of the political sphere, and broad continuity in the economic sphere” (Marais, 1998:85).

In relation to social policy, crucial among the political compromises which were agreed to by the ANC was the Bill of Rights (1994). This Bill protects property and thereby limits the circumstances under which the state can expropriate privately owned property. It thus narrows the scope of land reform and reduces the distributive options of the new government (Marais, 1998). Marais states that “the justiciable Bill of Rights provides for constitutional litigation as a pathway towards sabotaging or holding up attempts to push ahead with socioeconomic reforms that transcend the boundaries patrolled by capital” (Marais, 1998:92).

Indeed the demands of big business were later to be reified in the ANC Alliance discussion document on “The state, property relations and social transformation” where it is stated in no uncertain terms that “the creation of this new society will not eliminate the basic antagonism between capital and labour. Neither will it eradicate the disparate and sometimes contradictory...The NDR\textsuperscript{10} does not aim to reshape property relations in the most fundamental way of creating a classless society where there are no exploiters and exploited. It does not seek to eliminate capital and capitalism” (Umrabulo No.5, 1998:1).

The Bill of Rights (1994) and other compromises made the transition in South Africa to be an inclusivity process where the old order and the new order were included in a new social framework which was promoting reconciliation over conflict of interest, thereby forging a new basis for social consent where the wealthy and powerful minority live alongside the impoverished and marginalised majority. In defending this

\textsuperscript{10} The NDR, national democratic revolution.
turn of events Pallo Jordan, one of the ANC intellectuals argued that “the ANC had to make concessions to the old order in order to secure a beach-head on majority rule in 1994. They were made with an implicit understanding that the main thrust of movement policy would be to consolidate that beach-head and employ it to lay the foundations of a truly democratic society”. Jordan continued to concede that “the ANC has been the most consistent advocate of an inclusive South African nationwood rooted in the universalist, liberatory outlook of modernity...”. He concludes by asserting that “retreat does not mean conceding defeat; it is most often a tactical position chosen to put off till a more opportune time, action one would have preferred to take in the present” (ANC Discussion Document, 1997:2).

Clearly the liberation movement became accommodated in a system that they had been fighting for years, that was continuing to accumulate privilege for the whites and for capital and marginalising the majority of those who were excluded before. This time they were now included in terms of the vote to secure political stability and to quell the social crisis, but excluded in terms of institutional power and productive activity. In analysing the political settlement, Terreblanche (2002), argues that the agreement was preposterous given the deeply entrenched inequalities in the country where the poorest half of the population is marginalised, socially and economically powerless, propertyless and structurally unemployed. Referring to the contents of the agreement he further asserts that “by agreeing not to increase taxes, to maintain fiscal balance, and to lower the government deficit in order to prevent the danger of macroeconomic populism and attract Foreign Direct Investment (FDI), the ANC committed itself - before the elections of 1994 – to a macroeconomic and fiscal policy that clearly excluded a comprehensive redistribution policy for addressing the predicament of the poorest half of the population. Although no one could have
favoured macroeconomic populism, it would have been possible to attain both fiscal balance and comprehensive redistribution policy for addressing the predicament of the poorest half of the population” (Terreblanche, 2002:97).

Invariably, the inappropriateness of the political settlement led Marais (1998) to state that an organic solution required more than revising the political basis for hegemonic consent, that it needed a new development path based on social and economic restructuring. He further notes that the ANC negotiated a settlement without a vivid programme to dismantle the structural foundations of inequality and poverty. In concurring with this sentiment, Terreblanche maintains that the political settlement was a 50% solution that was basically aimed at resolving the corporate sector’s long standing accumulation crisis (Terreblanche, 2002:98). Clearly what is emerging from these two views is that the country was faced with the two problems, that is, poverty and inequality on one hand, and the accumulation crisis on the other. Evidently, the political transition became an opportunity for the corporate sector to use the occasion to garner for international legitimacy and recognition and to end the long years of international isolation. The questions of poverty and, particularly, inequality were relegated to the peripheral background as interest in promoting domestic social development can scarcely be identified in the demands of business.

6.3 The ANC growth path

A sequel to the political settlement was the launching of the ANC economic policy, the growth, employment and redistribution strategy (GEAR, 1996). The ANC made a tectonic shift from the Reconstruction and Development Programme (RDP, 1994), a social development policy which was focusing on addressing needs such as housing, health, education, land reform and services. The RDP was a social transformation plan which the ANC developed through mass consultation with labour
unions, civic organisations and social movements in 1990. The programme was
based on four main principles, namely, meeting basic needs, developing human
resources, building the economy and democratising the state and economy
(Government Gazette, 1994).

GEAR was a five year macroeconomic strategy (1996–2001) for growing the
economy, broadening employment opportunities and the redistribution of income and
economic opportunities in favour of the poor (Department of Finance, 1996). The
major achievements of GEAR came in the form of current account deficit reductions
and keeping the inflation rate below 10% including nominal growth in GDP.

From its inception GEAR came under heavy criticism from labour and social
movements. The main point of discontent was that the government had accepted the
neoliberal assumption of less government intervention and more market mechanism
in addressing the needs of the poor, and that in the midst of mass poverty and the
urgency of basic needs such as in South Africa an interventionist state was a
necessity.

Furthermore, it is an accepted fact that GDP growth is unsatisfactory as the main
target of development. GDP growth goes with raising inequalities in unemployment
and gains in the growth concentrate on the employed. It also leads to more unequal
distribution of income. As has been shown in chapter 5 above, the growth in GDP in
the years to 2005 has gone with an increase in inequality to a Gini coefficient 70%-
accompanied by growth in unemployment.

The ANC government growth path is based on incremental distribution of income
through taxes, that is, taxing the better-off to redistribute to the worse-off. This form
of redistribution is marginal and, as Stewart and Streeton (1976) point out, it is a
necessary but not sufficient condition for poverty elimination. Stewart and streeton
also argue that such a strategy of distribution at the margins has failed to make the assets of the poor productive. The public works programme and social grants are a case in point in South Africa. Stewart and Streeton (1976) conclude by asserting that incremental distribution contributes to a redistribution of inequality and the perpetration of poverty.

The incremental model of policy decision making is based on the assumption that the existing policy framework is a proper and adequate foundation to build on. The basic idea is that what is required is to address dysfunction in parts of the system with minor modifications and to leave the whole intact. Peter John (1998) indicates that policy making in the incremental model requires small adjustments from the existing state of affairs. Moreover that policy change contains minor variations from what has gone before and that policy makers prefer marginal variations rather conceiving policy in terms of all the costs and benefits.

The implication of incrementalism is that there is no questioning the foundations of the existing framework in terms of how it came to be regarding its basic assumptions. In the case of South Africa, it has been indicated that the apartheid social grants system was designed on the assumption that the problems of unemployment were temporary and also for a minority of individuals. The problem in the post apartheid era is that unemployment is growing and it goes in tandem with the exclusion of the majority of the population, with serious impediments such as lack of and low levels of education and training.

Another factor that had a bearing regarding social development choices is the fact that the political transition in South Africa took place against the backdrop of an international environment of macroeconomic restructuring and economic turbulence in the global economy, resulting in the collapse of national economies elsewhere.
These changes had an impact on the capacity of the state for policy making, particularly in developing countries. Thandika Mkandawire (2001) states that globalisation affects social policy both at the normative level and in a more practical way by setting constraints that social policy has to be attentive to. State policy becomes more and more driven by external forces that rarely address developmental issues that are pertinent to national development. Accordingly, this exacerbates the dependence of the state on capital, both domestic and international, and reduces the possibilities to pursue expansionary economic policies to cushion against unemployment. However, it needs to be noted that internal governance factors have had a role to play in determining the current state of development as elaborated in chapter 2 above.

Taking the argument further Bob Deacon (2007) points out that the extent to which countries have been meeting social policy needs has been brought into question. Also that, because of the fear of capital flight, guaranteeing social rights becomes difficult for governments. He argues that the fact that a country’s ability to impose social regulations on businesses has been brought into question, means that capital has escaped national rules by its ability to move abroad.

In South Africa globalisation had a profound effect on the policies which have been adopted by the ANC government. This was clearly shown when the government abandoned the reconstruction and development programme (RDP) policy framework which came under heavy criticism from big business who accused it of being a mechanism for socialism. Instead the government adopted the more market friendly growth, employment and redistribution (GEAR) economic framework which was heartily welcomed by the business sector (Magubane, 2002). GEAR accepted the market logic of less state intervention and more market distribution as this is deemed
to be more efficient than the government intervention. As stated by Magubane (2002) the measures employed by the GEAR policy included reducing the budget deficit which was done without regard to its effects on government spending in education, infrastructure, health, job creation and other activities.

Furthermore, fiscal austerity can have adverse effects on the poor. During economic crises governments frequently adopt fiscal austerity measures without adequately considering the impact on the poor. Accordingly, because economic shocks can lead to lower investments in schooling, nutrition and health, they tend to hamper efforts by the poor to accumulate human capital, making it more difficult for them to grow out of poverty (Lustig, 2010).

Moreover, fiscal policy is not a sustainable instrument for redistribution. In Latin America high rates of inequality in the region suggest that fiscal policy is not performing its distributive function properly. For instance, tax revenues are low to begin with because of the region’s low level of development. Also, most tax systems tend to be neutral or regressive in terms of income redistribution as many taxes are simply not collected in addition to the high tax evasion rates (Puryear et al., 2010).

On the other hand, while there is an efficient and strong tax collection system in place in South Africa, the tax base is very narrow considering the growing need for intervention of the state. This has been echoed by the Black Sash organisation which, when commenting on the government’s Medium-term Budget Policy Statement in 2010, stated that “in a country with such high levels of poverty and inequality and a relatively small private sector and with small businesses particularly hard hit ... there should be a larger role for a strong and focused state in creating more sustainable work (Sangonet, 2010:1).
The liberalisation of trade in South Africa led to the importation of machinery and intermediate goods which underdeveloped the capital goods sector and created a bias against the production of affordable consumer goods for the domestic market. The issue is that the programmes of trade liberalisation, market reform and privatisation of state enterprises swayed attention away from considerations of promoting domestic consumption demand through redistribution of income and promotion of higher wages which could provide the engine of growth, development and redistribution (Magubane, 2002:102).

It was for these reasons of the GEAR policy adopting the assumptions of a dichotomy between state and market that South Africa incurred losses in its attempt of national development. As stated above the GEAR policy raised the ire of the labour movement, COSATU and the SACP, in the alliance as well as the South African National NGO Coalition (SANGOCO) who were accusing it of legitimising and entrenching social inequalities. This was confirmed by the national poverty hearings\(^\text{11}\) of 1998 where the poor were giving testimonies on their perception of poverty and how it affects their lives. It is stated that in these hearings the majority of the poor indicated that poverty was a fundamental obstacle to the exercise of their civil and political rights (Magubane, 2002).

This study would like to note that this view from the poverty hearings, concerning how the poor people feel about their rights, has not gained the level of national discourse as an issue within the context of the rights of citizenship. Clearly the issue has a bearing on how poor people in South Africa feel about their citizenship in

\(^{11}\) Although the Truth and Reconciliation Commission in South Africa addressed issues related to the physically violent aspects of the political change process, they neglected the equally serious issues of the social ravages of apartheid. These include the serious consequences from apartheid policies on education, housing, employment, land ownership and labour. Such policies are major contributors to the serious poverty situation in South Africa. In response, a number of community groups worked together to create the Poverty Hearings. These provided an opportunity for people living in poverty, along with community and national decision makers and experts on poverty to present and debate their experiences and perspectives (excerpt from CIN 2001).
relation to their lived marginalisation. This evidence, which was collected from different individuals from various communities in the country, is an implicit critique of the Bill of Rights in this South Africa concerning the position of the poor as the citizens of the country. While the issue of rights is not the core issue of this study, nevertheless the social position of the poor and the degree of access to resources, including social services, have a bearing on their rights as citizens. Hence the following section undertakes an analysis of the outcomes of social policy on citizenship. Adopting Marshall’s (1950) typology of social citizenship, the section will make an assessment of the three variants of rights, namely, civil, political and social rights constitutive of citizenship in relation to the nature of social policy interventions and the extent to which they reinforce or negate the rights of citizenship among the poor.

6.4 Citizenship and social inequality

An assessment of social provisioning in South Africa brings about the necessity to examine the concept of citizenship and the rights it is imbued with as well as the role of social policy in enhancing or marginalising these rights. The relationship between citizenship and social policy is brought about, firstly, by the fact that citizenship invokes ideas of identity with a specified community of people and their location including the rights of entitlements and benefits that emanate from membership of that community. Secondly, social policy as policy (authoritative allocation of resources) and as practice (intervention at community level), has the capacity to play an instrumental role in determining access to entitlements and benefits and in shaping life opportunities. Therefore this study is of the view that social policy has an impact on the status of citizenship.
According to Marshall (1992), there is a kind of basic human equality associated with the concept of full membership of a community, which he refers to as citizenship. Accordingly, this citizenship comprises three elements to it or three sets of rights. The first set is civil rights which are necessary for individual freedom, including liberty of the person, freedom of speech, thought and faith, the right to own property and to conclude valid contracts, and the right to justice. Accordingly, the right to justice entails defending and asserting one’s rights on terms of equality with others and by due process of law. The second set is political rights, which include the right to participate in the exercise of political power as a member of a body imbued with political authority or as an elector of the members of such a body. The third is social rights which refer to a modicum of economic welfare and security to the right to share to the full in the social heritage and to live a life of a civilised being according to the standards prevailing in the society. Accordingly, education and social services are the institutions for this category of rights (Marshall, 1992).

In taking the issue further, Bryan Turner (2007), identifies active and passive forms of citizenship and racial and ethnic divisions as elements of citizenship. He postulates that there are historical and social conditions that have contributed to effective and active participation rather than just passive membership depending on welfare. Turner (2007) cites revolutionary struggles and destructive consequences of warfare as some of the conditions that have shaped active citizenship. He therefore argues that “citizenship is therefore an inclusionary process involving some re-allocation of resources and an exclusionary process of building identities on the basis of a common or imagined solidarity. Citizenship entitlement provides criteria for the allocation of scarce resources and at the same time creates strong identities that
are not only judicial, but typically involve assumptions about ethnicity, religion and sexuality” (Turner, 2007:39).

Marshall’s (Marshall, 1992) model of citizenship has been criticised on several fronts. The criticisms point to some shortcomings which include the fact that the emphasis of citizenship analysis on social class in exclusion of other social groups based on gender, ethnicity, or race makes the model outdated. That there are powerful voices from these excluded groups that are making claims on their citizenship entitlements. Moreover that, far from being a benign progression as identified by Marshall, citizenship can be used as a strategy to co-opt other groups in alignment with powerful interests. Furthermore, in England it was the middle class who became the greater beneficiaries of the welfare state while the working class had to make demands on their rights such as the right to strike, demands on equal opportunities and other rights (Breiner, 2006). For Breiner, Marshall’s model depicts an evolutionary process of the translation of rights from political to social rights, assuming an uninterrupted progression from one set of rights to the other. He points out that this overlooks the aspect of conflict of interest and the revolutionary struggles that go with change on one hand and the reactionary forces that may block or reverse one or the other set of citizenship rights on the other hand (Breiner, 2006:4).

Nevertheless, in the midst of these criticisms the citizenship model has been defended as a useful tool to assess the relationship between the state and capitalist development. Those who are critical of the model are overlooking an important focus which the model represents which is “the development of citizenship as a relentless struggle between the extension of political equality and social rights on the one hand, and the capitalist market and social class on the other hand, in different historical
settings, Marshall’s narrative of political development in which civil citizenship prepares the way for political citizenship, and political citizenship for social citizenship would take on a different form, and be fought out in a different sequence and with different strategies” (Breiner 2006:15).

Viewed in this manner, citizenship rights become a catalyst for the amelioration of extreme social inequalities such as found in South Africa and in most developing countries. This is important given the fact that citizenship rights go beyond political participation which is but one aspect of the package. Political participation in the midst of unequal access to economic and social resources undermines the value of citizenship. Inequalities in the distribution of income, wealth and control of economic production undermine political equality which is an ethic upon which social rights are predicated. Accordingly, “the steady expansion of social rights based on the original principle behind political equality–respect for all individuals and equal treatment of all citizens–now operates on two levels. On one level, the achievement of equal rights of political citizenship along with impersonal social forces that start to diminish inequality of income stimulate the demand for the establishment of social rights as an essential part of citizenship. Social rights seek to modify the whole structure of inequalities generated by the market. They further imply a replacement of contract by status, in this case equal status. And by furthering equality of status in society and economy (modeled on equality of political status), social rights introduce “the subordination of market price to social justice.”(Breiner 2006:30).

In South Africa, the prevailing social inequalities in income, education, work and other areas such as housing and health care suggest the importance of policies that promote social rights. In this context therefore, the citizenship model provides an analytic tool that helps to understand deprivation of citizenship, its foundation in
apartheid and its implications for the policy choices of the ANC government. During the apartheid regime a complete package of citizenship rights, civil, political and economic, were denied to more than half of the population. Only later were they intermittently extended in disparate measures to other races. Citizenship by descent was restricted to certain areas demarcated by race. The absurdity of this racial demarcation was such that the presence of some racial groups was forbidden in other areas, for instance Indians were not allowed to reside in the Free State province, if passing through or visiting in the province, they had to leave before sunset. The presence of an Indian in this province would attract harassment from the whites even during daytime.

Oppressive laws such as group areas act, job reservation, detention without trial and others formed the legal framework that enforced deprivation of citizenship rights and firmly set up the foundations of white privilege, and entrenched deep cleavages of inequality and poverty. Inadvertently, the post-apartheid distribution of resources is largely based on this foundation. The extension of civil and political rights has been accompanied by limited economic rights thus corroding attainment of full social rights for the citizens. As a result, the contours of the post apartheid redistributive framework are shaped by inherited inequalities in terms of which resource allocation is taking place.

Thus the existing inequalities in South Africa can be attributed to lack of social rights and not civil rights because all are free to exercise their civil rights by voting and running for political office. At the same time, it needs to be noted that lack of social rights has a corrosive effect on civil rights as a consequence of lack of economic opportunities, invariably leading to the continued deprivation of the majority. While the intervention of the state through social assistance has managed to provide cash
income to a third of the population, as shown in chapter five, their livelihoods are still hovering around the curve of insecurity as they have come to be dependent on government assistance as the basis for their living. Marshall (1992) refers to such government intervention as a statutory effort to abate the nuisance of poverty without disturbing the patterns of inequality of which poverty is a consequence.

Furthermore, deprivation of social rights can be seen in the high levels of unemployment. More than twenty five percent of the unemployed do not qualify for any government assistance. While civil rights have afforded them the opportunity to compete in the economic struggle, they have no social protection and no education to equip them for the struggle. The state of deprivation of citizenship rights, particularly the social aspects of the rights, is summed up in the UNDP Report (2004: 22-23) where the post-apartheid situation is depicted as follows:

- 87% of the bottom 40% of South African households, have either none or one working family member, they rely heavily for their livelihoods on pensions and remittances. The most affected section of the population is black, with 45% of households in the lowest two income quintiles (20% of the poorest) having no income earners in 2001. Approximately 60% of the population earns less than R42 000 per annum (about US$ 7000) whereas 2.2% of the population have an income exceeding R360 000 per annum (US$ 50 000).

