The Fundamental Elements of Social Contract in a Developmental State: South African Case Study

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Abstract

The Conceptual Framework that underpins this article is that of advocating for a "Developmental state" that has the capacity to deliver services at national level but also creating a platform for the private sector to make a meaningful investment through trade and investment The article moves from the premise that "Developmental state" should be one that is able to intervene in service delivery as well as to intervene in the running of the economy especially as it relates to the role of the private sector in driving national and international goals. It is the argument of these article that for a "Developmental state" to become functional its should be comprised of meritocratic bureaucracy that is able to make use of the interventionist power in the same way that the East Asian Countries has done. As such the article arises from the argument that although the ANC led government has declared South Africa a "Developmental state", such a state is still faced with numerous challenges that deter it to fulfill the requirements of a "Developmental state". The study focus will also look at the extent at which the South African state is moving towards becoming a fully-fledged "Developmental state" regardless of the challenges been experienced and encountered.

Introduction

Developmental states unlike any other states are states that has an interventionist power to address the socio-economic challenges that are facing the citizenry. These are states with long-term visions aimed at guiding service delivery interventions as well coordinating development within the state by ensuring all role-players pursue national interests that is shaped by the National Development Plan (NDP). In the pursuit of the national agenda, "Developmental state strives to ensure that clear social compact amongst all sectors that is the government, private sector, civil society and individuals. The key is whether question is whether in a South African "Developmental state" the state can coordinate the participation of these sectors in socio-economic development as the developmental state trajectory could only be realised if all these sectors could work together in form of partnerships. The main intention should be that all South Africans should have access to service delivery and other developmental opportunities that could not be mobilized outside a "Developmental state" agenda. For access to services, the state has to focus on the nationalisation of key sectors of the economy to enable access by all regardless of their social status. For that to happen, the state has to take and ownership of institutions and projects through privitisation to enable government to intervene where necessary rather than waiting for private sector to intervene. Through these interventions, the state will be able to contribute towards service delivery improvement because of growing economic development and empowerment to communities.

South Africa as has adopted a "Developmental state" agenda needs to make sure that the state is prepared institutionally and in terms of other capacities to deliver on service delivery expectations of the citisenry using selective interventions. These means that the South African government if it has to build a strong "Developmental state" it has to focus on strengthening the capacity of its public service with aim to enable it to develop, entreprete and implement policies in a manner that would result into improvement service delivery. Based on the above, the article is of the argument that South Africa although it has declared a "Developmental state" it still faces numerous challenges that could make it an effective developmental state such as lack of interventionist power, coordinated institutionalised mechanisms and that it has to focus on building social contract and embedded autonomy with all sectors of economy with the public servants been at the centre of that partnerships.

The article is written to fill the gaps of understanding the level of South African state towards building a "Developmental state". Work has been done before on what a "Developmental state" entails, whether South Africa is a Developmental state or not however, this work provide critical assessment of the capability and capacity of the South African state to intervene as a "Developmental state, to coordinate institutional development and projects across sectors as determined by the National Developmental Plan. This include key requirements that are lacking towards making South Africa a successful "Developmental state" such as building a meritocratic bureaucracy and state capacity to deliver services.

What is a Developmental State Paradigm?

The theoretical approach the researcher deploys is the "Developmental states" especially the East Asian Developmental States with reference to Japanese State. The focus is on emphasizing the institutionalist comprehension of state-society relations that is also referred to as embedded autonomy. It is also focusing on the nature of bureaucracy required to support the "Developmental state" agenda and that the state is tied together through networks that present themselves in a form of institutionalised partnerships. And external connections and links between the state, private sector and the civil society and emphasis the need for coexistence. The state should also advance core national goals. Developmental state is one that is capable to coordinate development initiatives as successful coordination requires a state with necessary tools to deal with the burden and not only focus on the protector of guaranteed rights. This is to assess whether South Africans have access to service delivery or whether their rights are limited to access to certain kind of services whilst the state is incapable to deliver some of the rights as bestowed in the Bill of Rights of the Constitution of Republic of South Africa, Act 108 of 1996. This is whether the ANC led government is capable of economic transformation and distribution of assets to the majority of South Africans an indication of state ability to intervene. The theoretical approach will be used to collect and analyses the data of which out of that a conclusion will be made if indeed South Africa is a "Developmental state".

