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in the Humanities & Social Sciences

Vishnu Padayachee, ed. *The Development Decade? Economic and Social Change in South Africa, 1994-2004*. Cape Town: HSRC Press, 2006. xii + 471 pp. \$39.95 (paper), ISBN 978-0-7969-2123-9.

Reviewed by Sarah Mathis (Department of Anthropology, Emory University)
Published on H-SAfrica (January, 2008)



Grappling with Neoliberal Reforms after Apartheid

The Development Decade is an edited volume on development in post-apartheid South Africa consisting of twenty-three chapters written by thirty-four contributors. This richly detailed and ambitious book covers a wide range of topics, from macroeconomic and local governance reforms to the impact of HIV/AIDS and burgeoning social movements. While most of the authors are academics, a few hail from government and the private sector, and many are involved in activist work.

The book's broad sweep is both its strength and its weakness. Reading it from cover to cover provides a comprehensive and fascinating look at the most crucial debates and issues surrounding economic change in the post-apartheid period, but individual chapters sometimes seem like disparate pieces from such a wide range of disciplinary approaches and perspectives that tying them together effectively is difficult.

The audience is undeniably those interested in, or closely involved with, the study of South Africa. The volume centers around economic and political reforms during the period 1994-2004. These reforms have been widely characterized as neoliberal and criticized as abandoning the poor people whose struggle against apartheid brought the African National Congress (ANC) into power. The fierce debate over the nature and impact of these policies lies at the heart of this book and provides its unifying theme. How do we grapple with neoliberal restructuring that is being implemented by the ANC? While the articles range widely in style from

quantitative studies to militant Marxism to high theory, all of the authors nonetheless reflect in their writing a key national debate over how to critically discuss change in the context both of strong loyalties to the ANC and of memories of the struggle against apartheid.

The first section provides an overview of the concept of development, with both Gillian Hart and Dani Nabudere emphasizing connections between development and colonialism or imperialism and placing neoliberalism within that framework. Hart ends her article by pointing out that to describe the ANC's recent economic policies as purely neoliberal orthodoxy is to ignore the complexity of how these policies are being transformed and adapted within the context of South African politics. She also addresses a new policy direction being taken recently by the ANC and heralded by Thabo Mbeki's use of the terms "first economy" and "second economy" to describe longstanding economic and social divisions within South Africa. She draws particular attention to the framing of poverty and social welfare, emphasizing the depoliticizing nature of this discourse. She writes, "What is significant about this discourse is the way it defines a segment of society that is superfluous to the 'modern' economy, and in need of paternal guidance" (p. 26).

In 1990, Nelson Mandela was widely quoted as saying that "the nationalization of the mines, banks and monopoly industry is the policy of the ANC and a change or modification of our views in this regard is inconceivable.[1] Yet by the time Mandela took over the presidency

in 1994, the ANC's economic policy had already begun to lean toward neoliberalism due to the economic crisis in which they found themselves when taking power. As both Kuben Naidoo and Rashad Cassim clearly illustrate in the second section, the South African economy in 1994 was in the midst of a long downturn and near the point of crisis. Government subsidies and high tariffs had created inefficient and uncompetitive industries and the economy relied primarily on the export of raw materials from the mining industry. Mining, however, had been in decline for decades, and by time of transition the government had a huge budget deficit, high interest rates, inflation, and virtually no foreign exchange reserves as political instability and uncertainty had led to massive currency outflows.

Naidoo, a senior treasury official, provides a particularly detailed account of the shift from the demand-driven Reconstruction and Development Program (RDP) adopted in the early years to the more neoliberal Growth, Employment and Redistribution (GEAR) adopted later. He argues that domestic capacity was not meeting the demand for the large investment in infrastructure called for by the RDP and that the money was simply not available to fund it. In evaluating GEAR, both Naidoo and Cassim argue that while it failed to increase employment, it nonetheless achieved macroeconomic stability, bringing down inflation and interest rates, reducing the current account deficit, and removing major distortions in the economy that had existed through decades of protectionism. Cassim, however, expresses concern over continuing low levels of investment and economic growth that has not been as high as expected.

The chapters by Jonathan Michie and Michael Carter bring to the fore the underlying focus of this section on how these macroeconomic reforms have impacted poverty and unemployment. Michie examines the relationship between labor, unemployment, and inflation, analyzing potential policies to target unemployment without causing inflation. He discusses the need to account for segmented labor markets and the potential for tackling unemployment through public works programs and high-commitment work systems. Carter argues for sequencing micro and macro reforms differently, noting that those in poverty do not feel positive effects of growth unless micro reforms come first because poor households are systematically excluded from markets. His chapter discusses key ideas such as poverty traps and critical minimum asset thresholds.