- Steep wealth inequality contributes to persistence and rising income poverty and inequality. While earnings have continued to increase for the topmost layers of the population they have continued to decline for the bottom layers – creating a massive gulf between the rich and the poor. The poorest layers of the population remain predominantly black. Black control of total market capitalisation remained at 3% in 2004.
• Low quality work characterised by poor working conditions and low wages are prevalent in the economy, only a small portion of South Africans enjoy the benefits of high quality jobs.

• The South African government is clearly pursuing a pro-business, anti-working class agenda. These policies have undoubtedly added weight to already powerful corporate influences. The social reforms in the fields of education, housing, health and land reform are extremely limited and unable to meet the goal of “a better life for all” (UNDP Report, 2004:23).

The importance of social citizenship rights in dealing with such disparities should be seen in terms of its function of detaching income distribution from the market and modelling it on the political and civil participation by promoting the right to social protection irrespective of market status. This is because the principle of equal membership in political rule requires social rights, which in turn renders money income less relevant. In this way social justice trumps market price because political equality requires social equality both as a functional prerequisite for exercising political influence and as an extension of the principle of equal treatment accorded all citizens (Breiner, 2006:17). Furthermore, citizenship is seen as encompassing all three forms of rights and as such it takes the form of a status shared by all members of a community and all members are equal with respect to these rights. Thus, all three forms of citizenship represent an extension of political equality from the civil to the social realm. It therefore needs to be noted that “the equal distribution of a guaranteed level of “real” income based on the equal status of citizens as bearers of social rights is to render inequalities of money income increasingly symbolic; that is, becoming one of the many differences within society to which no special privileges are attached” (Breiner, 2006, *ibid*).
Of additional importance to the question of citizenship to be seriously recognised by states is that there are political and economic minimums necessary for the total incorporation of all people into full citizenship and social participation. It is the lack of such political and economic democracy that is held responsible for the collapse of the Soviet Union, and is also seen as accountable for contributing to the prevailing dissatisfaction in Europe and the United States. It therefore is imperative that “every move towards integration in society should ... be accompanied by an increase in freedom; moves towards planning should comprise the strengthening of the rights of the individual in society” (Brook, 1994:2).

6.5 Social citizenship and the wage labour context

Social citizenship is closely associated with labour union struggles in South Africa during the apartheid era. The country’s largest labour movement, the Congress of South African Trade Unions (COSATU) is known for its battles for job creation and for a living wage in the apartheid era when it articulated broad demands for social citizenship rights that transcended the shop-floor as the basis for the identity of workers. In these battles, the very notion of wage labour was rescued from being a condition characterised by precariousness, forced migration, legislated racial discrimination and racist workplace despotism, towards providing a vehicle for solidarity, grassroots power, and expectations of a decent life and social rights to accompany the new democracy (Barchiesi, 2008).

However, there is widespread decline in waged employment in the post apartheid era, and the impact of its decline as a condition carrying the hopes of stable social insertion; citizenship and the enjoyment of social rights has negative consequences.
Most visible impacts of wage labour’s decline are deepening labour market
inequalities and the expansion of working class poverty for both formal and casual
workers in both urban and rural areas in South Africa. Also casual fixed term and
subcontracted occupations constitute one third of the employed population and 90%
of informal workers have no company-based retirement coverage, including 35% of
formal employees. What all these mean is that “South Africa’s employment crisis
mirrors a deepening process of informalisation of formally stable union jobs, bearing
witness to a generalised decline of wage labour’s capacity to act as a vehicle for
social citizenship ... the malaise emanating from waged employment, which, rather
than acting as a vehicle of social transformation, solidarity and emancipation as
promised by labour struggles against apartheid, has confirmed its precarious and
vulnerable reality against most black workers” (Barchiesi, 2007:570).

Furthermore, it can be said that the precarious and vulnerable nature of waged
employment is a result of the conservative macroeconomic policies of the democratic
government. Accordingly, this policy environment has produced a “hybrid social
citizenship regime” which has given birth to labour market stratification and an
uneven and selective social policy model. Moreover, rather than paving the way for
homogenisation and universal rights, the hybrid social citizenship regime defines a
stratified and hierarchical social space whose principle of differentiation is based on
each group’s relation to wage labour. These groups are in three categories identified
as follows:

- A shrinking minority of permanent unionised workers with access to a stable
  wage and social insurance, largely in the form of company-based schemes
for health care and retirement benefits, and employer subsidised unemployment provisions with basically no provision from the state.

- A growing share of long-term unemployed, and non-able bodied (youth and the elderly), whose main income depends on social assistance, in the form of non-contributory state grants, which are means-tested linked to specific vulnerabilities and conditions.

- A growing share of able-bodied, working-age intermittently unemployed or casual workers, who mostly do not belong to unions, have no company-funded social insurance, and are not in the age brackets covered by state-funded social grants. Apart from casual jobs their main source of income is monetary transfers from either employed or grant receiving family members (Barchiesi, 2008:570).

This study would like to add a fourth group, these are those who have reached the pensionable age of 65 years, are unemployed, have no savings and are denied any form of assistance on the basis that they have spouses that are in employment and are earning. This inflexible rule does not consider the possibility of cases where there might be problems between the spouses which may lead to one spouse being destitute.

Such hierarchical and hybrid features of social provisioning depict a high degree of commodification marked by the dependence of provisioning and living standards on individual labour market positions and waged employment rather than on subsidisation from either the employer or the state. This is in stark contrast to the expectations of labour unions where waged employment was supposed to act as a vehicle for social citizenship rights and social solidarity through interventionist state policies and could create jobs and redistribute resources. Accordingly, the
expectations of the labour unions was for waged employment to build generalised social provisions across society, including non-working populations and to ultimately decommodify the social existence of the workers and the poor.

In a hard hitting closing note, Barchiesi (2008), states that policy intervention in South Africa constitutes continuity between colonialism and post-coloniality where modes of governance and discipline are based on social hierarchies determined by wage labour positions. In this situation protected wage labour becomes a condition to the minority to which social inclusion and social citizenship apply, while the majority, faced with the state’s abdication of the task of providing universal social rights, have to provide for their own survival within highly exploitative market relations and employment conditions.

What is of great interest to Barchiesi (2008) is that, as he emphasises, the post-apartheid government has managed to achieve what once proved purely utopian in the age of post-war reforms. This concerns a purely capitalist labour market, regulated by contracts and not coercion, and buttressed by a legitimate state that governs a context of massive poverty and social inequality. This assertion is proof of the views of Brook (1994) expressed in a few paragraphs above, showing the power of capital over that of state and labour in the commodification of social relations. In this, the responsibilities of the state have been moved from promotion of social equality to the encouragement of social inclusion which is seen as a matter of individual initiative; Also that the state’s function is not to provide homogeneous standards, but to legislate difference, prioritising intervention to areas of risk, vulnerability and stigma.

Finally, Barchiesi sees in South Africa what he calls a peculiar paradox in the policy discourse of the country. According to this, as he states, “the less actual, material
wage labour contributes to decent livelihoods and social rights for the majority, the less it functions as the foundation of a universal, inclusive social citizenship regime, and the more central it is in the government’s policy discourse and governmentality”. He sees this phenomenon as anti-welfare Malthusianism of the ANC government (Barchiesi, 2008:567).

6.6 Conclusion

This chapter has discussed the specific development of social policy in South Africa in relation to the processes of political transformation. The political tensions, the resultant settlement and agreed compromises as well as the pressures of the global economy have determined the content of social policy. The main feature of the political settlement is that, while making the new government the midwife of inclusive social rights, it at the same time circumscribes the extent to which the government can address inherited disparities. The property clause in the Bill of Rights circumvents effective distribution of land which is a direct strategy which would help to lift the poor out of poverty.

The extension of citizenship rights has not led to an inclusive policy. Social rights have been modelled in a fashion that merely dulls the edge of poverty and leave the structural causes intact, thus entrenching and perpetuating inherited racial inequalities. For the poor, the relationship between citizenship and the social aspect of rights is weak, and it unquestionably has an impact on their civil rights. This is evidenced by the pronouncements of the civil society conference which was held in October 2010, to deliberate on prevailing social problems in the country, chief among them being poverty and inequality.
Clearly, inclusive social policy in South Africa has worked in tandem with an economic policy that has excluded more than half of the population from productive activity and has denied them access to social rights. The economic framework of production was determined away from social considerations concerning the development of human capabilities of the majority of the population. By centring the interests of the corporate sector, over national social development needs, economic policy is perpetuating white privilege and the old racist accumulation strategy under the pretext of social inclusion which is predicated upon a trickle down model of development. The majority of the population is included in a social policy that has been relegated to a residual role of redistribution, reproduction and protection to address market failures.

It is for this reason that social policy in South Africa is said to be wage-centred and thus producing a material social hierarchical structure of beneficiaries and losers. Also that the macroeconomic policies of government have valorised casualisation and informality of workers as social and political strategies as forms of defection from the social responsibility of the state to negotiate wage relations. The combining of political liberation with economic liberalisation of the new government has led to material collapse and it remains an unfinished project as argued by Barchiesi (2008).

The question raised by this study at this juncture is: can the framework of social inclusion provide a sustainable framework for the development of human capabilities? This question will be explored in the subsequent chapter which is examining inclusive social policy as a basis for the development of human capability.
Chapter 7

Inclusive social policy and human capability

7.1 Introduction

The aim of this chapter is to discuss the idea of inclusive development in South African politics which derives from the pronouncement of the White Paper on Social Welfare (1997). The White Paper locates social provisioning within a non-discriminatory frame of social inclusion, stating that “Social welfare services and programmes will promote non-discrimination, tolerance, mutual respect, diversity, and the inclusion of all groups in society” (White Paper: Principle 10:10). Social inclusion is seen as a way of addressing alienation, including social and economic marginalisation of the majority who are living in poverty. The policy further points out that welfare services could significantly contribute to enhancing social integration.

Conversely, this study is of the view that the promotion of social inclusion that views poverty only in terms of lack of income and unemployability reflects resistance of policy development to acknowledge the structural nature of poverty and inequality in the country. The poor are not excluded simply because they lack income and are unemployable, they are poor largely because the structural inequalities of a self-sustaining racially structured market system have locked them in the periphery of the accumulation framework to serve as cheap, unskilled and semi-skilled labour. This argument will rely on the notion of Amartya Sen (2000), that income is not the only influence on the lives that people can lead, that, while income has an enormous influence on the lives that people can live, poverty must be seen in terms of poor living rather than just as lowness of income. In terms of this view, an impoverished life is one without the freedom to undertake important activities that a person has
reason to choose (Sen, 2000). This idea constitutes the core argument of this chapter.

Nevertheless, prior to engaging in this discussion the chapter will deliberate on the political construction of the concept of social inclusion in relation to the obstacles that are denying the poor their citizenship rights and hence inability to exploit opportunities that are afforded by the democratic environment and by the market economy. The main assessment in the chapter will be the extent to which the framework of social inclusion as constructed in South African social policy can provide a sustainable basis for the development of the capabilities of the poor in order for them to live the kind of life that they choose.

7.2 Social inclusion and exclusion

The promotion of social inclusion seems to be an important aim of social welfare in South Africa. Reducing social exclusion through social services is assumed to lead to social integration. Emphasis is therefore put on social services to provide for the poor, who are the main category of exclusion, with life chances and skills to participate in the process of accumulation. This preoccupation seems to obscure the fact that poverty and inequality in South Africa are the direct results of apartheid regulation that was distributing income away from Black people to Whites by controlling occupational and residential choices of Blacks, reserving jobs for Whites and increasing their wages, thus creating a pool of unskilled and semi-skilled labour to increase the profits of white farmers and white industry.

The term social inclusion is not new nor was it created in 1994 with the development of social policy in South Africa. Luke Buckmaster (2010) traces the concept to French politics in the 1970s, and to the Anglo-American liberal tradition in subsequent years. He states that in French republican thought, social exclusion is
seen as resulting from a breakdown of social bonds between an individual and society. Further, that in such situations the state is seen as having some responsibility to bring those who are excluded back into society. Conversely, in the liberal tradition social exclusion is thought to be an individual inappropriately exercising their choices and preferences. In this context, as Buckmaster (2010) notes, the state has a limited role in dealing with social exclusion, while it may offer some assistance, it has no obligation to bring the excluded in.

While pointing out that the concept of social inclusion means different things to different people at different places and under different circumstances, Buckmaster (2010) concedes that most definitions refer to lack of opportunity to participate in social, economic and political life due to lack of necessary resources such as goods, rights and services. He maintains that the multidimensional nature of exclusion in terms of mutually reinforcing problems of unemployment, limited education, poor housing, low income, poor health and family breakdown is acknowledged in most of the prevailing definitions of inclusion, as well as the dynamic and relational character of disadvantage.

Nonetheless, the concept of social inclusion has been heavily criticised on several levels, namely, in terms of its conceptual vagueness, focus on paid employment, limited scope, and its top down and passive nature. The first problem identified by Buckmaster (2010) is the vagueness of the concept of inclusivity which, as he points out, is difficult to define and as a result can be put to a range of political purposes including unfavourable ones. Accordingly, without a clear definition and coherent theoretical core, the concept merely refers to redefinition of existing policies that reduce disadvantage.
Furthermore, the concept is all too often focussed on participation in paid employment such that by being excluded from the labour market the unemployed are also excluded from society, thus conflating labour market exclusion with social exclusion. Paid work therefore, Buckmaster (2010) argues, becomes the way to social inclusion and to avoid social exclusion. Consequently, those who are not in paid work or are not able to do so are therefore regarded not as full members of society and their contribution is therefore less valued or ignored. Moreover, with emphasis being put on paid employment, negative conditions of employment such as low pay and poor working conditions are overlooked as well as inequalities between paid workers. Furthermore, the narrow focus confines government effort to the need to ensure maximum participation in paid employment, thus reducing society to market relations.

Moreover, because of the limited scope of the concept, it is merely concerned with getting people over the threshold of social inclusion and leaving them on the margins of society. As Buckmaster (2010) emphasises that there is no imperative in the concept to do any more in terms of addressing the fundamental structural sources of social marginality.

Finally, social inclusion is said to be top-down and passive. That, inclusion is something that is done to passive, socially excluded people by the state. Such excluded people are seen as having no agency of their own and, as such, the concept becomes exclusionary and homogenising.

On the other hand Heather Boushey (2007:4) contrasts the concept of social inclusion with the notion of poverty. To Boushey, unlike poverty, social inclusion is a multifaceted approach that provides a basis for addressing the hardships that are faced by the poor by focusing on the multitude of barriers to opportunity. In terms of
this view, social inclusion is better placed to address deprivation in that poverty eradication is ill-designed to improve economic mobility and social inclusion as it leads to unending debates about the causes of poverty (Boushey, 2007:5). The case in point is the experience in the United States where, for as long as the problem is defined as poverty, it becomes difficult to garner public and political will to address it. Accordingly, the reason for this is that the perception of poverty in the US is derived from the belief that poverty is due to individual weaknesses such as bad decisions, character flaws or moral weaknesses. Of interest to note also is the fact that US guidelines on poverty interventions are based on life as it was in the 1950s (Boushey, 2007).

Despite the apparent fluidity of the concept of social inclusion, Boushey (2007) is quick to point out that social inclusion is based on the belief that people fare better when no one is left to fall too far behind; that, it simultaneously incorporates multiple dimensions of well-being and that it is achieved when all have the opportunity and resources necessary to participate fully in economic, social, and cultural activities which are considered the societal norm. This defence advocates for a move from the concept of poverty as a measure of deprivation, to the concept of social inclusion which is seen as more inclusive. Accordingly, focusing on poverty implies that meeting a very basic income standard is sufficient to ensure economic security and well being, while social inclusion exposes low-wage work as work without adequate standard of job security, employment insurance and health benefits. Thus social inclusion is seen as having the potential to breathe new life into collective effort.

In taking the discussion further, Amartya Sen (2000) comes into this conceptual fray from the opposite side of the angle by focusing on social exclusion instead of
inclusion. Sen concedes that the concept of social exclusion has limited theoretical underpinnings in the same way as social inclusion, and that both advocates and critiques have been equally vocal in this. From this perspective Sen then locates social exclusion in the general perspective of capability. Reverting back to his 1981 ground-breaking work on poverty and capability, he argues that the perspective of social exclusion reinforces the notion of poverty as capability deprivation; and that, in this way, the concept shares conceptual connections with well established notions in the literature of poverty and deprivation. Within the perspective of capability failure social exclusion articulates important issues of seeing poverty as lack of freedom to do certain valuable things.

Moreover, in centering the concept of social exclusion in the analysis of social disadvantage, Sen (2000) argues that “conceptual novelty is not the real issue in appreciating the contribution of the literature of social exclusion” (Sen 2000:8). This insistence is based on his view that social exclusion expresses the relational character of deprivation by focusing on the social causes influencing individual deprivation. This is in contrast with poverty which is often characterised as shortage of income. Sen upholds that while income has an influence on the kind of life people lead it is not the only factor with such effect on life. Therefore instead of focusing on poverty in terms of low income, analysis should look at impoverished living. Accordingly, impoverished living is one without the freedom to undertake important activities that a person has reason to value. In this view poverty is presented as lack of capability to live a minimally decent life (Sen, 2000). Thus, Sen sees social exclusion as a direct part of capability poverty; capability being the ability to appear in public without shame, to take part in the life of the community and the ability to interact freely with others.
7.3 Capability as freedom

In his work “Inequality Reexamined” (1992) Sen presents capability as freedom to choose between alternative functioning combinations. Accordingly, freedom entails political, economic, and social liberties to achieve the life that a person has reason to value, while functionings are constitutive of doings and beings that are relevant to one’s wellbeing (Sen 1992:5-14). Functionings represent various things that a person can do or be in leading a life. Thus capability is freedom to choose between alternative lives, to choose valuable functionings. Sen is however quick to point out that a person’s ability to choose various valuable functionings is not independent of personal characteristics and social arrangements. These elements have an effect in shaping agency freedom.

The capability approach sees functionings as central to the nature of wellbeing and as making up a person’s being. Thus living is seen as consisting of a set of related functionings (Sen, 1992:39). The approach identifies two types of functionings, which are, elementary and complex. Elementary functionings include escaping morbidity and mortality, being adequately nourished, having mobility etc. while complex functionings comprise elements such as being happy, achieving self respect, taking part in the life of the community, appearing in public without shame (Sen, 1992:36-37). Further that identifying a minimum combination of basic capabilities can be a good way of diagnosing and measuring poverty in the analysis of social deprivation.

The capability approach depicts poverty as failure of capability rather than as inadequacy of income. Therefore, in keeping with this view the quality of a person’s life should be assessed in terms of his/her capabilities.