The researcher contends that South Africa is a "Developmental state" as decided by government, but research work need to be done to draw conclusion on that. The research will also make use of analytical research wherein the researcher will seek to find supporting data that strengthen and validate the earlier views or perspectives on "Developmental state". The researcher has used literary data to validate the research study.

Factors Shaping the Developmental State

South Africa has committed itself to become a "Developmental state". This is despite the fact that the "Developmental state" is concerned more with the industrialisation of the economy with a focus on long-term development plans that are guided by the state with a focus on private or business sector development that is hinged on the state ability to create conducive environment at international, and national, provincial and local government level. The state creates this environment by amongst others establishing institutions across all levels (Karagiannis, 2002:53). In line with the above, the key question is whether the South African economy has reached a point wherein the economy could be regarded as developmental in nature on the basis that it has been industrialised to an extent that it allows the private sector to contribute significantly in the national economy. This raises the question whether the government has the capacity to command national interest driven mainly from the National Development Plan that enables the state to have the capacity to plan and intervene in any development initiatives. According to Woo-Cummings (1999:346) "*the developmental state is an embodiment of a normative or moral ambition to use the interventionist power of the state to guide investment in a way that promotes a certain solidaristic vision of national economy*"). What it means is that the state has a responsibility to intervene in the economy in a way that brings a coherent vision of the national economy and that could be achieved through the social compact. To achieve the cohesive mandate the state has to intervene with an idea to direct, guide, and intervene with a specific aim to mobilise all sectors to contribute towards the promotion and attainment of the cohesive vision. In essence, the state through public institutions at all levels has a responsibility to ensure that the nation can rally behind a certain national agenda, which includes ensuring that the state can lead and provide direction for the private sector to support the identified national agenda (Bolesta, 2007:106). The South African government would through the Department of Social Development strengthen the capacities of institutions such as the South African Social Security Agency (SASSA) to improve the quality of life of its citizens although some argue that it is a pursuit of a welfarist approach it is contributing in the economic development and improvement of the quality of life, especially for the poor. Perhaps it is here that the issue of the Basic Income Grant (BIG) may need to be looked at in terms of how it could be used to support the developmental state ideal of building a social contract with the ultimate end of building a strong developmental state. The key question would be whether the current institutions and programmes are geared towards building a developmental state and if not, how the state should make use of such institutions and programmes to turn the tide in such a way that every sector will be mobilised and programmes are pitched at the point of contributing towards a strong developmental state in which all sectors contribute to the social compact. The ability of the state to emerge as an economic manager of the national interest requires the state to work in partnership with other economic stakeholders and partners. It has to be noted that, in comparison to the Communist Centralised Models, the national development model of the Developmental State in democratic countries such as South Africa should be one that strengthens the private sector by creating an environment for businesses to operate without entering into any competition, and also be the one that allows civil Society to contribute in development. If need be it requires all sectors to join hands in social compact of the country. Once this happens it would lead to the growth of specific national goals such as export expansion, full employment, and security of energy supply.

It is important to understand that one of the distinguishing factors of a Developmental State in comparison to other forms of state such as the regulatory state, is that it is capable of developing detailed plans and that its focus lies in the desire for the fulfillment of national developmental goals. The issue of a developmental plan was first introduced in the early Developmental States such as Japan, Taiwan, Singapore, and South Korea (Chan, 1990:59). Whilst South Africa has also developed a developmental plan what lies ahead is to galvanise every sector to contribute towards the implementation of the plan within the framework of a social compact or social contract. Whilst Presidency has mobilised business and civil society and established a framework for implementation of the plan, what is missing is to have a coordinated implementation programme for the three sectors. This could be achieved by bringing government, business or private sector, and civil society organisations together at a platform wherein a social contract could be developed with a clear implementation plan in which all sectors could develop a mechanism for contributing towards the national vision of the state that would be the social contract. This would require an establishment of institutions that would foster rapid and sustainable economic development nationally through the work of civil society as supported by the government and the private sector and internationally as led by the government in support of the business or private sector. The logic behind all this is that for the Social Contract to work, long-term national developmental goals must be set, profitable positions in international markets strengthened, and the economic and political influences of foreign companies in their economies regulated. Without this, it would be difficult for South Africa to realise its goal of building a social contract that is not embedded within the long-term national developmental goals, creating a conducive environment for South African business or private sector to compete at the international level whilst also finding a mechanism to regulate the economic and political influences of international trade and investment. One other issue of regulating the economic and political influences of international trade and investment would be to ensure that international investors are meant to contribute towards the funding of civil society organisations in order for them to improve the quality of life for citisens. This will require that new institutions would need to be established that build coherency between the work of government, business, civil society, and investors.