Julian May's contribution in section 3 is one of the

few chapters in this volume that does not explicitly focus on South Africa. He provides a comprehensive look at relationship between economic growth, the distribution of wealth, and the reduction of poverty. May suggests that more research and clarity is needed to judge the impact of different types of economic growth as well as how poverty and inequality may hinder economic growth. These debates are crucial to the issue of social welfare described in detail in Francie Lund's chapter. Lund provides noteworthy statistics that grant allocations constitute 13 percent of government spending and that 67 percent of the reported income of the poorest 20 percent of the population come from social grants (pp. 163-164). With social grants having become such a crucial part of political support for the ANC among impoverished South Africans, this program of social grants seems likely to grow and undoubtedly will be important in future studies of poverty and development in the region.

Sections 4, 5, and 6 deal with specific topics within development studies, including the importance of research and development, the facilitation of industrial clustering, local economic development, constraints on employment, and the informal economy. The informal economy has been growing since the end of apartheid and the chapter by Richard Devey, Caroline Skinner, and Imraan Valodia examines how to measure it more accurately, arguing for a work characteristics-based definition of informal work. I found the article on local economic development in Durban by Benoit Lootvoet and Bill Freund particularly interesting and it makes a crucial contrast with Lungisile Ntsebeza's chapter on rural development. Lootvoet and Freund depict Durban as having a strong and effective local government empowered by decentralization and able to deliver services to those disadvantaged under apartheid. Meanwhile, in the rural areas under the jurisdiction of hereditary chiefs described by Ntsebeza, these chiefs have fought against changing boundary demarcations and the introduction of new local government structures. Local development in these regions is characterized by bottlenecks and by chiefs who try to control all aspects of development. Demarcation has expanded the size of municipalities even as the number of councilors has been reduced, leaving local government in rural areas with minimal capacity. These two case studies make a fascinating contrast, as well as showing how the legacies of spatial segregation during apartheid continue to affect change. The contrast also shows how crucial it is to continue the process of creating new boundaries that do not conform to the older apartheid divisions of space, thereby allowing for more

effective local government. However, this process has unfortunately been hindered and reversed by chiefs who are invested in maintaining these older boundaries.

The penultimate section focuses on health and development. This section begins with two chapters that provide data on the burden of disease and on condom use and the spread of HIV/AIDS within the context of marriage. The first chapter is notable particularly for its discussion of chronic diseases such as diabetes and hypertension that come from unhealthy living. These chronic diseases have been spreading in South Africa even as people continue to cope with poverty-related diseases and high rates of injury—what the authors refer to as the quadruple burden of disease. Discussion of non-HIV/AIDS-related illnesses in South Africa has become politically charged since Mbeki declared diabetes an unheralded epidemic as a way of critiquing the international focus on HIV/AIDS. This social context of the HIV/AIDS epidemic is further addressed in Eleanor Preston-Whyte's chapter. She examines social context both in terms of the factors, such as poverty and migration, that can increase the impact of the epidemic, and the cultural interpretations of disease that can either hinder effective treatment or be mobilized by social movements (such as the Treatment Action Campaign) as creative and sensitive ways to change attitudes and influence behavior. The final chapter by Alan Whiteside and Sabrina Lee demonstrates the linkages between HIV/AIDS and development by addressing potentially devastating impacts on the economy, households, political stability, and social and human capital.

The final section on new social movements addresses what has become a growing field in South African studies. It returns to the central tension between loyalty and critique mentioned at the beginning of this review. Many social movement and nongovernmental organizations (NGOs) worked with the ANC in the struggle against apartheid. After the transition, many of these

organizations lost key leaders and staff members to positions within the new government. With decentralization, many NGOs were also employed by the state to implement projects and deliver services. The chapters in this section discuss how new social movements have arisen to enable more forceful critiques of the ANC-led government in the absence of a more oppositional civil society. With the sensitivity of the new ANC government to criticism, these new social movements have had to grapple with accusations of disloyalty. The first chapter by Richard Ballard, Adam Habib, and Imraan Valodia argues the seemingly obvious but politically sensitive point that these new social movements are not destabilizing the country, but are rather crucial for a functioning democracy. Dale McKinley, in a similar but much more radical vein, argues that it is the failures of the capitalist state and its bourgeois politics to deal with poverty that the new social movements are struggling against. Finally, Sharad Chari provides a case study from Wentworth, also in Durban, showing the contrasting ways that different communities with divergent histories participate in these new social movements and in the struggle for greater economic and political rights in the post-apartheid period.

In conclusion, this book will make an excellent reference and interesting read for scholars of South Africa though its detail and context will be hard to sort through for the nonspecialist. The work also leans more heavily towards quantitative rather than qualitative studies. Many of the writers come from the School of Development Studies at the University of KwaZulu-Natal and this book is a testimony to the interesting scholarship coming out of that department.

Note

[1]. Quoted in Hein Marais, *South Africa: Limits to Change* (Cape Town: University of Cape Town Press, 2001), 122.

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Citation: Sarah Mathis. Review of Padayachee, Vishnu, ed., *The Development Decade? Economic and Social Change in South Africa, 1994-2004*. H-SAfrica, H-Net Reviews. January, 2008.

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