The second core argument of the capability theory lies in the aspect of the freedom to achieve. Individual freedom is seen as the basic building block and a crucial
element for the evaluation of disadvantage. The view of the theory is that the assessment of a person’s capability can be judged in terms of whether the freedoms a person has (political, economic and social) are enhanced, as denial of these is seen as a handicap in itself. Besides the idea of freedom as a basis of social evaluation, it is also presented as a principal determinant of individual initiative and effectiveness - as both a primary end and a principal means. As a primary end freedom relates to substantive freedoms which include elementary capabilities such as being able to avoid such deprivations as starvation, undernourishment, escapable morbidity and premature mortality, as well as freedoms of being literate and numerate, enjoying political participation and uncensored speech (Sen, 1999). In terms of its instrumental role as a principal means, freedom relates to different kinds of rights, opportunities, and entitlements which contribute to the expansion of human freedom in general and contribute to development (Sen, 1999:37). These include political freedoms (including civil rights and political entitlements of different types), economic facilities (economic resources for the purposes of production, consumption and exchange), social opportunities (social arrangements for education, health care and other), transparency guarantees (need for openness) and protective security (such as social safety nets) (Sen, 1999:38,39). Accordingly, different kinds of freedoms interrelate with one another and have the potential of enhancing one another.

In summing up, it can be said that the capability perspective has breathed new life into the process of evaluation of social disadvantage. It has infused new potency into three main concepts of social analysis, namely, freedom as the capability to achieve functionings relevant to one’s wellbeing (functionings being a set of interrelated doings and beings), poverty as a deprivation of capability, and the measurement of
inequality to move away from equality of income to equality of capability. The importance of focusing on capability is based on the fact that the concept is interelational as indicated above, and as such it takes into account systemic impediments in the social arrangements that affect individual opportunities to achieve functionings – the freedom to live the lives that they have reason to value.

This fresh perspective of the capability approach provides mental tools to understand the nature and direction of the outcomes of social policy in South Africa. The inability of social policy, with a philosophy of equality of opportunity, to deal with structural basis of inequality and marginalisation is very apparent in South Africa. Since 1994, the extension of social policy has been focusing on outcomes such as coverage and poverty reduction and leaving out the foundational basis of marginalisation unquestioned. This consideration is valid because the poverty traps set by apartheid still remain important explanations for the persistence of poverty and inequality in the country. Instead of being interrogated and used as the basis for seeking alternatives for social development, they are merely mentioned as the reasons for the inclusion of all those who were formerly excluded. As du Toit (2005) notes, “it is not adequate simply to characterise inequality or poverty as largely a legacy of apartheid and past racial policies as if those policies can be understood separately from the process of economic development within which they were so profoundly intertwined” (du Toit, 2005:19). Therefore it is important for social policy in South Africa to adopt a notion of capability that addresses itself to the shortfalls to wellbeing, rather than the outcomes or achievements, by taking serious cognisance of the historical foundations of deprivation. This idea will be dealt with later in this section.
The need to adopt a capability approach stems from the fact that equality of opportunity has since the democratic transition not managed to deal with the persistence of capability deprivation. The outcomes of social equality in welfare, income, education and health have failed to recognise entrenched inequalities in these areas as discussed in chapters 4, 5 and 6 above. Living standards are still correlated with race and geographical location; poverty in the bottom 40% is still concentrated among Africans and Coloureds; social inequality and unemployment continue to work against the poor; while backlogs in education in terms of quantity and quality remain to be unfreedoms that discriminate against the poor in the labour market.

A study on poverty covering the areas of Umtata and Lady Frère in the Eastern Cape, and in Ceres and in the African townships in the Western Cape, reveals the structural sources of unfreedoms that hinder capability enhancement in communities in the democratic era. These unfreedoms are determined by interactions between assets poverty, cash dependency, labour market marginality and the thinness of social capital (du Toit, 2005). Asset poverty relates to the deprivation of economic assets that are important for living a productive life. The deprivation of economic assets can be located within the historical context of colonialism and apartheid. This is shown clearly by Terreblanche (2002), when he argues that the modern history of South Africa has been shaped by a special relationship between power, land and labour, and that, from the point of view of the white land owning class it was easier to deprive indigenous people their land than to acquire labour and to control it. Therefore, the easiest thing was to deprive them of land and to subjugate them into an unfree class of cheap labour.
To Terreblanche (2002), the Land Act of 1913 offers one of the best examples of the subjugation of black people by the white property owning class in a deliberate attempt to increase the supply of free black labour by increasing their proletarianisation and their impoverishment. Moreover, that such enslavement is in keeping with the needs of an agricultural economy which required free land, free peasants and a non-working land owner class. Accordingly, this was made possible by the economic, political and military power of the whites which dominated the scene for more than three centuries (Terreblanche, 2002:5-10).

The problem is that this position has not changed much. The Land Act of 1913 which gave 87% of land to whites and restricted blacks to 13% of arid land, and the Group Areas Act of 1950 which prevented blacks from owning firms, from owning more than one business, from establishing companies and partnerships or owning business premises, entrenched structural changes in the relationship between power, land and labour. These deprivations directly undermined the freedom of the oppressed black peoples in all spheres of political, economic and social wellbeing and stunted their capabilities to achieve valuable functionings. The deprivations are continuing in the post apartheid era to be a hindrance for the majority of the population to achieve the kind of life that they have reason to value. The reason being that attempts to accommodate the interests of capital during the negotiations worked to entrench white privileges and transformed them “into the advantages of class that were rewarded by markets, ensuring that the white elite become a middle class whose continued privileges no longer depended upon active racial discrimination by the state” (Seekings, 2007:12). The protection of white privilege does not need legislation such as job reservation and group areas Act like in the past. The Bill of Rights (South Africa, 1994) and economic policy have entrenched a skewed
ownership of property thus increasing inequalities by excluding the majority of black people from the mainstream economy. Poor and inadequate social services such as education and health for black people reinforce this position of social inequity.

Similarly, the land reform programme of the democratic government has thus far redistributed only four percent of the land to black people, this, coupled with the strategy of black empowerment which constitutes only five percent of corporate holdings, have not managed to reverse the position of asset poverty for the majority of black people. Indeed the state has managed to dismantle policies of racial discrimination without undermining white privileges accrued through discriminatory apartheid policies. This is because while discrimination has been removed from the statutes books, systematic impediments in the social arrangements regarding property ownership and access to economic resources have been left intact. Personal liberties have been entrenched through the constitution. This brings the situation in South Africa to a question raised by Amartya Sen when he asks “why should the status of intense economic needs, which can be matters of life and death, be lower than that of personal liberties?” (Sen, 1999:64). Sen raises this concern when questioning the equality of opportunity approach which privileges personal liberties in isolation of other needs. He continues to argue that this does not mean that “liberty should not have priority, but rather that the form of that demand should not have the effect of making economic needs be easily overlooked” (Sen, 1999: 64).

du Toit (2005) indicates that cash dependency and asset poverty are mutually reinforcing in that, precisely because of lack of productive assets, the livelihoods strategies of the poor are characterised by high cash dependency. This is a key
point. One would like to quickly point out here that while the government’s social assistance intervention is a necessary intervention, it is not a sufficient measure to take the poor out of the trappings of deprivation. “People can hardly be said to have escaped poverty if the ways in which they are positioned in society by their access to resources and their insertions into social relations have not been changed” (du Toit, 2005:18).

Furthermore, this state of asset poverty and the entrenched personal liberties that perpetuate this form of deprivation are a direct violation of the political and civic rights of citizenship, which are constitutive of the freedoms of black people to live the lives that they have reason to value. The resulting capability poverty renders the achievements of democracy a pyrrhic victory devoid of substantive citizenship benefits which are relevant to the wellbeing needs for the majority of these people. Evidently inequalities in economic assets, in education, health, housing and others, are indicative of inequalities in the freedoms enjoyed in the country.

Indeed, asset poverty and cash dependency become even more serious in the face of an insecure low skill labour market and an economy that is demanding high skills and failing to generate unskilled employment opportunities for the majority of the population. The roots of the unskilled and low skill labour force are the job reservation policy and the influx control Act which were meant to protect whites from competition in the labour market. These pieces of legislation were buttressed by the Bantu Education Act whose aim was to provide basic literacy for black people as the white government did not deem it fit for them to be educated beyond the servile position for which their education was preparing them. These deprivations created a pool of unskilled and semi-skilled labour force which the new government has inherited and forming a large contingent of the unemployed and poor, in the words of
du Toit “a human wreckage cast aside in the path taken in the development of racialised capitalism, authoritarian state formation and top-down modernisation” (du Toit, 2005:21). In the new post apartheid era this group still comes under the category of the unemployed and the poor, their entitlement to equality of opportunity does not give them other things to which they attach great importance for their wellbeing, much less the expansion of their capabilities. Their wellbeing is seriously compromised as their social rights continue to be undermined.

The opportunity of equality nature of social policy overlooks the fact of interpersonal variations in the conversion of personal resources into valued functionings. These variations have an influence on what a person can get out of a given opportunity in the social arrangements, be it income, education, health, labour market participation or others. This means that even though racial parity has been reached in terms of opportunities for social assistance, education and labour market participation, the abilities of the majority of black people to achieve their valued needs are undermined by the prevailing social structural inequities. These are widespread poverty, lack of access to better educational opportunities as these are still concentrated in the former white areas and are unaffordable, lack of access to labour market participation due to poor education and training, failure to achieve valued functionings due to poor living conditions resulting from poor health, inadequate housing and sanitation, poor transport facilities and lack of access to secondary health care facilities. These conditions are a daily reality for the majority of the black population.

The study of du Toit (2005) further shows that another problem underlying poverty is the weakness of social capital. The study goes on to show that in Mount Frère the local rural elite is defined through its access to positions in the public service. Its
members have positioned themselves as gate keepers to resources, institutions and other areas of entitlement for those poorer than them, and they use this to extract rents and incomes. Invariably in Ceres the nature of farm paternalism and the way in which it is structured (a few white elite knitted together by kinship, economic alliances and political affiliations) shapes the relationships between the rich and the poor: between the landless workers and the white owners and between those owners and the supermarkets and factory managers. According to du Toit, in terms of the African Townships in Cape Town, poverty is shaped by racial and special geopolitics of the post-industrial labour market and not by agrarian underdevelopment or agro-industrial patterns of accumulation as in Ceres (du Toit, 2005).

According to the study, social capital is formal and informal social networks upon which individuals and groups rely for identity including connections and practices that sustain them. Accordingly, while these play an important role in cushioning the effects of poverty-related shocks and stresses, their contribution is limited. This is attributed to the limitedness of social capital among the poor communities to the scarcity of resources that can be redistributed and shared by these social networks due to high rates of unemployment and low income from wages and grants. Further, in addition to the overburdened and inadequate social networks, the poor are vulnerable to exploitation and manipulation by the powerful (du Toit, 2005).

Moving from the point of departure of poverty as capability deprivation, and capability as the freedoms that people enjoy to live the lives that they have reason to value, we can draw a scenario for the conditions of living in South Africa that, as under the apartheid era, the majority of the black people, particularly the poor, the unemployed
and underemployed, do not yet enjoy the freedom to choose the life that they have reason to value. The post-apartheid environment is fettered with unfreedoms that undermine potential for conversion in the spaces between income and wellbeing and between equal opportunities and functionings. These spaces are governed by an inherited legacy of racial inequality in all areas of social arrangements.

It is clear from the preceding analysis that the inherited legacy of inequalities and poverty cannot be addressed only through income increasing interventions as a primary objective. Income augmenting mechanisms are a necessary but not sufficient means to address persisting structural deprivations. Policy intervention needs to level the playing field by directly addressing inequalities in capability. Removing debilitating obstacles to access to economic resources and welfare will directly contribute to the quality of life and to improve the capabilities of individuals to choose as well as their earnings.

The East Asian economies and some countries in South East Asia used the strategy of an adequately supportive social environment to spread economic opportunities. This was achieved through targeted programmes of high levels of literacy, numeracy and basic education, including improved general health care and completed land reform among other things (Sen, 1999). The state of Kerala in India relied heavily on basic education, health care and equitable land distribution for its successes in the fight against poverty (Sen, 1999:91). Nonetheless, Sen warns against seeing investments in education and health care as panacea for reducing income poverty, maintaining that such perceptions are born of the narrow view of poverty as income deprivation. Further, that poverty and deprivation need to be understood in terms of lives people can lead and the freedoms they actually enjoy, that enhancement of human capabilities fits directly into these considerations. Thus, improvements in
capability are seen as directly enriching human life as well as expanding productiveness and earnings.

The inadequacy of income as a measure of social disadvantage is further elaborated by Sen in terms of unemployment. He upholds that if the loss of income was all that is the matter with unemployment, then such a loss would be largely erased by income support. However, unemployment has other serious effects for the life of an individual that cause other deprivation and cannot be corrected by income alone. These include loss of work motivation, skill and self-confidence, increase in ailments and morbidly, disruption of family life and social relations, hardening of social exclusion, accentuation of racial tensions and gender asymmetries (Sen, 1999:94).

Clearly there are myriads of other social problems that are masked by the income view of poverty and unemployment. In the case of South Africa where unemployment has affected five million people, the state of mental health is at risk considering deprivations in the form of psychological problems associated with unemployment. Thus, as Sen points out, the broadening from income view to that of capability enriches the understanding of inequality and poverty in a radical way. He further notes that the extent of real inequality of opportunity that people face cannot be readily deduced from the magnitude of income inequality since what people can or cannot do does not only depend on income but also on a variety of other physical and social characteristics that affect people’s life chances. Also, that income is not a perfect predictor of the freedoms a person actually enjoys but valuable functionings achieved are. Functionings are constitutive of wellbeing.

The principle of equality of opportunity in South Africa has gone hand in hand with serious deprivations such as asset poverty, cash dependency, lack of access to the
labour market and effective social networks, dominant social relations, poor education and many other problems identified in this study. The foundations of this framework lies in the social contract negotiated in 1994, which accentuates basic liberties concerned with the protection of personal income and wealth, freedom of movement and choice of occupation, powers and prerogatives of office and positions of responsibility. While these are of instrumental importance for political freedom, they do not enhance the capability to achieve the life that an individual has reason to value. Equality of opportunity refuses to acknowledge inherited structural obstruction that undermines ability to convert achieved opportunities into valued functionings. It works on the assumption that resources such as income serve all different ends, thus making income intervention the primary end to address social deprivation and not the means. Therefore social inclusion in South Africa has basically meant the continuation of past policies that have prevented the poor from mainstream social participation. Their inclusion in social policy has not transformed their marginal social position.

Research shows that the underlying configurations of causes of deprivation are different in different places of the country, an indication that the poor are not a homogeneous group. There is therefore a need for a broadening of focus of social policy to include an assessment of equality of capability. Accordingly, this can be done in two ways, firstly, in terms of a person’s actual achievement, that is, that which s/he manages to accomplish; this refers to the functioning set. Secondly, in terms of the freedom to achieve, that is, the real opportunity an individual has to accomplish what s/he values; which refers to the capability set.
7.4 Capability as human dignity

The capability view has been extended by Martha Nussbaum (2006) in an encompassing manner to speak to human dignity as a fundamental concern for social justice. She argues for what she calls a social basic minimum of core human entitlements that should be respected and implemented by governments. Nussbaum maintains that such a bare minimum of what respect for human dignity requires can only be upheld by an approach that focuses on human capabilities. In line with Sen, Nussbaum sees capability as “what people are actually able to do and to be in a way informed by an intuitive idea of a life that is worthy of the dignity of the human being” (Nussbaum, 2006:70). Furthermore that the capability approach is an alternative to both the utilitarian and GNP measures of wellbeing. That, capability sees an individual as an end in him/herself and not as a mere tool to the ends of others. Accordingly, unlike these and other measures of wellbeing which are narrowly correlated with wealth and income, capability enquires after key elements such as infant mortality, life expectancy, educational opportunities, employment opportunities, political liberties and the quality of race and gender relations, Nussbaum argues.

Nevertheless Nussbaum (2006) emphasises that her version of the capability approach begins with a conception of the dignity of the human being and a life that is worthy of that dignity. She goes on to develop a list of ten capabilities that she refers to as part of a minimum account of social justice and as general goals that can be further specified by the society involved in working on fundamental entitlements. According to Nussbaum the capabilities are as follows: (emphasis has been added on original), life: not dying prematurely; bodily health: good health, reproductive health, nourishment and shelter; bodily integrity: moving securely from place to
place; senses, imagination and thought: to use the senses to imagine, think and reason; emotions: attachment to people and things outside oneself; practical reason: a conception of the good and critical reflection about the planning of one’s life; affiliation: ability to live with and towards others, and having a basis of self-respect and non-humiliation; other species: concern for animals, plants and the world of nature; play: recreational activities; control over one’s environment: political choices and material holding of property and having property rights (Nussbaum, 2006:76-77).

Nussbaum is of the view that these capabilities are mutually supportive and of central relevance to social justice, such that a society that does not guarantee these to all its citizens falls short of being fully a just society. She concedes however that the list is abstract, general and open-ended subject to ongoing revision and rethinking. That fundamentally the list is for political purposes and that it protects major liberties entailing freedom of speech, freedom of association and freedom of conscience.

In critiquing the Rawlsian notion of justice, Nussbaum (2006) argues that there are three unresolved problems of justice that have been overlooked by the theory. The first problem relates to impairment and disability, that the theory assumed contracting persons to be men roughly of equal capacity. This has excluded women, children, the elderly and people with severe physical and mental impairments. She points out that these groups were not included, but only assumed to be represented by others. Nussbaum sees this as a negation of the citizenship status of this group and therefore a defect from the point of view of justice.

Nassbaum upholds that “if one starts from the idea that many different types of lives have dignity and are worthy of respect.... one would acknowledge from the start that
the capacity to make a contract, and the possession of those abilities that make for mutual advantage in the resulting society, are not necessary conditions for being a citizen who has dignity and deserves to be treated with respect on a basis of equality with others" (Nussbaum, 2006:17).

The second problem she identifies is failure of the justice theory to extend justice to all world citizens irrespective of the incidences of birth and national origin. The issue here is that the contract model is used to construct a single nation state without consideration of interdependence with other states. This eschews the existence of inequalities among nations and the fact of unequal power relations in which rich and powerful Western countries impose conditions on poor nations of the South, conditions which reinforce and deepen inequalities within poor nations and affect the wellbeing of the people in such countries. Nussbaum (2006) argues that single nation perspective is not adequate to deal with the complex issues of international relations which is controlled by a few people but having a decisive impact for all people of the world. Also, that the staggering difference between the rich and the poor nations in most areas central to basic life chances such as mortality, health, education and others are urgent forward-looking issues on justice regarding the operations of the economic global system.