According to the (Economic Commission for Africa, 2011:10-11), the developmental state propels its national agenda by intervening in two ways: directly, through nationalisation of key socio-economic sectors, by ensuring that the state has control and ownership of public institutions and projects that are perceived essential for economic growth and empowerment. The South African government should ensure that in the spirit of national solidarity, citisens should be involved in all sectors of the economy such as mining as its main responsibility lies in the industrialisation of the economy. The state should also prioritise projects that have the potential to contribute towards economic growth and empowerment of the citisenry. However, it must be understood that interventions would also mean that the state should find ways to intervene towards the sustainability of the business or private sector through the provision of easy credits, low taxes, secure and cheap supply of raw materials, guaranteed government purchases, as well as the application of trade prioritisation of national goods and assets against the foreign market. Certainly, in a developmental state such as South Africa, the government needs to be involved in the stimulation of economic activities with the idea to grow small enterprise development into big economic opportunities. The success of the Department of Small Business needs to be determined by the number of industries that have progressed into national industries that could be linked with the international market. In so doing, the government would be embarking on what is known as selective intervention by identifying businesses that have the capacity to compete at the international level. As earlier indicated, this should be driven by the institutions that are created to ensure that there is a social contract in all that is been done or implemented.

The relevance of institutions originates from an understanding that the government capability to apply selective intervention is dependent upon governmental institutions that can provide meticulous information on the nature of services required by the citisenry. Without such an understanding, the state can allocate a vast number of resources but would still not have reached the service delivery demands of its citisenry. As such, the existence of institutions is paramount in the sense that they can allocate resources based on government priorities formulated based on service delivery demands. The service delivery demands are aligned to an industrial selective intervention of the state meaning that the demands of the citisenry are linked to national and international priorities of the state (Evans, 2008:7). Surely, without competent, coherent public institutions, it would always be difficult to realise high impact service delivery. This means that getting information from societal partners such as businesses and civil society would need to be prominent in the agenda of the state. The relationship between these key partners could be strengthened through continuous dialogue and information sharing. It has to be understood however that such, a relationship would always be frigid on the basis that the type of the network is always problematic and remains a contested terrain. This calls for the establishment of multiple institutionalised agreements to manage these relationships and to guide the national developmental agenda toward the delivery of services and economic development. The recipients of services should become active inorder to direct the nature and standard of services they require(Evans, 2008:11). At the centre of government ability to deliver services is the need to enter into institutionalised or partnership agreements with other social societal partners that would serve as a platform in which citisens would be able to make informed decisions on the nature of the intervention, they require from the state rather than state making decisions alone. The institutionalised agreements should be consolidated into the social contract.

Defining the Social Contract

The term social contract is used to describe sets of state-society relations. A Social contract is defined as the entirety of explicit or implicit agreements between all relevant societal groups and the sovereign (i.e., the government and any other actor in power), defining their rights and obligations toward each other. Social contract create balance in state-society relations and intra-societal relations (they strengthen social cohesion). An example of the social contract is collective bargaining wherein employers, trade unions, and government representatives bargain for the rights of the workers as against the workers' benefits (Louwe et al, 2020:1-3). A Social contract in the words of (Kitthananan in Kennett, 2008: 82), (Karagiannis, 2002: 39) is an indication of planned development in the sense that it brings together multiple sectors within the society into a creative partnership. The planned development process is a powerful instrument for service delivery, long-term economic growth, and production-oriented industrial development. Here, the line of argument is that at a minimum, the process of development requires the guiding hand of the state and does not come about through the private sector alone but through a social compact that brings together multiple role-players as represented by government, civil society, and the private sector (Kitthananan in Kennett, 2008: 82), (Karagiannis, 2002: 39). If the argument about the state occupying a central role in driving economic development is supported, then it goes without doubt that, planned development a key element for building social contract that seeks to respond to societal challenges in a coordinated manner. Referring to the National Development Plan (NDP) of the South African government, it would be important for the government to realise that in order to achieve its service delivery targets, a social contract has to be forged amongst all key sectors for them to be able to contribute attainment of NDP goals. Accordingly, the government active role in the development of social contract becomes very important in the sense that it brings together all parties and partners into one national vision or solidarity goal.

However, because state capacities differ, the ability to exploit the opportunities of international economic change, rather than simply succumb to its pressures, appears much more marked in some countries than others. Since much, though by no means all, of the evidence of robust state capacity is drawn from East Asia, it is important to clear away at the outset any possible misconceptions which the debt crisis in Latin American states in the 1980s and the Thai currency crisis in 1997 may have encouraged. This is in order to demonstrate the point of institutionalised coordination.

It needs to be emphasised that, due to historical, geopolitical, institutional, and policy differences, the state capacity concept does not apply in any uniform sense to the countries of East Asia and

Latin America. The developmental state concept faced criticisms following the debt crisis of Latin American states in the 1980s, and subsequent economic stagnation in East Asian states. During this period, government interventionist approaches resulted in high inflation rates, impeding macro-economic balances, and creating inefficient and wasteful government policies (Federal Reserve Bank of San Francisco, 1998:1). The developmental states were criticised mostly for their inability to deal with the debt crisis and economic downturn of Japan. The area of attention has been the state interventionist approach linked to problems of growing inflation rates, and obstructive macro-economic imbalances. There was thus little attention to plans for industrialization. In fact, countries were dragged into a narrow economic trajectory (Federal Reserve Bank of San Francisco, 1998:1).

The 1997 crisis raised concerns about the effectiveness of the East Asian Miracle and the role of the state in the industrialisation process, throwing into sharp focus a key component of the developmental state model: the alliance between politics and the economy and, more precisely, the effectiveness of the partnership that existed between the state and private sector. Moreover, these economic crises were blamed on poor regulatory procedures and a lack of transparency, made possible by the institutional framework of the developmental state. It was also blamed on the absence of risk management plans (Federal Reserve Bank of San Francisco, 1998:1). The economic demise raised questions about developmental states' ability to intervene in the developmental programme, including the state's ability to coordinate the development process in partnership with the private sector. The economic downturn was blamed on poor regulatory policies and the lack of institutional structural arrangements of developmental states (Federal Reserve Bank of San Francisco, 1998:1).

Yet, to collapse the developmental state model into general failure is to ignore important variations between developmental states. Even at the most basic level, there are major differences between first and second generation East Asian Newly Industrialising Countries (NIC). In Thailand in the 1990s, for example, the availability of easy finance coupled with the virtual absence of investment guidelines contrasted sharply with the highly coordinated investment strategies put in place earlier by Taiwan, Korea, and Japan at a similar stage of development. Whereas the state-guided strategies of the three generated high levels of investment in strong-growth industries. Thailand's uncoordinated approach encouraged intense speculative activity, leading to a frensy of over-investment in the property sector and ultimately contributing to the currency crisis in 1997.

If these lessons remind us that no region or country is crisis-proof, they should not be taken to imply that the developmental state concept as a whole as opposed to some parts of it in the practical experiences of countries is inherently fragile. The issue turns on the quality and capacity of state institutions, to which this paper now turns to. This in turn depends on a process of institutionalising cooperation, or creative partnerships, towards selective interventions in order to effectively direct the economy.

Here the inter-connectedness between the state and the private sector guides the functioning of the private sector. The common denominator in both the "authoritarian" and "democratic" forms of the developmental state is "institutionalised public-private partnership" in the process of economic policy formulation and implementation (Onis, 1991:115).

According to some scholars, Peter Evans lists public service unity as another fundamental determinant of institutionalised cooperation (Weiss, 1998:36); (Compton, Jr, 1964:126-127). In economics, the benefits of state coordination have been noted for a range of areas, including coordinating balanced investment decisions as well as the coordination of specialist functions such as sharing of information, technological acquisitions, learning, and diffusion (Weiss, 1998: 6). A state that has strong coordination mechanisms has the potential to effectively assess investment opportunities. In essence, such a state has the potential to undertake or execute certain developmental aspects including the state's potential to coordinate small institutions in order of priority.

In respect of state-capital relations, Japan is a powerful case in point. To suggest that Japan's political and economic elites were keen to revitalise the national economy in the wake of the war is hardly novel (Beeson, 2010:4). It is possible to generalise public policy as the pursuit of economic growth. It is important to note, however, that what distinguished Japan, and what has attracted a great deal of academic interest is not simply that country's dramatic success but the specific mechanisms that underpinned it (Beeson, 2010:4). The Japanese political class pursued economic growth in an extraordinary manner in the post-Second World War era. However, it is always important to bear in mind that the Japanese success story is not a result of the state's ability to turn around things but the methods and instruments that underpinned the success story.