In conclusion, this study would like to highlight that the deliberations of Sen and Nussbaum on capability make the review of social policy an imperative in South Africa. This is necessitated by what has been alluded to above that the equality of opportunity approach of social policy has grown with deepening inequality and entrenched poverty which are continuing to undermine efforts to address deprivation. Therefore, policy review in South Africa should focus on developing a notion of
capability to achieve wellbeing which will have the following considerations as its underpinnings:

- An analysis and strong focus on the systematic impediments that underpin poverty in the form of income poverty, lack of economic assets including land which are important for a productive life. These impediments promote high cash dependency among the poor and also undermine latent potential necessary for the growth of economic activity.
- A strategy to deal with inequalities in education and health provision. Such inequalities work in tandem with asset poverty to contribute to high levels of unemployment and social inequalities.
- The use of the distribution of resources to address shortfalls identified in points one and two above which impact negatively on the capability of the poor, that is, for social interventions to promote the ability of individuals to have functionings rather than the aim of equalising policy outcomes;
- Promotion of rights of citizenship, particularly the civil and social aspects of rights (equal integration into society and equal citizenship status), as a foundation for the freedom to choose a life that a person has reason to value and as part of the program of building capability. This should include all the categories excluded from social protection such as the unemployed, the youth, casual workers, and the pensionable age retirees with no savings or any form of assistance but with working spouses. The package of social protection should comprise comprehensive considerations including income and asset poverty as indicated above, capability poverty, vulnerability and special needs as well as social insurance. See Table 7.
Table 7: comprehensive social protection package and components: A capability approach to poverty and needs:

<table>
<thead>
<tr>
<th>Dimensions of poverty and needs to be addressed</th>
<th>Who benefits</th>
<th>Key components of social protection</th>
</tr>
</thead>
</table>
| Income poverty                                  | Universal/targeted to the poor | • Cash transfers to children, women  
• Income support for income poor households  
• Cash transfers to disabled, elderly  
• Mass-based public works programme for economically active unemployed |
| Capability poverty                               | Universal-targets the poor    | • Basic and adequate publicly-provided health care  
• Free primary and secondary education  
• Water and sanitation  
• Accessible and affordable public transport  
• Access to affordable and adequate housing  
• Access to jobs and skills training |
<p>| Asset poverty                                   | Prioritises the poor          | • Access to productive work and income-generating assets such |</p>
<table>
<thead>
<tr>
<th>Vulnerability and special needs</th>
<th>Eligibility criteria based on vulnerability and special need indicators</th>
<th>Cash transfers and social services to people with disabilities, the elderly, children, orphans, feeding schemes, treatment and care of HIV/AIDS affected people.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social insurance</td>
<td>Eligibility based on contributory ability</td>
<td>Cover for old age, survivors, disability, unemployed and health needs.</td>
</tr>
</tbody>
</table>

**Source: Taylor Report 2008:47**

As seen earlier in the section wellbeing entails freedom to choose alternative functionings in order for one to live the life that they have reason to value. Freedom to choose functioning is constitutive of capability which is a crucial factor in assessing wellbeing. Therefore, a notion of capability that is built upon the considerations tabulated above will have the potential of making the means of wellbeing available to all rather than the current scenario where social interventions are attempting to use resources to distribute wellbeing without addressing the historical foundations of deprivation. A programme of social change based on the above considerations will alter the marginal social position of the poor as it will speak directly to their human dignity which Nussbaum sees as a central factor of capability and a natural entitlement. Such a comprehensive notion of capability will have the
effect of discontinuing the legacy of deprivation. However, this raises questions of institutional capacity that are required to maintain such a programme. This brings in the idea of a developmental state which is beginning to raise debates again in the aftermath of the failure of neoliberal social policy of structural adjustment in much of Sub-Saharan Africa. Discussion on the debates about a developmental state is outlined in chapter 8 below.

7.5 Conclusion

The notion of social inclusion and the concomitant practice of social provisioning in South Africa are inadequate to address the real problems underpinning deprivation. Social inclusion reduces social integration to the narrow market mechanisms of income and employability as the main focus for including the poor in the process of accumulation. This view of social inclusion is what informs most definitions of the concept where lack of goods, services and rights are seen as the underlying courses of poverty. These definitions have come under attack on the basis of vagueness resulting in lack of clear and coherent theoretical core.

A more palatable concept of social inclusion has come from Amartya Sen, who locates social exclusion within the perspective of capability, that poverty is capability deprivation, and arguing that in this context the concept shares affinities with well established notions in the poverty literature. Sen sees social exclusion as lack of freedom to do certain valuable things and poverty as capability failure.

The situation of capability within the notion of freedom positions the concept to be seen as the freedom to choose a life that one has reason to value, that is, ability to attain valuable functionings, that is, the doings and beings that are central to one’s
wellbeing. The capability perspective sees functionings as central to wellbeing and that the denial of freedom (economic, political and social) to choose functionings is a handicap in itself.

On the other hand Martha Nussbaum approaches the notion of capability from the point of view of human dignity. In line with Sen, she sees human capabilities as what people are able to be and to do, what is required by human dignity, and that all governments should respect and implement these. Nussbaum identifies a list of ten basic capabilities including, life; bodily health; bodily integrity; senses, imagination and thought; emotions; practical reason; affiliation; other species; play; and control over one’s environment. These are guiding principles that form part of a minimal account of social justice and that a society that falls short of guaranteeing some appropriate threshold level of these to its citizens is not a fully just society.

This study sees Sen and Nussbaum’s versions of capability as complementary and instructive to the situation of deprivation in South Africa. While Sen’s view of wellbeing is achieved through a capability set of functionings based on the freedom to choose a life that one has reason to value, Nussbaum wellbeing is achieved through capabilities that are required by human dignity based on core human entitlements for social justice.

South Africa needs a policy review which is premised upon the development of a notion of capability that is based on four principles, namely, analysis of inherited impediments underpinning and perpetuating deprivation, a strategy to deal with inequalities in education and health provision, distribution of resources to address shortfalls in capability, and the promotion of citizenship rights. Such a policy strategy needs to be supported by state institutions that are premised upon a developmental mission to manage resources and opportunities to promote social change. This idea
of a capable state is discussed in the subsequent chapter. The chapter deliberates on the idea of a developmental state as approached from different perspectives including pondering on the question whether South Africa is a developmental state.
Chapter 8
Perspectives on a developmental state for social policy

8.1. Introduction

Social policy is a political process that touches on questions of freedom and capability, social rights and citizenship, and social power relations which have been the subjects of this study. These questions have their embeddedness in political processes and institutions that are important determinants of policy choices and outcomes for development. Thus the question of building state capacity for development remains crucial. The UNRISD Report on “combating poverty and inequality” (2010) states that for development strategies to generate the types of structural change equitable to development, governments must be able to, among other things, reach political settlement with domestic actors in defining public policies and creating developmental welfare-creating bureaucracies.

Questions on the role of the state in development have once more come to dominate the development debate in the 21st century. Experiences of the 20th century developmentalism are in vogue, whereby most developing countries prioritised economic growth through active state intervention, and countries in East Asia managed to break out of poverty. It was not until the crisis of balance of payment problems in the 80s and 90s that this state-led approach to development came into question, and as a result, led to a retreat of the state into development oblivion following the policy prescriptions of international finance institutions. However, the poor growth record of these market policies of structural adjustment has led to a policy position that advocates for an active role of the state in development. The economic crisis has reinforced the position that markets are not always self-regulating... it has brought to the fore the importance of state interventions... “and
has made the case for developmental states more compelling” (Edigheti, 2010:1). Even the international financial institutions themselves are beginning to acknowledge the important role of the state in managing development and social change (Mkandawire, 2010).

Prevailing debates on a developmental state in Africa are premised around two broad accounts, namely, the view that sees the occurrence of a developmental state as an impossibility on one hand, and that which conceives the potential of a developmental state as embedded in the resources (local and international), opportunities and options available to enhance development outcomes, on the other hand. These accounts of developmentalism in Africa are proffered in terms of political and historical explanations that link developmental action to the nature of the state and the society in the process of accumulation of capital.

8.2 A Developmental state as political subjectivities

One such account of a developmental state, which begins by analysing the nature of the state and its politics, is by Michael Neocosmos (2010). His point of departure concerning development is that there is nothing as politics of emancipation. That, the politics of the state and politics in general is nothing but subjectivity, as choice, as agency, as capacity, as consciousness, which cannot be deduced from class. Invariably, class can only identify interest and not politics. From this position, Neocosmos proposes that state should be thought of as political subjectivity that is politically constructed. For Neocosmos, such conceptualisation will enable politics to be analysed in its own terms beyond the statist approach of the political economy perspective which fails to analyse politics beyond the confines of the state.
The perspective of political subjectivity, according to Neocosmos (2010), enables analysis to differentiate between various state forms. According to this view, the current state form is dominated by the neoliberal ideology, which makes it a postdevelopmental state, while the one preceding it was a developmental state. A developmental state is a postcolonial state, one whose dominant subjectivity was based on the idea of development as a central project of the nation state. The characterisation of the 20th century developmental state is that this form of state had a national character, where the party acted as a subjective agent of organising worker politics in relation to the state and to incorporate them into state politics. As a result, it was the party that had enabled the ultimate dominance of the social question (provision of housing, education, health etc. to the masses) over the political question of consolidating the democratic rule of popular assemblies. In a developmental state the social question came to be known as ‘development’ from the 1950s. Thus development became the clarion call around which a nation was constructed through giving the rural poor access to the benefits of modernisation. Moreover, the politics of the national liberation struggle upon which the developmental state was founded, possessed an emancipatory core which stressed freedom, justice and equality. Accordingly, these were the products of a pan-Africanism that was able to garner support in Africa and abroad (Neocosmos, 2010:536-537).

The argument goes further to show that this form of state does not exist any longer. The political subjectivity which characterised it is now redundant and there is no longer a developmental state in Africa. Moreover, attempts to revive the social democratic of the past is governed by political disorientation. This state of affairs is attributed to the disappearance of clichés such as communism, right versus left,
state versus market, nationalist versus socialist etc. and as a result there is no more possibility of a developmental state. In this vacuum, it is not clear what development means outside rural development and the meaning of development as progress. Accordingly, this state of affairs is a result of the hegemony of state politics which de-legitimised popular politics at independence and led to political subservience. Neocosmos laments that the development project following this de-politicisation became an instrument of legitimisation and reproduction of the state and something to be done by communities themselves and not the state. Alienated from its political base, the state became vulnerable to international financial institutions through its imperial links which sealed out emancipator thought and instead came to be seen as development. This emancipator thought, with its condescending character, facilitated the disappearance of development from national discourse and replaced it with the human rights discourse of the western funding institutions. Thus, the developmental state of the 20th century has been permanently changed under the global pressures of the neoliberal project of development. Therefore the development agenda has collapsed under the weight of the new agenda of human rights and democracy which is articulated from the sites of NGO struggles (Neocosmos, 2010:540-541).

Furthermore, the developmental state has been replaced by a post-developmental state. In this state form development is not a state project and it is managed rather than planned. The subservience of the state to the neoliberal project is complete. The state rules in partnership with NGOs, communities and business which are known as stake holders, as a way of stressing inclusivity. Accordingly, as Neocosmos points out, the politics of the new form of state which is democracy, good governance and human rights bind both the state and civil society together in subservience to the West. As a result, there can be no meaningful development for
the majority under such conditions as this amounts to a form of corporatism. According to this view, ‘good governance’ approach of the new state which combines administrative efficiency with law and rights is not working for the poor whose concern is asserting their political agency and not the victimhood associated with the human rights discourse which is in turn associated with the construction of state consensus. Finally, an emancipatory development project can only come from beyond the realm governed by state politics including that of civil society.

Clearly, the above analysis by Neocosmos identifies the core issues that are at the heart of social policy issues in Africa. The elaboration has pointed to the pertinent issues of the political context that give shape to social policy interventions, and in particular, the compromised position of the state and its inability to meet popular demands in most of the governments in the continent. In the case of South Africa, such a compromised position of the state is indeed implicated in the construction of state consensus in 1994 which became the basis for the exclusion of the majority, the black people whose plight the negotiations were for. Their marginal position is highlighted by the Economist newspaper (29, January, 2011) when they reported that:

For the majority of South Africa’s blacks, living is not so easy. Although many of the poorest now get some kind of government support, most blacks still live in shoddy shacks or bungalows without proper sanitation in poor crime-ridden townships outside the main cities. Their schools and hospitals are often in a dire state. And, in a country where there is little public transport, most blacks do not own a car. Although it has the world’s 24th-biggest economy, South Africa ranks a dismal 129th out of 182 on the UN’s Human Development Index (and 12th in Africa). The country’s constitution, adopted in 1996, is one of the most progressive in the world. It enshrines a wide range of social and economic rights as well as the more usual civil and political freedoms... Washington-based research foundation, gives South Africa a respectable rating of 2 in its “freedom in the world” index, where 1 is completely free and 7 totally unfree.
This excerpt is confirmation that the post apartheid state in South Africa is hamstrung by the political settlement of the transition and it is therefore unable to meet the social rights of the citizens.

However, it needs to be noted that while Neocosmos (2010) has managed to tease out the salient issues that are a vexation to social policy making and implementation in Africa, he has however failed to hoist a redeeming path by remaining in the glorious past of what he calls a developmental state of the postcolonial period. As a result some *problematiques* can be identified from this analysis. First, Neocosmos emphasises that a developmental state should not be understood in terms of the classes it is said to represent, socioeconomic policy and administrative capacity as in the success of development indicators. According to him a developmental state should rather be understood in terms of state politics, or state agency or consciousness, or subjectivity to advance political choice and not class interests. While this form of thinking provides a benefit in terms of analysis of the two state forms, it lacks conceptual tools that transcend political choice and agency into concrete action. It fails to advance political choice beyond consciousness into concrete policy action that will help to meet popular needs. Instead, his analysis appeals to the grandiose ideological frameworks of yester epoch, without being illuminative in terms of how these past ideologies can be harnessed in crafting practical alternatives to the policy problems that African states are confronting today.

Clearly, the location of development in Africa solely within the idealised ideological dichotomies of the past, and the heralding of the demise of a developmental state because of lack of these ideologies, have a tendency of stifling creative attempts on rethinking the state and development in Africa in the current conjuncture. The
view of this study is that a developmental state needs to be understood as a social construct and a possibility that emerges from the struggles that people are confronting, from the lessons of the successes and failures of the past and from the options and challenges that present themselves as well as those that are created. The idea of “throwing out the baby with the tub water” by wishing away the “post-developmental state”, and by dismissing attempts at transformative social protection as an aberration, is supercilious.

In addition, Neocosmos’ developmental state in Africa is constructed out of the politics of national liberation struggles, outside the realm of the formal state. In his view this state developed in various times (by social movements) in history in sites beyond the state, and that, it was not always exclusively focused on attaining state power, but rather on changes in the mode of life. Accordingly, these sites remain important avenues beyond the state to wage the struggle against the post-developmental state “the Abm (Abahlali base Mjondolo (shack dwellers) constitute the most important site in South Africa from which the politics of the post-developmental state in South Africa is being systematically contested and rejected” (Neocosmos, 2010:543).

It is rather not clear what makes alternative sites of political articulation a state, and how these alternative sites constitute a developmental state without being interested in the state power to enforce their claims. History in Southern Africa shows that it is the very question of lack of state power that has seen liberation movements in Zimbabwe, Namibia, and South Africa to the negotiation table in order to secure some concessions for their developmental agendas. Neocosmos himself indicates that the United Democratic Movement (UDM) in South Africa in the 1980s, while managed to construct a clear political perspective away from the
state that emphasised popular control, failed to impose the popular will on the
state. This emanated from the fact that, as he states, “the dominant subjectivity
did not emphasise the capturing of state power as this was left to the exiled
liberation movement” (Neocosmos, 2010:541). The Neocosmos analysis seems
not able to proffer a way forward for development politics within the formal state.
The fact of pointing to, and situating a developmental state, outside the formal
state reveals inability of the developmental state subjectivity to deal with the
contextual objectivity of the formal state.
Furthermore, the nature of social policy is that it is both a contingent and
conjectural process. It is contingent in that it responds to prevailing circumstances
as they are evolving, and it is conjectural in the sense that it needs to have a
futuristic outlook which is learning from the past and from the present as it is
projecting future interests. Therefore, a developmental state needs to be built on
both the subjectivity and objectivity of the past and of the present context as well
as the interests of the future. It is out of such political, economic, and social
struggles that concepts can be crafted to create a developmental state form as
has happened in East Asia. Understanding a developmental state from this
perspective brings this discussion to a view that sees a developmental state in
Africa as a possibility as outlined in the section below.
8.3 A developmental state as ideology and structure

The perspective which sees a developmental state as a possibility is based on the argument that the prospects for a developmental state in Africa need to be based on the historical experiences of the continent or in the trajectories of more successful developmental states. Such a view of possibility holds that the prevailing discourse on the state in Africa is invidious and it is making casual assertions that are deterministic and aprioristic based not on an analysis of actual experiences, but on ideological conviction or faith (Mkandawire, 2004). Accordingly, the analysis is invidious in that it makes comparison of African states in crisis with idealised states elsewhere, making concrete analysis of the character of the African state less important than normative statements about what it should be. As a result of these ill-informed assertions the African state is the most demonised institution in Africa. Mkandawire maintains that neither Africa’s postcolonial history nor the actual practice of successful developmental states, rule out the possibility of developmental states in Africa that are capable of playing a more dynamic role.

A developmental state in this perspective is not constituted by the nature of politics outside the state. A developmental state is distinguished from other forms of state by two main components, namely, the ideological and the structural aspects of the state. The ideological underpinnings of such a state is developmentalist in that it conceives its mission as economic development, understood to be high rates of accumulation and industrialisation. Its legitimacy derives from ability to promote sustained development (steady high rates of economic growth and structural change in the productive system domestically and in the international economy). Moreover, the developmental project becomes a
hegemonic project to which key actors in the nation adhere voluntarily (Mkandawire, 2004).

In terms of structure, capacity to implement economic policies, institutional, technical, administrative and political, is critical. Further that a developmental state must have autonomy from social forces so that it can use its capacities to devise long term policies unencumbered by private interests, while at the same time it must have some social anchoring that prevents it from using its autonomy in a predatory manner and helps it to gain the support of key social actors. It is argued that state analysis that equates economic success to state strength neglects the trial and error nature of policy making even in most successful cases. Also that trial and error in policy making is occasioned by unforeseen factors and exogenous structural dynamics that can torpedo genuine developmental commitments as, at times, government’s political will and technical capacity may prove just inadequate to fend off such forces (Mkandawire, 2004).

In defence of the prospects of a developmental state in Africa, it is argued that wrong lessons have been learned that have promoted the idea that a developmental state in Africa is an impossibility. In this, the experiences of the East Asian countries were crafted through the prism of neoliberalism which deliberately downplayed the role of the state in East Asian development. These successes were presented as the outcomes of reliance on market forces and the adoption of export oriented strategies driven by the market. State intervention was deliberately kept out of the analysis, and yet the most significant lesson in the Asian experiences is the central role played by a developmental state in the process of development. Secondly, another wrong lesson is attributed to the World Bank Report (Berg, 1980), which painted a scenario of the African state as
a monumental failure and went on to prescribe stringent market driven macroeconomic policies which were imposed on African countries and reduced the role of the state (Mkandawire, 2004).

Following these wrong lessons, as the argument goes, a negative picture of the African state was created which led to the most important case against developmental states in Africa, based on the believe that the continent lacks essential features for a developmental state. The first of these is that Africa lacks an ideology for development anchored in a nationalist project, that the problems of the petty bourgeoisie commitment to their class interests inhibits popular demand and reproduces political hegemony and silence of the masses. What has been forgotten here is that for most of the first generation African leaders development was a central preoccupation to the extent that the postcolonial state is characterised by most writers as a developmental state. That, by political commitment and social origins most of the leaders were deeply committed to the eradication of poverty, ignorance and disease. The centrality of development was such that it acquired the status of an ideology that provided an ideological scaffolding of development plans. Moreover, the exigencies of political legitimacy impose development on any meaningful agenda.