Part of the success story, to be sure, is the distinctive pattern of institutionalised relationships, or partnerships, between "business" and "government". The use of the word "business" in this context refers to the private sector including big conglomerates such as Mitsubishi and Mitsui and their affiliate companies that dominated the Japanese economic market. Similarly, the government in this context refers primarily to a number of key ministries in the state bureaucracy, particularly the Ministry of Finance and Ministry of International Trade and Industry, and their roles in guiding the course of Japan's post-war development project. This kind of institutionalised arrangement was seen by many as conferring specific advantages, influentially captured by Peter Evans, who has suggested that a number of East Asian states had followed Japan's lead, having derived specific benefits from a pattern of relationships he has described as "embedded autonomy" (Beeson, 2010:4). Indeed, Japan is a sterling example of how a state has used partnerships to build and promote its economy and deliver services.

Evans concludes that a number of conditions are essential if state policies are to be consistent with a transformative or developmental project and in line with growth-oriented goals. The one is that of the insulation of the state's key policy-making agencies from special interest groups and clientelistic pressures (Weiss, 1998:36). Thus, the state's policymaking institutions must be independent from the influence of interest or concerned groups which in turn enables the state to define the developmental path without interference or resistance from such organisations (Weiss, 1998:36).

The other condition is that of a competent bureaucracy committed to organisational objectives. For a state to become developmental, the public service must be comprised of capable and experienced public servants committed to the government's goals and agenda. We will proceed to discuss the two in turn.

The concept of embedded autonomy

Evans argues that states which are more effective in coordinating their developmental goals tend to be insufficiently autonomous to formulate their own national developmental goals making it difficult to achieve social contract but are also sufficiently embedded in industrial networks. Therefore, with the notion of embedded autonomy, Evans contributes an important intellectual tool to the discourse, not only for differentiating Third World capabilities but also for making sense of differential capabilities within the advanced industrial world (Evans in Weiss, 1998: 35). Similarly, the notion of autonomy is crucial for our understanding of the state bureaucracy's mode of operation in pursuing the "national interest". In essence, the term, autonomy refers to effective, protected bureaucracies, which provide security against uncontrolled influence by particularist societal groups on state decisions (Huque and Zafarullah, 2006:207). In this line of reasoning bureaucratic independence is important in the sense that it determines whether the state would effectively be able to play a role in pursuing the national interest leading to social contract. This means that public servants need to be independent from politics so that they are able to collect, synthesis, and disseminate information from and to all societal partners without being influenced by the political positions of their superiors. The state should always guide against being insulated from society such that it starts to drift away from society and become completely isolated and detached, thus making it difficult for the state to appreciate the needs of the people so as to be able to put into place service delivery measures (Fritz and Menocal (2007:535). Thus, the state must be 'embedded' in society so that it is "connected to a concrete set of social ties that culminates into a social contract society and provide institutionalised channels for the continual negotiation and recognition of goals and policies" (Fritz and Menocal, 2007:535).

In so doing, institutionalised channels for the continual negotiation and recognition of goals and policies become a permanent fixture of constantly mediated relationships (Fritz and Menocal, 2007:535). The concept of embeddedness refers to the fact that the state is based on networks that link it to particular social groups with which it shares a joint project of transformation (Huque and Zafarullah, 2006:207). As a matter of fact, the concept of embedded autonomy was coined by Peter Evans in an endeavour to solve the puzzle of why some highly interventionist states are able to translate their developmental goals into practice whilst others have been less effective in economic management. Evans wanted to gain an understanding of the underlying conditions which determine whether a developmental state is strong or weak (Weiss, 1998:35). In solving this dilemma, Evans explained that there are certain attributes internal to state structure that heightens insulation or autonomy from pluralistic interests. However, he cautioned that autonomy is not sufficient if goals are not implemented successfully. For that to occur, autonomy must be 'embedded' in society: "It is an autonomy embedded in a concrete set of social ties which bind the state to society and provide institutionalised channels for the continual negotiation of goals and policies." Evans concluded that embedded autonomy thus draws attention to the capacity of the state to combine two seemingly contradictory aspects: "Weberian bureaucratic insulation with intense immersion in the surrounding structure" (Weiss, 1998:35). Essentially, it refers to a point in which the bureaucracies or state as placed at the centre of coordination in a web comprised of strong social partners. In principle, what this means is that the state bureaucracy should work in partnership with other capable institutions for the state to become a strong developmental institution albeit the state being at the heart of that coordination. Once again, this demonstrates the importan partnerships and networks of relevant institutions which in turn define the extent to which some interventionist states are able to translate their developmental goals into practice (Weiss, 1998:35). Surely, this is a lesson that South African leaders need to embrace and understand if they want to build a strong developmental state with the capacity to intervene in the socio-economic development challenges that the country is now finding itself in. The state has to be at the centre of coordination of all developmental programmes including service delivery and infrastructure development. Failure to do so, that is if the apparatus of the state are being too distant or lacking in effective capacity, the government will be weakening the state's ability to implement policy and guide the course of development in 'appropriate' ways. Conversely, if the state is too close to societal partners, it risks being captured by self-serving interests of rent-seeking business groups (Beeson, 2010:5-6). So the state should always avoid being close to businesses as that could result in corporate capture of the state and to more detrimental effect the state capture.

One other point the South African government needs to draw lessons from East Asian bureaucracies has been that by their very nature, these states have on the whole been effective coordinators because they have used their insulation from special interest constituencies to develop more encompassing networks. Furthermore, the model for coordination as applied by East Asian states focused more on reliance on the use of incentives or negotiated power rather than coercion but rather a reliance. (Weiss, 1998:81). In economic terms, East Asian States enable state officials or bureaucracies to strategically and selectively intervene in the economy, focusing on sectors that they perceive as crucial to the future of industrial growth and transformation (Edigheji, 2010:4).

Meritocratic Bureaucracy as a Tool for Institutionalised Coordination

According to Evans, the developmental state is independent in so far as it has a balanced bureaucracy characterised by meritocracy and long-term career forecasts, which are fundamental characteristics of good public servants (Rauch and Evans, 1999:30); (Beeson, 2010:5). In the East Asian States, merit-based recruitment and promotion of officials, rather than political appointments, have tended to minimise political manipulation of the bureaucracy. Therefore, priorities in these states has been placed on attracting highly qualified individuals. There is a belief by the East Asian States that the "non-bureaucratic forms of recruitment bound such groups more tightly to the state and thus served to foster the kind of bureaucratic culture in which individuals took as their objectives the goals of their organisations" (Weiss,1998:50). What the afore-mentioned statement refers to is the fact that non-bureaucratic or political deployments do is that though necessary in some areas, it has the potential to create public servants who then behave as politicians and therefore impacting negatively the broader goal of government. In essence, the point that is been emphasised is that without competent, cohesive public bureaucracies, capability-expanding services will not be delivered. Surely, the East Asian bureaucracies have become successful in the sense that it has been comprised of the brightest and the most competitive public servants who share the same tradition and culture. Promotions and recruitment to positions of authority have depended on one's ability to showcase brilliance and expertise. This method of recruitment has minimised the abuse and exploitation of state resources by those connected to political leadership even though such approaches have been aligned with the goals of political organisations and that of the government in power (Weiss, 1998:50).

Basically, any aspiring developmental state needs to know that emphasis should be placed on efficient, well-coordinated, and well-skilled employees. Such states have the administrative, technical, and political capacity, and competency to set national goals. To this effect, it is believed that meritocratic recruitment would contribute to three objectives: the creation of unity; a high standard of performance, and professionalism (Fitz and Menocal, 2007:534). Having said the above, I would like to indicate that a state is not developmental due to it being advanced and developed; rather, it is due to a state's pursuance of a set of criteria that conform to growth and strong management (Bolesta, 2007:110). These are necessary requirements for South Africa to pursue given the downgrades and continuous reviews that threaten economic downgrade to junk status. The fundamental pillars that the South African government needs to put into place are institutionalised coordination mechanisms with the societal partners including businesses. But it is also about strengthening institutional capacities at all levels including ensuring that government pursues meritocratic recruitment.