Furthermore, that there are many well-documented developmental arguments against SAPs that are advanced by African bureaucrats including the UN African Economic Commission. These arguments pertain to the need to stimulate private investment. The view in this perspective is that if the first generation of African leaders concentrated their energies on the politics of nation building, there are signs that the second generation is focusing on the economics of nation building and have embraced privatisation and attraction of foreign capital. Further that,
economic growth is their battle cry and they derive their legitimacy from growth indicators.

Moreover, the second problem raised against the developmental state in Africa is the dependency syndrome which emanated from the Dependency school of thought in the 1960s that speaks of the development of underdevelopment. Apparently, this perspective ruled out the possibility of developmental states in Africa that were led by national bourgeoisie, or the possibility of nurturing them. The centre-periphery relations were seen as not conducive to dynamic accumulation, but rather a bourgeoisie that was condemned to being nothing but a comprador bourgeoisie subservient to the interests of foreign capital, that they could not produce captains of industry needed for the mobilisation of resources and acquisition of technology, they were described as a lumpen bourgeoisie, dependent capitalists, drone capitalists and all those epitaphs.

The belief was that even if capitalist accumulation was possible, there was no need to go through a nationally directed process of accumulation given that the socialist transformation was imminent. In quoting the ideas of Ake (1978), Mkandawire (2004) states that it was not considered necessary to even ponder the prospects of capitalist accumulation as feasible, let alone it being a morally acceptable alternative. Also that the more successful states in terms of growth were usually dismissed as neo-colonial, thereby reducing the choice in the Third World to that between barbarism or socialism. However, these views began to lose their force in the 1980s because of the Asian and some Latin American and African experiences. With social movements beginning to advocate for reform rather than rupture, a prerequisite for development began to be articulated as, among other things, a progressive alliance between the national bourgeoisie and
labour to constitute a developmental block able and willing to pursue a strategy of national industrial development over a long term. All these presupposed a developmental state (Mkandawire, 2004).

The third argument against a developmental state is that of lack of autonomy and rent seeking. The state is believed to have been pushed by self-interest groups to adopt policies that generate interest for them, thus inhibiting efficient allocation of resources. In the case of Africa rent seeking has been used interchangeably with corruption by neoliberalism. Accordingly, rent-seeking in a real economy involves redistribution of income from one group to another, the impact of which depends on the incentives used. It is strange when in the case of Africa rent seeking is being invoked against policy making and yet it has demonstrated to be theoretically and empirically beneficial as many of the policies attributed to rent seeking are being used by the high performing East Asian economies. Export-oriented advocates are now advising African countries to deploy rents to stimulate export oriented industries in the form of export subsidies and credits. The Asian experience is an indication that the argument against the use of rent seeking for a more active developmental state is not credible Mkandawire, 2004).

This argument in favour of a developmental state in Africa, maintains that the wrong reading of the African economic history by the Berg report presented both postcolonial policy and performance as unmitigated disasters. The Report is seen to have overlooked five factors as follows: first, that the report underestimated the enormous importance of the external conjuncture and the role of foreign expertise on African economies. Further that African economies generally do well when the conjuncture is good and poorly when it is bad and that the Bretton woods institutions have come to learn this through their own stabilisation programmes
which have often been scuppered by external forces. Also, that the problem of external expertise gets conveniently forgotten in the analysis of the African state. This is a factor that is responsible for the lack of policy ownership in Africa.

Allied to the above, is the fact that key economic policies in Africa are not a result of lobbying by rent seekers or capture of the state. Instead, interventions by interest groups fail to account for policy initiation, therefore policy embeddedness never really developed in Africa. The continent is seen to have failed to allow the business class effective representation in policy making and what this business class has failed to do was to capture state policies. Moreover, the fact that a particular group benefits from certain policies does not mean that they lobbied for those policies nor that they have captured the state, state policies have never been a class project in Africa. It is emphasized that the true test of this is indicated by the fact that groups benefitting from state policies, such as the labour aristocracy, have been dropped from the coalition with surprising ease during hard times, as in the case when the governments had to follow the prescriptions of macroeconomic structural adjustment of the IMF and World Bank. Moreover, the lack of a reciprocal relationship between the state and the bourgeoisie in Africa is attributed to the fact that colonialism suppressed the emergence of national bourgeoisie. Unlike in India, the bourgeoisie played a marginal role in the liberation struggles and as such could easily be marginalised in policy making (Mkandawire, 2004).

The fourth issue raised by the developmental perspective concerns the fact that developmental states are not alien to Africa. Accordingly, Africa has examples of countries whose developmental inclination was developmentalist in the postcolonial period, whose developmental policies produced high rates of growth
and significant gains in human capital development. Some of these countries are Cote de Ivoire, Kenya, Malawi and Tanzania which had growth rates of more than 6% over a decade based largely on agricultural and industrial expansions sustained largely by domestic savings which increased from 16% in 1960 to 25% in 1980 (Mkandawire, 2004). Furthermore, it is argued here that the view that African states are inward-looking and hostile to trade is unfounded. These countries used the comparative advantage of land to industrialise by export minerals or other primary products to earn foreign exchange for industrialisation for eventual diversification of exports. In doing this strategies to attract foreign investment were used, however, it was the reticence of foreign capital that led governments to resort to the establishment of parastatals and joint ventures as a further measure to attract foreign capital.

In lamenting the harsh impact of SAPs on African states, Mkandawire (2004) states that the macroeconomic prescriptions of the Bretton woods institutions have so maladjusted African states that they provide proof of the impossibility of a developmental state. Also that states are so weakened politically and financially that they exhibit incapacity to carry out their functions. It is this fact that is in turn used to argue that they are not able to be developmental, and therefore need foreign experts, who continue to reinforce policies that further erode their political and economic capacities. Further that it is a succession of stabilisation policies that have reduced government employment in Africa to the lowest in the developing region, that these have sharply deteriorated the civil service leading to brain drain, low morale and poor pay. Accordingly, this has provided justification for a new project of capacity building for western countries.
In turning attention to what needs to be done, Mkandawire (2004) emphasises that valorisation of existing capacities through better capacity utilisation and retooling instead of capacity building is what is needed. Further that such efforts should be directed at reversing the brain drain and repairing the main institutions of training which were left to die when donors were establishing new ones to produce parochial skills for their projects. Accordingly, these new institutions focus on the determinants of stabilisation issues and overlook developmental fundamentals and the institutional arrangements that should guide the development process.

Moreover, the negative view of the interrelations between public power and private interests stifles the possibilities of building coalitions between the state and the business community. This distancing of the state and the taking over of the key state functions by the international financial institutions is a source of extreme insecurity for local capitalists. A point is stressed here that one thing that has been learned from the Asian experience is the significant dependence of the state on the private sector for its development strategy. Further that the edification of capital accumulation in a specific country ultimately depends on national characteristics (class formation, resource base etc.) and policies towards both foreign and national capital where private domestic capital serves as a catalyst (Mkandawire, 2004).

Furthermore, it is contended that, given the tarnished image of Africa, confidence by Africans themselves is of prime importance if capitalism is to be politically viable and have national anchoring. The advice given is that this should be based partly on the capacity of indigenous capitalist classes to direct state policy towards their gaining access to labour, land and capital; towards limiting the role of foreign
capital; nurturing indigenous capitalist investment by facilitating establishment of institutions of stabilising capital-labour relations; supplying technical and physical infrastructure and convincing critical sections of the nation that its project of capital accumulation is in the interest of the nation. The importance of the infrastructural powers of a developmental state, that is, the ability to persuade key stakeholders to support its developmental agenda is said to be crucial. Mkandawire upholds that there is no contradiction between developmental states and democracy, emphasising that the fact that Asian developmental states were born in the context of authoritarianism does not mean that all developmental states are autocratic. He points to the examples of Japan, Nordic countries, Botswana and Mauritius and asserts that there is no trade-off between a developmental state and democratic governance.

In the developmental perspective it is argued very strongly that there is no single formula for constructing a developmental state, that developmentalism can be pursued in diverse political and institutional settings. Conditions that are identified as conducive to the construction of a developmental state in Africa include, the rich natural resources, the continent’s rich human resource endowment (in the education field) the collapse of the Washington Consensus and the emergence of new global players of China, India and Russia (lately Brazil and South Africa). Further that there is need for originality, intelligent emulation and borrowing in constructing a developmental state in Africa, and that, there are no fixed prerequisites but a process of trial and error and protracted struggle and negotiations between competing classes (Mkandawire, 2004).

Finally, stress is put on the fact that the emergence of a bourgeoisie is not facilitated by laissez-faire regimes that the international financial institutions have
sought to impose, but it is nurtured by the state. That, what explains the Asian success is not some deeply rooted historicity but specific institutional arrangements between the state and different classes that have underpinned the accumulation model. Moreover, that the East Asian bureaucracies are neither gifts from the past nor some outgrowths of surrounding social organisation. They are hard-won edifices constantly under construction (Mkandawire, 2004).

The above arguments for a developmental state in Africa express the sentiments currently in vogue regarding the debates on a developmental state in South Africa. The ANC government sees themselves as a developmental state in place. This view is articulated in a number of policy documents of both party and government asserting the imperative for dirigisme given the prevailing conditions of deprivation and its historical character in the country. In terms of policy articulation, a developmental state argument occupies the position of a party ideology which drives social welfare policy in government. The following section deliberates on the prospects and challenges facing the ANC government in relation to its claims of being a developmental state.

8.4 Prospects and challenges for a developmental state in South Africa

The aspirations of the ANC government for a developmental state are expressed in a number of the party’s policy documents and government white paper. These comprise, The white paper for social welfare (1997) “The state, property relations and social transformation (1998), The state and social transformation (2007), including the Freedom charter, the RDP (1994) base document as well the party’s resolutions in the Polokwane conference in 2007. The commitments of the ANC to a developmental state reflect a strong belief that this represents an alternative to confront the developmental challenges facing South Africa. The view is that
“central to the issue of the role of the state is the question of public resources and their utilisation. Thus an important indicator of state power is the capacity or otherwise to set rules for, or actually determine, the accumulation and employment of capital ... in the overall, the kind of state that the NLM is building is one in which the democratic forces have the capacity decisively to use state instruments for purposes of social transformation ... the NLM is committed to a strong and efficient state that is tenacious in its loyalty particularly to the poor” (ANC Discussion Document, 1998:1).

In their discussion document on “Social transformation” the ANC stresses their role as developmental state that their main task of social transformation is to challenge underdevelopment and eradicate poverty. In this task free education and health are seen as key services including retirement benefits, social grants, food security and household support for the wellbeing of the people. The creativity and skills of the South African population are seen as the foundations of social transformation. The document states that “it is important that we do so in the context of our challenges as a developmental state rather than against the ideological backdrop of a welfare state”12 (ANC, Discussion Document, 2007:3).

A developmental state is a recurring theme in South African politics and policy approach. The agenda setting document for social policy, the White paper on Social welfare (1997) sets the tone for state provisioning within the developmental perspective. The first goal in the policy states its developmental focus as “to facilitate the provision of appropriate developmental social welfare services to all South Africans, especially those living in poverty, those who are vulnerable and those who

12 This expression is oblivious to the fact that a welfare state can promote a range of different ideological positions. It is an indication that the discourse on the welfare state within the ANC, and the broader country, is not underpinned by in-depth understanding of literature in this area.
have special needs. These services should include rehabilitative, preventative, developmental and protective services and facilities, as well as social security, including social relief programmes, social care programmes and the enhancement of social functioning” (Chapter 2:9, Goal 7 (a)).

While a developmental state is seen as a way of building state capacity and addressing political, economic and social problems, Edigheji (2010), cautions that recognition of the importance of a developmental state for addressing South Africa’s problems is not enough. He points out that what is crucial is the ability to create competent institutions within the state, the political leaders having the political will to ensure that resources are deployed and that policy and programmes are developed and implemented. Also, that there must be political will to forge programmatic and reciprocal relationships with trade unions, business, NGOs and community organisations in the society. The HSRC international conference in 2010 debated the potentials and pitfalls of a developmental state in South Africa and outlined divergent views which can be summed up in the following way:

- The institutional architecture: that a developmental state is a state that acts authoritatively, credibly, legitimately and in a binding manner to formulate and implement its policies and programmes. It has to construct and deploy the institutional architecture within the state and mobilise society towards the realisation of its developmental project. Moreover that central to such a state is capacity to intervene in the development process, which is reflected by the institutional arrangements that are in place to show whether the state has capacity to define its developmental
agenda and to formulate and implement policies in a legitimate and credible manner to attain its goals.

Furthermore, that a developmental state has to build distinct capacities to achieve its various developmental goals. The provision of basic goods (redistributive capacity) is more complex as it requires much more broad based political and social coalitions than capacity for industrial transformation. In the case of South Africa, capacity is needed to redress historical injustices including racial inequalities and gender. In East Asian countries coalitions were limited to government and business. In this, central planning agencies played an important role for instance, South Korea, Malaysia, Singapore and Thailand. These planning agencies were the nerve centres of development plans and policy making located in the office of the head of government. They were able to translate policies into development programmes. They were also insulated and kept away from sectional interests to avoid derailment of development projects.

- Democracy and development: a developmental state aims to achieve industrialisation through active industrial policy, while at the same time implementing policies to redistribute income intended to minimise unequal distribution, to minimise inequality and to promote education and other social and political goals. Within this context social policy plays an important role. Again, states in the East Asian economies and the Nordic countries made a concerted effort to formulate and implement appropriate social policies and designed institutions to achieve set goals. Asian countries had a strong redistributive thrust in their social policies.
Furthermore, measures such as access to education and health care and those that were aimed at promoting equalisation of opportunity for social class mobility in East Asia should be understood as measures to redistribute income and wealth and not in the narrow productivist economic sense. The narrow neoliberal sense neglects social policy and human capability expansion. Developmentalism promotes human-centred development and not just growth. Therefore, a developmental state in South Africa has to be conceptualised in a multidimensional and holistic manner to engender economic, political and social freedom, widen human capabilities and be a vehicle for making social choices and defining developmental goals. What the developmental state should pursue together with industrialisation is social transformation for the reduction of poverty, inequality and high levels of unemployment. Also, investment in capability expansion will be a key element of developmentalism in South Africa. A state that incorporates these elements is a democratic developmental state.

Dilemmas facing South Africa: one of the main development dilemmas facing South Africa is the history of dispossession. Therefore, investment in the welfare of the majority of the people would be crucial to South Africa becoming a 21st century developmental state. Capability expansion services such as health and education, rather than manufacturing, would be key to economic growth and to the country’s socio-economic success. Human capability is a means and an end of development in South Africa, yet neoliberalism ignores the intrinsic value of capability enhancement. It is
important to note that developmental states in Asia had equity as a central focus and consequently developed institutions to achieve that goal.

Furthermore, the fact of South Africa labelling itself as developmental does not make it so. There is a need for the country to consider important issues such as developing institutional apparatuses to enable the goal of capability expansion; the need to contextualise the development state in South Africa, to take into account local conditions and to respond to local developmental and institutional challenges facing the country. Accordingly, this should be a process of trial and error, evolving with time to responding to changing conditions, and to be a continually reflexive learning by doing process. The benefits of such a developmental strategy are high growth, linked to broadly shared returns in a labour intensive market strategy.

The need for contextualisation shows that the "one size fits all" approach to the construction of a developmental state will not work. South Africa has some of the strong features that can enhance its capacity to construct a developmental state. These include the strong mass party base of the ANC, the organisational architectures such as Industrial Development Corporation, the Development Bank of Southern Africa; a number of state owned enterprises with strong financial resources and analytical capacities; the technological and business capabilities of entities such as the military complex of Denel. Nevertheless, the existence of strong mineral-energy conglomerates and the lack of control over the banks are constraints facing the ANC government. Moreover, the weakness of agencies that are meant to promote research and development are a serious obstacle to the developmental state. In order to overcome some of these constraints the
Development Bank needs to be strengthened and other special purpose banks such as a bank for small and medium enterprises need to be established.

- Policy making and economic governance: South Africa’s economic governance model is fashioned after the Anglo-Saxon model of corporate governance which privileges the rights of shareholders and is sensitive to the interests of shareholders and institutional investors. As a result, policy is basically informed by the need to maximise shareholder value and the credibility of the policy is determined by rating agencies and not citizens. This model has been the main influence of economic policy in South Africa since 1994. Again, the main thing in this arrangement is the fear of the markets as a scare tactic and that policies that are not in the interest of investors are frowned upon. Consequently, it has allowed some of the country’s conglomerates to disengage from the South African economy including the Anglo-American corporation. In this, the government has ceded considerable amount of space to institutional investors in policy making in exchange for good ratings from international agencies, as such they have lost influence over conglomerates as well as resources that they could have used for development. This has constrained the country’s ability to transfer assets and resources to higher productivity sectors thus entrenching the structure of the economy. There is need therefore to balance the rights of shareholders with meeting basic needs.

The biggest problem now is that financialisation and development of the market, and not economic development, have been among the unfortunate outcomes of the post 1994 economic governance regime in South Africa.
The electricity crisis was an example of lack of state capacity to adopt appropriate policies. For South Africa to construct a developmental state, it has to consider what it has to do to become such a state in terms of industrial policy and the institutional configurations to formulate and implement appropriate policies, the ability to transform the structure of the economy from minerals-energy complex, and to address the social problems facing the country including health, education and other welfare concerns. As a result of these South Africa has a long way to become a developmental state.

- South Africa’s macroeconomic and industrial policy: a democratic developmental state in South Africa will need to transform the structure of opportunities by widening access to basic services and physical infrastructure. Effective provision of social and economic infrastructure and services is a necessary precondition for broad-based participation in economic processes. These are imperatives that should condition macroeconomic policy to respond to the major developmental challenges facing the country, that is, the legacy of dispossession.

- Agrarian reform: agrarian reform comprises land reform and agricultural reform components, both of which need to be implemented in tandem in order to transform both national economies and structures of rural societies. Agrarian reform will play an important role in addressing food security, high levels of unemployment, poverty and inequality, and in reducing vulnerability to the vagaries of the market. Also, agrarian reform has the potential to satisfy basic food requirements, reduce social deprivation and enhance the accumulation process. South Africa is
unlikely to become a developmental state without agrarian reform occupying a privileged position in its policy portfolio. The country has to vigorously pursue agrarian reform if it is to avoid the type of social and economic crisis engulfing Zimbabwe which has adverse political consequences (HSRC Conference, 2010).

In adding their voice to the debate on the developmental state, Seekings and Natrass (2011) see the problem emanating from the unworkable relations between state and business in South Africa. These relations which are characterised by political weakness of established business and the strength of the state are a drawback to the formation of a developmental coalition. Accordingly, the state has been pro-market with respect to the global economy and courting global capital while being hostile to the established local capital. As a result, much of the intervention by the state regarding poverty reduction and the regulation of the market have not been an outcome of negotiations between the state and business. Seekings and Natrass demonstrate that the state has nurtured commandist instincts which have been accompanied by lack of capacity to engage challenges it confronts. The shortcomings identified in this regard which are seen as “specific impediments to the formation of a developmental coalition” are that, first, the state remains deeply suspicious of established business; secondly, it is unwilling to discipline organised labour; and thirdly that the state has become distracted by what they call as “the lucrative terrain of Black economic empowerment” (Seekings and Natrass, 2011:341). In this light, the state is therefore seen as an effective vehicle of short term interests for promoting certain interests and not the long term interests of the poor. On the other hand a serious problem facing the business sector is lack of unity. Since 1994 business
has failed to stand as a consolidated block in negotiations with government, instead different business organisations have emerged with some agreeing with government.

Indeed, in countries such as Mauritius state and business have managed to form a successful development coalition which focused on pro-poor growth. “Developmental coalitions require much deeper deliberations and negotiations than a growth coalition. Pro-poor growth entails a growth path that benefits the poor directly, through employment or self-employment, and does not rely on distribution to the poor through social welfare programme (although these can be very important in mitigating poverty” (Seekings and Natrass, 2011:340).

The above deliberations on the need for a developmental state in Africa, including South Africa, are an indication that addressing the challenges of the 21st century will take no less than a developmental state with multidimensional capacity to undertake the task of socioeconomic development in the continent. Edigheji (2010) points this out when he states that the economic crisis is testimony to the fact that unregulated markets are unworkable and unsustainable for the improvements of human wellbeing in the long run. Further, that this has shown that markets are not always self-regulating and that state intervention is important, and that a case for a developmental state is more compelling.

In the case of South Africa the issue of the legacy of deprivation constitutes a strong case for comprehensive social protection. The ANC governments has laid the foundation with regards to adopting a developmental state as an ideology and as a clarion call. The consolidation of the programme of developmental social protection cannot be undertaken by the party alone and its tripartite alliance, other organs of civil society need to be part of the development effort in order for it to
give real meaning to the commitment of social transformation and poverty eradication stated in their policy documents.

Finally, the ideas of a developmental state argued by those in favour of this state form in Africa as shown above, resonate with the sentiments for a welfare state expressed in the views of the structural functionalist, the pluralist and the state oriented theories discussed in chapter 2 of this study. For instance, to Marshal (1950) a welfare state is not a rejection of capitalism, but a qualified acceptance of it. This view stems from the fact that to him, a welfare state accommodates intense individualism while at the same time it promotes safety nets for the whole community. Also, in the same way that the developmentalists of the 21st century emphasise the importance of democracy and economic factors for development, Thoenes (1976) identified a welfare state as distinguished by its democratic features of less emphasis on collectivism, that the features of private property and profit motive are necessary conditions for capitalism. In the same vein, O’Connor (2001) emphasises that issues of legitimation and social harmony are of great importance in promoting capital accumulation.

Another common feature between the welfarists and developmentalists is the importance of democratic participation. The pluralists are of the view that the existence of democratic political institutions and high levels of participation have an influence on both adoption of policies and their funding. Also that, the role of democratic politics is to elicit concessions from the ruling class. This same view is held by Edigheji (2010) and Evans (2007) as discussed in the preceding section of this chapter.

The idea of developmentalism was also discussed in chapter 5 of this study. The chapter discussed the ideas of Powel (2003) who posits that this idea of
developmentalism has resurfaced again as the “Third Way” and that the idea has generated new discourse that includes concepts such as social inclusion, civil society, active government, investment in human and social capital, redistributing opportunities or assets rather than income, positive welfare and an active approach to employment, rights and responsibilities. Powel sees this approach to development as renewed modernised social democracy which is more amenable to solutions based on the market and civil society.

In the same vein Hall and Midgley (2004) see the “Third way” as offering a macro perspective that links social policy and economic policy in ways that bring together both civil society and business within a state directed development process.

The discussions in this chapter point to a world-wide disillusionment with the policy interventions of SAPs, of the World Bank and IMF. The failure of these policies are a testimony to the fact that a tripartite alliance between state, civil society and business is an imperative to crafting new strategies for development in African countries. As has been emphasised in the discussion in the preceding section, such strategies need to be informed by local conditions, resources and capacities on how to bring about a programme that will address the expansion of human capabilities by responding to social rights of citizenship. This will be the subject of chapter 8 below, which will argue for a transformative approach in crafting solutions for meeting social needs and promoting of human capabilities in South Africa.
8.5 Conclusion

The chapter has outlined two contending views on the possibilities of a developmental state in Africa. The first variant is centred around the impossibility of a developmental state in Africa. The advocates of this view, the likes of Neocosmos (2010) and Ake in Chege (1997) dismiss the idea of a developmental state in Africa. Ake argues that politics has underdeveloped Africa. He characterises African leaders as corrupt and not interested in development. That these leaders have no legitimacy in their own countries and that there is no need for thinking of development as the practice of politics in Africa does not provide a platform for that.

Invariably, Neocosmos (2010) sees no hope for developmentalism in what he calls the post-developmental state. He differentiates this from its predecessor the developmental state which he locates somewhere outside the formal state. Accordingly, the developmental state disappeared at independence. The developmental state is constructed from the national liberation struggles and is characterised as not really interested in state power but in a mode of life derived from the grandiose ideologies of socialism. With the collapse of this ideology there is no more state to talk about, but corporatist arrangements with civil society for a neoliberal agenda characterised by democracy, good governance and human rights which bind both the state and civil society together in subservience to the West. Accordingly, an emancipatory development project can only come from beyond the realm governed by state politics including that of civil society.

The second variant of a developmental state represented by the views of Mkandawire (2004), Edegheji (2010), Evans (2007) and others argue that there is no blue-print for a developmental state. They maintain that, a developmental state
needs to be contextualised to take into account the specific political, economic, social and historical conditions of a country. Accordingly, the case for a democratic and developmental state in Africa that engenders the ethic of inclusiveness is more compelling now than ever. The collapse of the Washington Consensus and the failure of structural adjustment programmes is testimony to the need for a developmental state.

In the case of South Africa the emphasis is more on the expansion of human capabilities through investment in health, education and social welfare as a central goal of a developmental state. Also that economic policy and macroeconomic policy should be focused on human capability expansion.

Having explored the questions of human capability within the context of an inclusive citizenship and a developmental state, the subsequent chapter calls for a transformative social policy that recognizes the role of civil society organizations in policy development as well as a developmental agenda that is primarily premised upon the expansion of human capability.
CHAPTER 9

Rethinking social policy in South Africa

9.1 Introduction

The evolution of social policy in South Africa is a result of the unfolding politics of post apartheid processes of democratisation, which Corbridge (2007:191) refers to as the “deployment of governmentality”. The central plank in this process of democratisation has been the accumulation strategy of the ANC government which defines social relations between the different groups in society as well as influencing, in a fundamental way, social location of individuals and groups. Embedded in this market-led growth strategy is a deracialisation process which does not question the concentration of economic power, but has instead led to the crystalisation of white privilege by leaving the foundations of racial accumulation intact as discussed under chapter 5 in this study. As a result, questions regarding the deprivation of the majority of the population have been relegated to minimalist social policy interventions. Neocosmos (2010:545) asserts that in such a situation poverty is abstracted from politics and becomes associated with politically neutral economic forces to be managed by state policy.

According to Mamdani (1996), the depoliticisation of development is closely related to the manner in which the core agenda of independence in Africa is actualised. Mamdani identifies this agenda as comprising two main processes entailing deracialisation, which should have its focus on the erosion of racially accumulated property; and democratisation, which should address itself to the reform of the local state, that is, the reorganisation of power in the ethnically defined local authorities for the development of the home market. Accordingly, the failure of deracialisation and democratisation is what has led to a top-down approach to development. Corbridge
(2007:187) sees this top-down approach as the technicalisation of development, which takes place through development projects that have a strong depoliticising effect reflected in the ways in which development is talked about and planned. Accordingly, this happens such that important questions about redistribution as well as the build-up of bureaucratic state power become drowned by the numerous development projects. Accordingly, in this process the power and the voice of civil society are transferred to experts of development projects, state functionaries and outsiders, thus leaving limited space for meaningful engagement of civil society with the state.

In the context of South Africa the absence of the voice of subordinate groups in shaping public policy is remarkable. This reduced capacity to engage in public life is a direct contrast to the robust resistance politics of the apartheid era. This is an irony that this chapter is concerned with, that the process of democratic consolidation in South Africa is muzzling the voice of civil society instead of building alliances in the fight against the legacy of apartheid deprivation. The UNRISD Report by Bebbington (2010), on “Social movements and poverty in developing countries”, stresses that the existence of social movements is a reflection of unresolved arguments within society as well as within its institutions, and a reflection of grievances under existing social arrangements. In the case of South Africa, the unresolved questions of rights of citizenship in terms of political and economic participation of the excluded majority are seriously undermining the development of human capability. Unlike Mamdani, this study is of the view that, in order to prevail against these obstacles, a realignment of political and institutional forces – the relations between the state and civil society – and the generation of specific policy initiatives is the way forward for addressing prevailing deficiencies in the capacity of social policy.
For rethinking social policy in South Africa this study has adopted a human security perspective that promotes a capability-based process of transformation in the context of social participation and development. Social participation, in the form of the role of civil society in policy development, is critical for social transformation and the development of human capabilities, the perspective of human security is well placed to articulate this. As Sabina Alkire (2003) points out, human security is deliberately protective in that it recognises that people and communities are often threatened by events that are beyond their control. Therefore, “human security urges institutions to offer protection that is institutionalised, not episodic; responsive, not rigid; preventative, not reactive” (Alkire, 2003:2). Before delving into the issues of the human security framework, the next section outlines a profile of the relationship between state and civil society organisations in South Africa in order to provide a premise regarding the need for human security.

The position of civil society in South Africa can best be understood in relation to the articulation of Patrick Heller (2009:124) when he characterises the differences between what he refers to as the political society (the centre of political and economic decision making) and the civil society. According to Heller, the political society and civil society can be distinguished by their distinct modes of social action. The former is characterised by “instrumental strategic action and specifically refers to the set of actors that compete for, and the institutions that regulate (in a democratic system) the right to exercise legitimate political authority”, while the latter “refers to non-state and non-market forms of voluntary association that are governed by communicative practices” (Heller, 2009:124). According to Heller’s recent article on “Democratic deepening in India and South Africa” (2009), civil society is increasingly being subordinated to the political society in both countries and that deliberations
between the two have been displaced by power. It is from this perspective that the chapter will discuss the position of civil society *vis a vis* political society in South Africa, in view of the argument that bringing back the voice of civil society into the fold of policy formulation and implementation is critical for the transformative agenda of the state and to addressing capability through considerations of human security and wellbeing.

**9.2 Social vacuums in public participation**

The empty spaces and marginal voices of civil society in South Africa constitute the biggest weakness in the development of social policy in the country. This deficit of civil society voice, which Heller (2009:125) refers to as “lack of effective citizenship”, is rooted in the strategy and tactics of the ANC that culminated in the political transition in 1994 and the resultant growth path that followed. It has grown with a successful effort of the consolidation democracy and constitutional rule that has managed a successful political transition. As noted in the article, South Africa and India are the most successful cases of democratic consolidation in the developing world in relation to both institutional consolidation and the rule of law.

In both countries, the basic institutions and procedures of electoral democracy have been firmly entrenched and accepted by social and political forces, including the well organised and ideologically committed communist parties. Secondly, both countries have forceful constitutions and sovereign judiciaries that have acted to counteract excessive use of political power. Thirdly, overt state repression is rare and that associational life has been largely free from state interference. Also that the general law enforcement has safeguarded the role of civil society. In addition, achievements in South Africa have been significant in several areas including high levels of tax compliance, ability to manage and contain territorial and ethnic contestations,
maintaining commitment to non-racialism, maintaining the support of labour as well as absorbing its former enemy, the National Party (Heller, 2009:127-130).

Fourthly, the liberation struggle in both countries evolved and was mobilised through civil society leading to peaceful transitions to democracy. Both the ANC and the INC managed to unify diverse populations and to forge unity in the name of democracy and rights-based citizenship. Also that, the transition and the subsequent processes of democratic consolidation were managed by a highly unified and effective political elite which was ideologically cohesive and enjoying enormous political legitimacy. It needs to be noted that even though the elites in both countries might have hijacked the transitions as it is argued by some analysts, their efficacy was based on the fact that they led and represented broad-based movements, enjoyed enormous moral standing affirmed through the vote (Heller, 2009:127-130).

Despite all the noble achievements in the consolidation of democracy in both South Africa and India the subordinate groups do not have an effective voice in shaping public policy. It is on the basis of this contradiction that Heller (2009) is quick to caution that high levels of consolidated representative democracy should not be confused with high levels of effective participation, and that a democratic system is not the same thing as a democratic society. This difference is seen as the gap between formal legal rights in the civil and political arena, and the actual capability to practice those rights meaningfully, which he refers to as democratic deepening.

Furthermore, factors that impede the capability of civil society to actualise their rights of citizenship are identified as comprising, first, the fact that the depth of social actors who enjoy effective political power and the scope of issues over which democratic power extends have not expanded. This is attributed not only to the problem of capitalist democracy and the hegemonic power of property holders and
the market, but also to the relationship between the political society and the civil society which is characterised by tension. This tension has repercussions on the effectiveness of civil society to exercise their capability in the context of high social inequalities where access to rights is encumbered by social position or compromised by institutional weaknesses. This state of affairs translates into weak forms of integration between the state and citizens where state-society relations tend to be dominated by patronage and populism and citizens are reduced to dependent clients with no effective means of holding government responsible (Heller, 2009:125-126).

The second challenge that is hampering the effectiveness of civil society to engage with the state emanates from the narrowness of the political space which is dominated by political parties. These parties monopolise the channels of influence and exert power on the type of issues that should be on the agenda for discussion. Together with the influence emanating from economic power, political power constrains the space of democratic participation for subordinated groups thus marginalising the critical voice of civil society in countervailing the oligarchic tendencies of political and economic power. In South Africa, the mode of political interface between the political society and civil society has become even weaker at the level of local government. With a shift from the RDP to a market-driven development programme of GEAR local government was seen more as an instrument of delivery than a forum for participation. As a result it has become insulated and centralised in the name of efficiency and rapid delivery with managerialised decision making processes that have reduced the quality and scope of a participatory ethos promoted by the RDP (Heller 2009:133-134).

In order to further marginalise the voice of civil society, the privatisation of state functions increased reliance on consultants who have virtually displaced community
structures and promoted hand-picked counsellors. The focus of GEAR on service delivery has presented democracy as procedural policy rather than a political challenge by closing participatory spaces and creating social vacancies in public participation, thus restricting the impact of civil society in policy making (Heller, 2009).

9.3 The form and content of public participation

With the dismantling of participatory spaces in local government the state-society relations have become highly bureaucraticised and politicised, as a result the transaction of the state with civil society is selective and highly controlled. The preferred form of transaction is through partnerships with professional NGOs governed by complex standards of meeting performance targets and accounting practices that rule out community-based organisations (Heller, 2009). According to Richard Ballard et al. (2006), the nature of government transactions with civil society organisations (CSO), differs according to the state of relations with a particular category of NGOs. Ballard identifies three such categories as, firstly NGOs, whose relationship with the state is largely defined by their service-delivery role where they have increasingly been contracted by the state. Their collaborative relationship with the state is facilitated by legislation.

The second category of CSO is community-based organisations (CBOs). These are informal survivalist groups who, unlike their NGOs counterparts, are membership organisations accountable to their constituencies. They are the largest category comprising 53% in the non-profit sector, characterised by survivalist responses of poor and marginalised people who are facing poverty and unemployment in the face of a retreating state failing to face its socio-economic obligations. These have no relationship with the state and receive neither resources nor recognition from
government agencies. The third category is that of social movements which, like CBOs, is constituted by community-based structures. Unlike the CBOs their mode of operation revolves around the political aim of organising and mobilising the poor and marginalised to contest and to engage the state on the implementation of neoliberal policies. Their relationship with the state hovers between adversarialism and engagement, often depending on the organisation and the issue at hand (Ballard, 2006:401-403).

The responses of civil society and its relations with the state is an indication that ANC neoliberal policies have created winners and losers. As Ballard (2006:406) points out, the labour union, COSATU, for instance is seen as being on the side of the winners whose members enjoy access to employment in the formal economy under progressive labour conditions. Heller (2009:139) characterises this state of affairs as a deeply bifurcated civil society between, one part of civil society constituting business groups, professional NGOs and organised labour that are organised, well positioned and effectively engaging the state; and another part of civil society that is institutionally disconnected from the state and political society and is sidelined from the political process.

The hegemony of the political society over the civil society is attributed by two differing points of view to two different factors, one being the problem of bourgeoisie democracy under capitalist liberalism and the other factor being the lack of capacity of civil society to engage with the state at the point of the transition. The first point of view advocated by Dale McKinley (2006) is that the dominant neoliberal theoretical construct that informed the country’s transition falsely separates democratic form and content. In this approach democracy is conceptualised outside its historical materialist base as some sort of neutral principle outside material relations. As such
the strategic programme of the ANC undermined the revolutionary struggles of its own constituency, the organised workers and the unemployed, who had to take a transitional back seat to the national and international powerful social and economic forces whose fundamental interests are inimical to political and socioeconomic transformation.

Accordingly, the false separation between political and socioeconomic change led to a narrow bourgeoisie conceptualisation of democracy with a predominantly political meaning in which changes in socioeconomic power relations were subordinated to changes in the seat of political and economic power. Democracy came to be a function of institutional arrangements under capitalism for civil society to accept and participate in and as a legitimate framework to impact on, and potentially change both state and society. McKinley (2006:420-421) argues very strongly that public participation under such narrow confines of liberal democracy impedes serious contestation of policy and leads to democratic sterility.

The second view attributes the imbalance of power between the political society and civil society to the infant capacity of black civil society to transact with the state at the point of the political transition. According to Heller (2009:142-143), the lack of capacity for transacting with the state created a vacuum of authority which was quickly filled by the ANC. He points out that the ANC had developed extremely disciplined organisational structures, clear lines of command and was effective in establishing its power in the transition period than the decentralised and flat structures of civil society. They thus were able to assert themselves as the exclusive representative of the black majority. The subsequent political stability emanating from the same process allowed for the creation of a dominance that moved to secure both its political and economic position. These have been the beneficiaries of the
state’ transformative projects such as affirmative action, black economic empowerment and the new black middle class occupying positions within the bureaucracy with connections to the ANC and in alliance with white capital (Heller, 2009).

It however needs to be noted that the contours of political containment are bursting in South Africa as discontent over political and economic exclusion is increasing. Social movements have begun to challenge the ANC dominance and to advocate for a participatory vision of democracy. As Ballard states, social movements representing and organising the marginalised are more likely to be prone to outbursts of mass anger than those in more privileged circumstances who have the luxury of engaging in in-system collaborative interaction (Ballard 2006:409). He further maintains that these social movements are not as yet, about overthrowing the existing order but rather about holding government accountable for the delivery of services promised and to expand the political and economic terrain of participation so that more can benefit.

The failure of the ANC government to meet its socioeconomic obligations and the subsequent marginalisation of civil society, have generated substantive uncertainty in the political system which needs to be addressed. This uncertainty is a pointer to the inability of the ANC to manage and to harmonise divergent interests, particularly the claims articulated by civil society. It is evident therefore that the return of the marginalised voices that are alienated from the mainstream economy and from public decision making is an imperative in addressing this uncertainty. Thus, the relevance of the role of civil society in socioeconomic transformation cannot be overemphasised.
9.4 A social policy for transformation

The ANC government needs to recognise that democratic citizenship constitutes a political and moral project and, therefore the life of the citizen need not, and should not be artificially disconnected from the struggle to defend that life (Roche, 1987: 394). Sensitive questions regarding the organisation of society need to be raised and debated and organic solutions be generated. As Rahim (2011:243) points out, group interests are a legitimate part of the complexity of the political terrain. Rahim goes further to assert that “accepting social interests as coterminous with political structure can facilitate the formulation and implementation of policies. The common good means that the various demands must be negotiated as equivalents of one another for the welfare of all” (Rahim, 2011:243). Moreover, Rahim maintains that this way of promoting the wellbeing of the people can annul the dominant tendencies in social relations and bring about a new environment of reorganised institutions, organisations and agencies through political consensus and the cultivation of the trust. The moral rules emanating from this context are adopted by all for “living together in mutual respect and self-esteem” (Rahim, 2011:243).

This important view outlined by Rahim, keeps on eluding the ANC, being an organisation that comes from a tradition of political consensus and shared interests that have actually delivered a peaceful transition two decades ago. The liberation struggle that they have waged for decades was based on these values. It is an irony that this same organisation has to be sadly reminded that, as Rahim so aptly puts it, “managing the affairs of the state is not only a government responsibility, it also means involving a variety of people, non-government organisations and institutions such as faith-based organisations, civic alliances and non-profit groups through a
multiplicity of practices. Effective governance focuses on community building relying on the rulers and the ruled” (Rahim 2011:243).

The political philosophy of reorganising social life as outlined above exhibits the values of transformative thinking which call for greater inclusiveness of the marginalised groups. As Donna Mertens (1999:12) points out, “We live in an increasingly diverse society with increasingly serious social problems for the least powerful members of society”, therefore transformation can only occur if the views, the lives and experiences of the marginalised groups in society are used to inform policies that address inequalities that create the need for social programmes. The transformative view calls for the recognition of the multiple social realities, pointing out that there are diversities of viewpoints with regards to other social realities (Mertens 1999:5). It argues against the privileging of the opinions of the political society of the bourgeoisie democracy and calls for the inclusion of the marginalised and misrepresented voices in public participation. In order for policy to avoid bias it is necessary to include the perspectives of all relevant groups.

Of great concern to the transformative thinking is barriers to full access to participation and to personal freedom. These barriers are identified as the power inequalities and oppression that beset the marginalised groups in society. Mertens (1999:8) states that while raising issues of power and discrimination and oppression is an uncomfortable process, there needs to be open acknowledgement of that power and how those without power can gain access could be used as a discussion to change conditions. Further that such political acknowledgement would bring people with different perspectives together to understand each other’s point of view. Robert Cox (1991:45) asserts that reconstitution of society from the bottom up would require a different kind of polity which put emphasis on arousing capacities for
collective action inspired by common purposes. In emphasising that acknowledgement of the problem is the first step, Cox maintains that the “possibility of reconstructing civil society and political authority from below rests upon a revival of the sense of collective responsibility and understanding” (Cox, 1991:45).

In the case of South Africa, a transformative social policy requires three crucial requisite necessities. The first one is major state intervention to address the inherited structural inequalities, poverty (deprivation of capability) and unemployment as discussed in chapters 5 to 8 of this thesis. The task of eradicating the socio-economic legacy of apartheid in these three areas remains a pressing political priority in South Africa. It is this task that is the core reason that determines the need for a developmental state in the country that will initiate policies that go beyond considerations of raising income per head but to address these pressing problems directly through expanding the capabilities of the people. Economic development in South Africa needs to include, among other things, building the capacity of the state to direct the economy for the development of the productive forces.

The ANC government acknowledges the need for building a developmental state as reflected in their May 2007 Discussion Document “Economic transformation for a national democratic society”. This document discusses this issue under the sub-heading “Building a developmental state as an instrument of economic liberation” (ANC, 2007:6), however this assertion has not translated into its meaning, instead, the government has been too preoccupied with maintaining macroeconomic stability to the exclusion of decisive action on addressing the inherited mode of accumulation that privileges a few. This has helped to entrench inherited inequalities.

The ANC itself is averse to the idea of entrenching welfarism and dependency as outlined in the documents. Therefore the task of addressing the mode of
accumulation becomes more urgent. As Ben Turok (2007:3) points out, “an essential task of a developmental state in South Africa is rectifying the inequality in the provision of social and economic infrastructure”. Turok argues that the country cannot depend on trickle down from the formal economy and that there is a need for more specific research to look into issues of how to promote productive work in the underdeveloped areas in town and in the rural areas, as well as how to overcome resistance from the privileged economic interests in business and the state regarding diverting investment from luxury consumption to building a productive economy rather than a consumptive/parasitic economy. A productive economy which will prioritise investment in human capabilities aimed at promoting the capabilities and wellbeing of the citizens is what is called for.

The second requisite necessity for a transformative policy is the involvement of civil society as a strategic political resource for democratic deliberations and economic goal setting. The ANC in their policy Discussion Document of 2007 “Economic transformation for a national democratic society” outline the need for the participation of civil society when they emphasise on a social transformation programme that is “informed by the democratic principles of the people-centred and people-driven state and a value system based on human solidarity…to forge a social compact - made up of all races - that has, as its central objective of social policy…and ensuring social cohesion” (ANC, 2007:3).

For the ANC to be successful in their claims they need to open up the political and economic terrain for participation of civil society particularly at the local government level. A collective effort of state and community through effective engagement of communities as co-producers of social services is a sine qua non of a successful 21st century developmental state. Enabling communities and citizens to decide which
services are most crucial for their priorities for the promotion of capabilities requires multiple deliberative arenas (Evans, 2007). Social transformation is not a technical process but it is political, economic and organisational. Therefore civil society organisations are an essential and complementary source of information and important organisational tools for mobilising capacity for collective action and for identifying priorities for capability expansion.

Moreover, in managing the transition, the ANC’s overriding concern with political stability has sought to favour strategies and structures that contain conflict and contestation to promote political order. Such politics of containment are reflected in the relationship with COSATU and the Communist party whose dissatisfaction with government policies is resented by the ANC, as well as in structures such as the NEDLAC which entrenches a collegiate form of state-civic relations. This has helped to maintain the status quo of prevailing power relations which work to disadvantage the poor and marginalised communities (Ballard et al. 2006). The ANC needs to address the uncertainty that this tendency has created. This uncertainty has to be prioritised over political order in order to create political space for the voice of the marginalised in the mainstream economy. As argued by the UNRISD Report (2010), civil society organisations are of great relevance to the discussions on poverty reduction, they challenge dominant ways in which poverty is understood and their own actions suggest alternative pathways towards the reduction of poverty and inequality.

The third element required for a transformative social policy is an integrative informational base or political theme for social justice. It has been stated in chapter 2 of this thesis that social policy in South Africa is informed by the Rawlsian conception of social justice which promotes equality of access as espoused in the Bill of Rights,
Chapter 2 of the Constitution. This concept of social justice has as its foundation the basic liberties such as freedom of movement, choice of occupation and the holding of primary goods (resources). Sen (1999:53) demonstrates that, this freedom oriented assessment of justice focuses more on the means of freedom (liberties and resources) rather than on the extent of freedom. Further that the equality of access can go hand in hand with serious inequalities in actual freedoms enjoyed by different persons due to differences in the conversion process to change resources into freedom of choice. This is evident in South Africa as discussed in chapters 5 and 6 of this thesis above, that the inherited inequalities have increased after the political transition in 1994 despite this new approach of equality in social provisioning.

This thesis advocates for a new conception of social justice, a capability based assessment of justice in which the claims of individuals are not to be assessed in terms of the resources or primary goods they hold but by the freedoms they actually enjoy to choose the lives that they have reason to value (Sen, 1999). This integrative approach has been succinctly captured by the United Nations study on “Human Security Now” (2003) which was led by Amartya Sen and Sadako Ogata. This approach shifts attention from the traditional notion of security of the state which was largely shaped by the cold war and by the experiences of colonialism. It focuses on the security of individuals and communities to strengthen human development and enhance human rights to enable them to act on their own behalf (UN Commission on Human Security (2003)

Of importance to the new approach is that it does not exclude the security of the state, but rather complements it by making the interests of the people to become a focus of security. Thus, security becomes an all encompassing condition emphasising on civil, political and socioeconomic rights in which individual citizens
live in freedom and participate fully in the process of governance (UN Report, 2003). The UN Report further argues that “the exclusion and deprivation of whole communities of people from the benefits of development naturally contribute to the tensions, violence and conflict within countries” (UN Commission on Human Security, 2003:5). The report further asserts that human security demands protection from the insecurities that threaten human survival or the dignity of men and women and expose them to uncertainty, disease and pestilence, it demands the empowerment of people so that they can overcome these hazards.

9.5 Human security and social policy

Human security is people centred and its focus is on human lives. It directs attention to individual activities and abilities and turns the focus of institutions on individuals and their communities. The concept is strongly associated with the 1994 UN Human Development document authored by Mahbub ul Haq, espousing that the intent of human security is to bridge the freedom from want and freedom from fear. It encompasses access to education, health care, human rights, good governance and ensuring that each individual has opportunities and choices to fulfil his/her potential. The report developed seven dimensions of security comprising, personal, environmental, economic, political community, health and food security. It calls for the prevention and reduction of vulnerabilities in these areas including the menaces that threaten human survival, daily life and dignity (Alkire, 2003).

Human security has since been adopted as policy for action in various countries, in Canada, Norway and Japan. The New Partnership for African Development (NEPAD) in 2003 developed a brief that recognises that ensuring peace and security in Africa requires policy measures for addressing social and political vulnerabilities that often are underlying causes of conflict. Other regional organisations such as the
The Association of East Asian Nations (ASEAN) and the Organisation of American States (OAS) have begun to debate their security concerns in relation to human security as a paradigm for foreign policy (Alkire, 2003).

The human security approach promotes a concept of social justice that embraces four main elements as priorities for human security. The first element is basic functionings, that is, the capability for doings and beings. A person’s capability is the actual freedom they enjoy to achieve various alternative combinations of functionings as Sen (1999) points out. Accordingly, capability represents freedom to live the life that a person has reason to value, while primary goods (holding of resources) are only a means to freedom. The UN Report upholds this view by pointing out that while more people than ever before have access to primary goods, the gap between the rich and the poor is ever widening. Also that, it is therefore important to develop the capabilities of individuals and communities to make informed choices and to act on their own behalf, and that, the need to pursue inclusive and equitable development and respecting human dignity and diversity as well as upholding human rights cannot be overemphasised (UN Commission on Human Security, 2003).

The core of human security is based on capabilities related to survival, livelihood and human dignity. It identifies key threats to human security and how institutions can go about to develop their human security agenda to promote capabilities and choices for people to accomplish what they value. Capabilities are the central basis of human security and human flourishing and are necessary issues for prioritisation (Alkire, 2003).

The second element of the human security framework is human rights, which include the civil, political and socioeconomic aspects of rights. Accordingly human rights, whether legalised or not, take their strong claim from social ethics, as such, seeing
human security within a general framework of human rights brings many benefits to human security. Moreover, the commitments undergirding human rights are in the form of demands that require that basic freedoms of human beings be respected, aided and enhanced (UN Report, 2003). Furthermore, by focusing on the question of freedom from insecurities, the notion of human security can be used to identify the freedoms that are critical enough to count as human rights that society should acknowledge, safeguard and promote. Thus human security demands ethical force and political recognition (UN Report, 2003, op cit.). Human security and human rights address both violence and poverty, while human security introduces the indivisibility of different kinds of human rights (Alkire, 2003).

The above exposition goes to show that while social policy in South Africa is rights based as outlined in the Bill of Rights, it does not go far enough to recognise the insecurities created by the neoliberal development path adopted by the ANC on the majority of the population excluded from the mainstream economy. A strong moral rectitude is required to acknowledge the existing levels of deprivation as well as the willingness to engage civil society in identifying capacities and resources for intervention.

Human security complements human development in that, while the latter focuses on the expansion of choices for people to live the life they value, human security pays attention to the insecurities that threaten the safety of daily life. This brings in the third element of the human security framework which is freedom from fear. Freedom from fear calls for the protection of people which entails enhancing people’s capabilities to be able to take action on their own behalf, and empowerment which entails the formulation of strategies that enable people to develop resilience to difficult conditions.
Protection recognises the fragility of individuals and communities against pervasive threats and risks that are beyond their control. These threats and risks may be sudden or expected, direct or indirect including a violent conflict, economic or political collapse, chronic destitution, HIV/AIDS, discrimination against minorities, underinvestment in health care and education, water shortages and pollution (UN Report, 2003). Protection for human security requires that the basic rights and freedoms should be upheld through norms, processes and institutions which must address insecurities in ways that are systematic, comprehensive and preventative rather than reactive and makeshift. It is required that people participate in the formulation and implementation of protection strategies.

Furthermore, human security sees empowerment as the ability of people to act on their own behalf and on the behalf of others. Fostering such ability for individuals and communities makes them to demand their rights when their human dignity is violated, they can create new opportunities for work and solve many local problems including mobilising for the security of others by politicising important issues. Accordingly, supporting people’s ability to act on their behalf requires building on the efforts and capabilities of those affected by: providing education and information for them to scrutinise social arrangements and take collective action; building public space that tolerates opposition, encourages local leadership and cultivates public discussion; a supportive environment that enhances various freedoms including the freedom of speech, freedom of the press, freedom of information, freedom of conscience and belief and freedom to organise. Included also should be attention to the process of development and to emergency relief activities (UN Report, 2003).
The fourth element of the human security framework puts emphasis on the stability of basic capabilities. This requires the provision of social protection for all, a social minimum to ensure that every person is able to develop the capabilities to participate actively in all spheres of life. Decisions on the policy priorities and programme mix for protection requires a social dialogue comprising of government, business and community-led initiatives that include representation and the voice of the people themselves who are not covered by any form of social security. Such active participation of the people will need support to provide space and information needed for appropriate representation of community members as well as resources to build capacity for them to negotiate from an informed position (UN Report, 2003). Such a process of creating an environment for the stability of basic capacities needs to be built on multipronged objectives which will entail sustaining poverty reduction through reviewing the public and private sector subsidies for enterprise development and wealth creation, and active market initiatives such as training and retraining the unemployed, underemployed and new job entrants. Moreover, it requires fulfilling ethical and basic socioeconomic obligations by respecting and protecting people’s rights to core capabilities and minimum economic security including civil and political rights. Also, the policies and institutional arrangements, in particular, macroeconomic strategies and delivery processes, should protect people’s rights to basic education, health care, food shelter, water and income by making them accessible to the most vulnerable as a priority.

The stability of basic capabilities requires social protection to be part of the core business of government. It also requires the integration of social policy objectives into macroeconomic and trade related policy processes as well as ensuring a multi-stakeholder monitoring process. Government cannot provide social protection alone,
creating a broad participatory process for a focused agenda of social protection and to create institutional and policy space for the engagement of civil society is critical. India, Thailand and some Latin American countries have shown that civil society has the ability to generate pressure and to undergird political will and policy choices. Strengthening intermediaries between the state and the people is critical. This can be done with outside help such as Oxfam and the World Bank who provide support for such initiatives as has happened in countries such as India and Indonesia. The Bangladesh Rural Advancement Committee and the Grameen Bank are some of the examples in the area of microcredit.

As alluded to above, the role of the state and that of civil society in social policy interventions cannot be overemphasised. Jackie Celliers emphasises that “for a state to claim sovereignty, it must establish legitimacy by meeting minimum standards of good governance or the responsibility for the security of its citizens, and indeed, all those under its jurisdiction” (Celliers, 2004:39). Taking further the idea that human security does not replace state security, Celliers stresses that there is no clear alternative to geographical states as the basic building block and prerequisite for domestic safety and a stable international system. Also that, the state remains the most important instrument for the redistribution of wealth in society and will be so for some time in the future. Further that, “just like in East Asia state intervention can be beneficial to economic growth, and that, as a key provider of security, there are no clear limits to which a state can parcel out most of its functions to private companies” (Celliers, 2004:49).

In acknowledging the role of civil society, Celliers concedes that issues of security, defence and development now go beyond the state system to involve non-state actors and, as a result, state is no longer able to monopolise the practice of security
or of governance. Civil society organisations, while not a substitute for the state, can complement official structures by adding capacity where these are lacking, including mediating between the peace and security functions of intergovernmental organisations and the needs and wants of the local civilian populations. They can bring additional expertise and comparative practices in the process of policy development, monitoring and evaluation, as well as in providing assistance in terms of early warnings for dealing with humanitarian crises (Celliers, 2004).

Furthermore, civil society organisations help to raise the voice of the economically marginalised and politically powerless. They bring attention to the threats of human security by pointing to problems of unaccountable and unrepresentative systems of political and economic governance. Moreover, they ensure that human security is as much about building economic, political and social institutions as it is about challenging bad government policy in terms of providing and recognising human insecurities. Civil society organisations can empower and mobilise through rights-based education to strengthen citizen participation, political and economic processes and to ensure that institutional arrangements are responsive to people’s needs.

Promoting human security within a framework of protection and empowerment requires an enhanced role for civil society supported by more resources (UN Report 2003).

9.6 Conclusion

This chapter has argued that the return of civil society to active politics is a critical factor for a transformative social policy in South Africa. South Africa’s enviable record of the consolidation of democracy has gone with the silencing of civil society from meaningful democratic participation. The successes which are comparable to India include well established institutions and procedures for democratic
participation, a forceful constitution, sovereign judiciary as well as high levels of
democratic consolidation. However, with all the success, subordinate groups do not
have an effective voice in shaping public policy. The highly skewed power relations
narrow down the space for democratic participation for civil society, thus producing a
section of civil society winners, who are organised, well positioned and effectively
engaging the state; and another section of losers who are disconnected from state
and political society and are sidelined from political processes.

These institutional arrangements constitute the basis of the democratic order in
South Africa and are a serious impediment to the contestation of policy and lead to
democratic sterility. In this situation the return of the marginalised voices becomes a
moral imperative that calls for the recognition of group interests in the search for
political alternatives and in policy formulation and implementation. It is also an
imperative for a transformative social policy that advocates for diversity of
viewpoints.

Three requisite necessities for a transformative social policy are called for, these
comprise state intervention to address social inequities, the involvement of civil
society as a strategic political resource for democratic deliberations, and an
integrative political theme for social justice which should be central to the expansion
of human capabilities. In order to achieve these, the adoption of the human security
perspective as a thinking tool for enhancing social participation and promoting
human capabilities is critical. Within the human security perspective security
becomes an all encompassing condition emphasising civil, political and
socioeconomic rights in which individual citizens live in freedom and participate fully
in the process of governance. Human security emphasises four main elements
comprising capability as freedom to achieve various alternative functionings related
to survival, livelihood and dignity, human rights, empowerment and stability of basic capabilities. Within this framework the role of the state and civil society are crucial. The human security framework outlined above constitutes the culmination of the argument for this thesis for rethinking social policy in South Africa. Thus, the subsequent chapter outlines the conclusion and synthesises the pertinent issues of the study.
Chapter 10
Summary and conclusion

Changes in the legislative framework after the political transition in South Africa ushered in new activities in social provision. These entailed an extension of social provisioning to the majority of the previously excluded sections of the population, predominantly black, in order to address poverty. The main categories of protection are social assistance comprising cash transfers, the public works programme, social insurance for those in employment, and social services such as education health, housing, water and sanitation, and electricity provision. However, while social protection has managed to reduce poverty through cash transfers and, to a limited extent, the provision of housing, health education, water and sanitation and land reform, the levels of inequality remain high. These inequalities are predominantly between blacks and whites and a tiny minority of black middle class.

Growing inequalities in the country exist despite the steady economic growth and other policy interventions such as the reconstruction and development programme (RDP), the growth employment and redistribution (GEAR) programme and the accelerated shared growth initiative of South Africa (ASGISA). The type of social policy that is based on equal access to social welfare has failed to address these inherited social disparities. It has failed to raise questions related to the structural nature of poverty and the persistent racial inequalities that have defied attempts of aggregation of welfare utility and the equalisation of opportunity of welfare.

This study has identified the central problem as the inequalities in income, education and health, among others, which produce inequalities in opportunity. This is an indication of the limitations of incremental social policy in that it does not question the inherited structural inequalities and the context of underdevelopment. The issue is
that the dominant social relations have a negative impact on the ability of individuals and communities to function. These inequalities impinge on the capabilities of the previously excluded population to participate in socioeconomic production and exchange and on their freedom to achieve the types of living they value. This shows that when the principle of equal opportunities is applied in the context of underdevelopment, it negates equality of access and it engenders conditions that undermine human ability and social wellbeing. In this situation, the poor have a significant disadvantage in that poor education and poor health prevent them from taking advantage of market developments in the same manner as lack of assets denies them the opportunity to engage in market production.

Of central importance for consideration in this study, is the ability of social policy in South Africa to promote human capability, especially the poor and vulnerable, in order to address the historical legacy of dispossession. This is important in a situation of South Africa where 25% of the population is unemployed with figures ranging between 28% and 42% in the case of rural areas; 40% of households rely on government assistance, 29% of whom the assistance constitute 80% to 100% of household income, and where the labour absorption rate among the poorest is only 10%; moreover the participation of civil society is being ignored in important political decisions for socioeconomic development. Liberal democracy in South Africa is promoted in the face of growing inequalities and resistant poverty that undermines capability and makes the poor to increasingly be dependent on state welfare.

The history of systematic exclusion and repression of the apartheid era is responsible for the extreme inequalities in South Africa, which are the highest in the world at 70% (Leite, 2010). As a result, 57.2% of Africans were living in poverty compared to 2.1% of whites, while 65% of national income was going to whites and
only 1.5% going to blacks, the majority of which were Africans (Marais, 1998). This was in addition to policies such as job reservation for whites, the Group Areas Act which forbade black people from residing and owning property in towns and cities as well as a denial of basic services such as education, health services, water and sanitation. Needless to say these deprivations set in a process of social deterioration and created unprecedented levels of poverty and social inequalities.

When the new government came into power in 1994, they adopted an inclusive framework of redistribution based on the liberal principle of equality. This approach advocates for equitable allocation of resources to support social and economic development targeting the poor and vulnerable. The approach was promoted through the concept of developmental welfare which espouses interrelations between economic and social policies. This model as outlined in the White Paper of 1997 was informed by the experiences of the countries in East Asia which are touted as best examples of interventionist successes in the developing world. According to Kwon (2007) social welfare programmes in East Asia are instruments for economic development where social policy is subordinated to economic efficiency.

The social assistance programme that emanated from this model consists of state pensions, disability grants, foster care grants, war veterans, care dependency, grant in aid and the child support grants. Overall, 45.8% of households are benefiting from this intervention and constitute 28.3% of the population. 87% of the bottom 40% of the population rely heavily on social assistance (Pauw and Ncube, 2007). Social grants make up 93% of the total welfare budget, covering 14 million individuals (DSD budget speech, 2010). This represents 3.5% of the GDP in 2009 (General Household Survey, 2009), and is considered to be offering generous benefits
compares to other developing countries such as Brazil at 2% in 1992, Mexico at 3% in 2003 and much lower to non-existent in most African countries.

Nevertheless, the success of the social assistance programme is hampered by factors such as budget limitations due to a narrow tax base from which resources are drawn and problems in the roll out of the programme. Finally, the underlying structural causes of poverty reflected by social inequalities in income, unemployment and other services still remain unattended to.

In terms of income inequality, salaries and wages are the main drivers of inequality, in 2002 they constituted 79% of total income. Africans constitute more than half of the bottom 40% of the poor and they earn less than 10% of income (Leibrandt, 2010). This is exacerbated by the fact of the growth model that is based on marginal redistribution with a limited capacity to absorb new entrants in the labour market, leading to an unemployment problem of 25%. Furthermore, du Toit (2005) identifies three main levels of deprivation in key economic resources that perpetuate inequalities and poverty, namely, asset poverty, a high degree of cash dependency, and high levels of monetisation and integration into the economy. Moreover, low levels of education and the failure of the economy to produce sustained unskilled employment opportunities exacerbate the state of asset poverty and cash dependency.

This state of persistent racial inequality is summed up succinctly by Seekings (2007) that apartheid served to transform white privileges “into the advantages of class that were rewarded by markets, ensuring that the White elite becomes a middle class whose continued privileges no longer depended upon active racial discrimination by the state” (Seekings, 2007:12).
In the field of education important achievements have been made since 1994. These include non-discriminatory schooling environment and policies and laws that govern education, improvements in the delivery of learning materials and improved pass rates including compulsory education. However, the education system is still plagued by problems of poor quality teachers, poor facilities, underfunding and repetition rates. Inherited problems include residential segregation, poverty and inequality; poor quality of schooling for blacks and lack of the culture of learning.

The main culprit that is perpetuating social inequality in the post-apartheid South Africa is the new development path that is an outcome of the compromises reached in the political settlement. The development path is based on incremental distribution of income through taxes. Such redistribution is marginal and has failed to make inroads into widespread inequality and growing unemployment. Also the accepted market logic of less state intervention and the reduction in the budget deficit had a profound effect on government spending in education, infrastructure development and health, which has had adverse effects on the poor. In addition, the liberalisation of trade in South Africa led to the importation of machinery which underdeveloped the capital goods sector and created a bias against production of consumer goods for the domestic market.

The continued social inequalities and marginalisation of the majority of the citizens is a violation of their citizenship rights. Their civil rights in terms of owning property and, particularly the citizenship rights pertaining to a right to welfare and security are being seriously undermined. The high levels of unemployment are an indication of deprivation of social rights as well as low levels of education which does not equip the poor with the ability to compete in the market.
It is clear that consideration for the assessment of wellbeing in South Africa has to shift from social justice based on equality of opportunity to the enhancement of capability and freedom of achievement. Equal opportunities have not managed to address the problems of poverty, inequality and unemployment. Instead they have grown with serious deprivation such as asset poverty, cash dependency, lack of access to the labour market and dominant social relations. Therefore, attention in assessing wellbeing needs to focus on the capability to achieve the type of life that people have reason to value. Capability constitutes a person’s freedom to achieve, a real opportunity to have wellbeing. It is important to note that focus on the development of capability is instrumental in promoting human agency with capacity to take advantage of the equality of opportunity and to maximise outcomes that are of intrinsic value to an individual’s life.

As Nussbaum (2006) points out, capability sees an individual as an end in him/herself and not as a mere tool to the ends of others. She conceives of capability as “what people are actually able to do and to be in a way informed by an intuitive idea of a life that is worthy of the dignity of the human being” (Nussbaum, 2006:70). Nussbaum sees capability as a social basic minimum and as a fundamental concern for social justice that should be upheld and acted upon by all governments.

The above assertion by Nussbaum brings in the question of the role of the state in development. In order to effectively combat the problems of poverty and inequality and to bring about structural change equitable to development, governments must be able to reach settlement with domestic actors in defining public policies and creating developmental and welfare creating policies (UNRISD, 2010).

In South Africa the ANC government sees themselves as a developmental state. This is expressed in a number of the policy documents and discussion papers
including the government white paper on social development. A developmental state is seen as a way of building state capacity to facilitate the provision of developmental welfare services. However, the ANC has been cautioned in this that recognition of the importance of a developmental state is not enough. Edigheji (2010) argues that there must be political will to forge pragmatic and reciprocal relationships with civil society to create competent state apparatuses. Needed also is investment in the majority of people for the expansion of capability, contextualisation of interventions within the context of deprivation in South Africa, transform the structure of the economy for broad-based participation and effect agrarian and land reform for addressing poverty, high levels of unemployment and inequalities (Evans, 2010; Mohamed, 2010; Moyo, 2010).

The market-led growth strategy of the ANC government does not question the racially-based concentration of economic power. It has instead led to the crystallisation of white privilege by leaving the foundations of racial accumulation intact. As a result, questions regarding the deprivation of the majority of the population have been relegated to minimalist social policy interventions. Neocosmos (2010: 545) asserts that in such a situation poverty is abstracted from politics and becomes associated with politically neutral economic forces to be managed by state policy.

Furthermore, the consolidation of democracy in South Africa has left the subordinate groups without an effective voice in shaping public policy. The empty spaces and marginal voices of civil society in South Africa constitute the biggest weakness in the development of social policy in the country. This deficit of civil society voice, which Heller (2009:125) refers to as lack of effective citizenship, is rooted in the strategy and tactics of the ANC that culminated in the political transition in 1994 and the
resultant growth path that followed. This post transition period is characterised by both successes and challenges that impinge on the current state of state and civil society relations. The successes include a successful effort of the consolidation democracy and constitutional rule, and basic institutions and procedures of electoral democracy have been firmly entrenched and accepted by social and political forces. Moreover, further achievements include a well organised and ideologically committed communist party, a forceful constitution and sovereign judiciary that has acted to counteract excessive use of political power, rare cases of overt state repression, associational life that is largely free from state interference, and high levels of tax compliance. In addition, the ANC has demonstrated ability to manage and contain territorial and ethnic contestations, commitment to non-racialism, maintaining the support of labour as well as absorbing its former enemy, the National Party, unification of diverse populations in the name of democracy and rights-based citizenship and a unified and effective political elite which was ideologically cohesive and enjoying enormous political legitimacy (Heller 2009:127-130).

Despite all the noble achievements in the consolidation of democracy in South Africa the subordinate groups do not have an effective voice in shaping public policy. Heller (2009) further identifies factors that impede the capability of civil society to actualise their rights of citizenship as comprising, the fact that the depth of social actors who enjoy effective political power and the scope of issues over which democratic power extends have not expanded due to the relationship between the political society and the civil society which is characterised by tension. This tension has repercussions on the effectiveness of civil society to exercise their capability in the context of high social inequalities which reduce them to dependent clients with no effective means of holding government responsible (Heller, 2009:125-126).
The second challenge is the narrowness of the political space which is dominated by political parties. These parties monopolise the channels of influence and exert power on the type of issues that should be on the agenda for discussion. Together with the influence emanating from economic power, political power constrains the space of democratic participation for subordinated groups thus marginalising the critical voice of civil society in countervailing the oligarchic tendencies of political and economic power. With a shift from the RDP to a market-driven development programme of GEAR local government was seen more as an instrument of delivery than a forum for participation. In order to further marginalise the voice of civil society, the privatisation of state functions increased reliance on consultants who have virtually displaced community structures and promoted hand-picked counsellors.

Bringing back the voice of civil society into the fold of policy formulation and implementation is critical for the transformative agenda of the state and to addressing capability through considerations of human security and wellbeing.

Redistributive capacity in South Africa requires multidimensional capacity. The legacy of dispossession in the country constitutes a strong case for this approach to address human insecurity and for the expansion of capability. A consolidated programme of social protection cannot be undertaken by government alone and its tripartite alliance. The contribution of civil society is of paramount importance in order for interventions to give real meaning to social transformation.

This study is arguing for a human security framework for a transformative social policy in South Africa. The notion of human security promotes a capability-based process of transformation in the context of social participation and development. The study is of the view that social participation, in the form of the role of civil society in policy development, is critical for social transformation and the development of
human capabilities, and that the perspective of human security is well placed to articulate this. As Sabina Alkire (2003) points out, human security is deliberately protective in that it recognises that people and communities are often threatened by events that are beyond their control.

The transformative trajectory moves from the question on how to design policy in order to minimise the insecurity of the vulnerable groups, and poses the question on how to change the context of insecurity to minimise risk to the vulnerable groups (Devereux, 2004).

In the case of South Africa, a transformative social policy requires three crucial requisite necessities. The first one is major state intervention to address the inherited structural inequalities, poverty (deprivation of capability) and unemployment. The second requisite necessity for a transformative policy is the involvement of civil society as a strategic political resource for democratic deliberations and economic goal setting. The third element required for a transformative social policy is an integrative informational base or political theme for social justice. This thesis advocates for a new conception of social justice, a capability based assessment of justice in which the claims of individuals are not to be assessed in terms of the resources or primary goods they hold but by the freedoms they actually enjoy to choose the lives that they have reason to value (Sen, 1999). This integrative approach has been succinctly captured by the United Nations study on “Human Security Now” (2003) which was led by Amartya Sen and Sadako Ogata. This approach shifts attention from the traditional notion of security of the state which was largely shaped by the cold war and by the experiences of colonialism. It focuses on the security of individuals and communities to strengthen human development and
enhance human rights to enable them to act on their own behalf (UN Commission on Human Security (2003)).

Of importance to the new approach is that it does not exclude the security of the state, but rather complements it by making the interests of the people to become a focus of security. Thus, security becomes an all-encompassing condition emphasising civil, political and socioeconomic rights in which individual citizens live in freedom and participate fully in the process of governance (UN Report, 2003).

**Human security and social policy**

Human security is people centered and its focus is on human lives. It directs attention to individual activities and abilities and turns the focus of institutions on individuals and their communities. The concept is strongly associated with the 1994 UN Human Development document authored by Mahbub ul Haq, espousing that the intent of human security is to bridge the freedom from want and freedom from fear. It encompasses access to education, health care, human rights, good governance and ensuring that each individual has opportunities and choices to fulfil his/her potential. The report developed seven dimensions of security comprising, personal, environmental, economic, political, community, health and food security. It calls for the prevention and reduction of vulnerabilities in these areas including the menaces that threaten human survival, daily life and dignity (Alkire, 2003).

The human security approach promotes a concept of social justice that embraces four main elements as priorities for human security. The first element is basic functionings, that is, the capability for doings and beings. A person’s capability is the actual freedom they enjoy to achieve various alternative combinations of functionings as Sen (1999) points out. Accordingly, capability represents freedom to live the life
that a person has reason to value, while primary goods (holding of resources) are only a means to freedom.

The core of human security is based on capabilities related to survival, livelihood and human dignity. It identifies key threats to human security and how institutions can go about develop their human security agenda to promote capabilities and choices for people to accomplish what they value. Capabilities are the central basis of human security and human flourishing and are necessary issues for prioritisation (Alkire, 2003).

The second element of the human security framework is human rights, which include the civil, political and socioeconomic aspects of rights. Human rights, whether legalised or not, take their strong claim from social ethics, as such, seeing human security within a general framework of human rights brings many benefits to human security. Moreover, the commitments undergirding human rights are in the form of demands that require that basic freedoms of human beings be respected, aided and enhanced (UN Report, 2003). Furthermore, by focusing on the question of freedom from insecurities, the notion of human security can be used to identify the freedoms that are critical enough to count as human rights that society should acknowledge, safeguard and promote. Thus human security demands ethical force and political recognition (UN Report, 2003, op cit.). Human security and human rights address both violence and poverty, while human security introduces the indivisibility of different kinds of human rights (Alkire, 2003).

The above exposition goes to show that while social policy in South Africa is rights based as outlined in the Bill of Rights, it does not go far enough to recognise the insecurities created by the neoliberal development path adopted by the ANC on the majority of the population excluded from the mainstream economy. A strong moral
rectitude is required to acknowledge the existing levels of deprivation as well as the willingness to engage civil society in identifying capacities and resources for intervention.

Human security complements human development in that, while the latter focuses on the expansion of choices for people to live the life they value, human security pays attention to the insecurities that threaten the safety of daily life. This brings in the third element of the human security framework which is freedom from fear. Freedom from fear calls for the protection of people which entails enhancing people’s capabilities to be able to take action on their own behalf, and empowerment which entails the formulation of strategies that enable people to develop resilience to difficult conditions.

Protection recognises the fragility of individuals and communities against pervasive threats and risks that are beyond their control. These threats and risks may be sudden or expected, direct or indirect including a violent conflict, economic or political collapse, chronic destitution, HIV/AIDS, discrimination against minorities, underinvestment in health care and education, water shortages and pollution (UN Report, 2003).

Furthermore, human security sees empowerment as the ability of people to act on their own behalf and on the behalf of others. Fostering such ability for individuals and communities makes them to demand their rights when their human dignity is violated, they can create new opportunities for work and solve many local problems including mobilising for the security of others by politicising important issues. Supporting people’s ability to act on their behalf requires building on the efforts and capabilities of those affected.

The fourth element of the human security framework puts emphasises on the
stability of basic capabilities. This requires the provision of social protection for all, a social minimum to ensure that every person is able to develop the capabilities to participate actively in all spheres of life. Decisions on the policy priorities and programme mix for protection require a social dialogue comprising of government, business and community-led initiatives that include representation and the voice of the people themselves who are not covered by any form of social security (UN Report, 2003). Moreover, it requires fulfilling ethical and basic socioeconomic obligations by respecting and protecting people’s rights to core capabilities and minimum economic security including civil and political rights. The stability of basic capabilities requires social protection to be part of the core business of government. It also requires the integration of social policy objectives into macroeconomic and trade related policy processes as well as ensuring a multi-stakeholder monitoring process. Strengthening intermediaries between the state and the people is critical. Jackie Celliers (2004) emphasises that for a state to claim sovereignty, it must establish legitimacy by meeting minimum standards of good governance or the responsibility for the security of its citizens, including all those under its jurisdiction. Civil society organisations, while not a substitute for the state, can complement official structures by adding capacity where these are lacking, including mediating between the peace and security functions of intergovernmental organisations and the needs and wants of the local civilian populations. They can bring additional expertise and comparative practices in the process of policy development, monitoring and evaluation, as well as in providing assistance in terms of early warnings for dealing with humanitarian crises (Celliers, 2004). Furthermore, civil society organisations help to raise the voice of the economically marginalised and politically powerless. They bring attention to the threats of human
security by pointing to problems of unaccountable and unrepresentative systems of political and economic governance. Moreover, they ensure that human security is as much about building economic, political and social institutions as it is about challenging bad government policy in terms of providing and recognising human insecurities. Civil society organisations can empower and mobilise through rights-based education to strengthen citizen participation, political and economic processes and to ensure that institutional arrangements are responsive to people’s needs. It is important to note that “promoting human security within a framework of protection and empowerment requires an enhanced role for civil society supported by more resources” (UN Report 2003). Clearly, state and society in South Africa need to work together on the challenges confronting the people. The human security approach has a great potential to provide this framework.
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