The role of Developmental State in Service Delivery

Developmental states are the embodiment of their transformative outcomes which include, amongst others, a combination of capacities, visions, norms, and ideologies (Fritz and Menocal, 2007:534). What this means is that a state that does not have the requisite capacity would find it difficult to deliver adequate services or outcomes in a transformative manner. The point is clearly articulated by Ghani et al. (2005: 1). They assert that "a developmental state project must possess at least two essential attributes. First, the state must have the capacity to control a vast majority of its territory and possess a set of core capacities that will enable it to design and deliver policies; secondly, the project must involve some degree of reach and inclusion and have an institutional, long-term perspective that transcends any specific political figure or leader" (Bomba, 2011:28); (Fritz and Menocal, 2007:8).

Therein resides the rub. According to Ghani 'et al' (2005: 1), state capacity is an essential condition to building an effective state. Focusing on the state ability to control the areas under its jurisdiction, Leftwich (2000: 167-168) argues that states should have additional capacities that will enable them to formulate and deliver policies with a long-term perspective that is not limited to any political figure or leader. This kind of thinking was further elaborated by Leftwich when he defined the attributes of an ideal-type developmental state as one that demonstrates a "determination and ability to stimulate, direct, shape and cooperate with the business sector and arrange or supervise mutually acceptable deals with foreign interests". This means that government has to work with all societal partners including the business sector in the delivery of services, and rendering of socio-economic interventions which include amongst others attracting foreign direct investment for the benefit of the citisenry in the form of employment opportunities (Leftwich, 2000: 167-168); (Fritz and Menocal, 2006:4). Moreover, the state should work with other institutions that are operating within the society such as Research Organisations and other political institutions outside the ambit of government (Southall in Buhlungu et al, 2007:19).

The Role of Social Contract

Earlier on, the focus was put on embedded autonomy which describes the circumstances in which a developmental state is anchored around institutional capacity: a state in which the Social Contract is an institutionalised national consensus managed by a competent bureaucracy responsible for "actual planning, intervening in, and guiding of the economy". However, this is not to suggest that bureaucratic elites or public servants are the only players in the process of developmental governance (Economic Commission for Africa, 2011:10-11). However, they play a much bigger role in service delivery mostly because they are responsible for actual planning, intervening, and guiding the economy only after political elites have defined broad policy parameters. Bureaucratic elites, as technicians, have to be tasked with formulating detailed policies and plans to achieve the broad developmental goals set by political elites.

Furthermore, because these bureaucrats are recruited on merit and have long-term and predictable career paths as compared to the political leaders or their political principals, they are likely to resist pressures from political leaders and sectional interest groups that could undermine long-term national developmental goals (Economic Commission for Africa, 2011:10-11). But once Political Leaders have defined the broad policy parameters, economic leaders within the private sector and public sector are required to formulate detailed policies and service delivery plans to achieve the broad developmental goals outlined by political leaders (Economic Commission for Africa, 2011:10-11). In an effort to build a developmental state, it is important that in the upcoming national elections, the Political Organisations should to field well-trained and well-skilled people as parliamentarians, members of the legislatures and Councillors, with the capacity to intreprete broad policy parameters that are articulated at national, provincial and within their mayoral councils and be able to translate them into service delivery plans to reach to all the citizenry in their communities.

To make the afore-mentioned point clear and in relation to governance is that, the work of the political executive and bureaucracies which serves the executive office at all governance levels is informed by three overriding capacities: (1) the ability to formulate policy goals and develop strategies for implementing them independent of societal pressures; (2) the ability to change the behaviour of important internal groups in order to further their policies; and (3) the ability to restructure the internal environment in pursuit of its goals (Weiss, 1998:26). In short, it is about the ability of the bureaucracy to formulate and develop strategies for service delivery independent of pressure groups (Weiss, 1998:26). The public service has to develop mechanisms and strategies to lobby or mobilise all societal groups to the outline political vision. What makes this apparent legitimation of patriotic contribution unique to developmental states is that it is not only pragmatic, focussed on the bureaucratic management of day-to-day service delivery tasks but, on the contrary, offers an economic and institutionalised structure for a process of facilitating the practical proximity of delivery in an 'isolated', individualised society characteristic of modernity, the notion of 'mediated communities to which we referred earlier, rather a process of mediation concerned with the future socio-economic structure (Weiss, 1998:35). Perhaps this designation of role and identity is best characterised as forward planning, which is to say, the nature and workings of national development plans. These plans, ultimately, are indicative of the delivery of services to the citisenry as a long-term standard narrative of the passage from the present to the future where the future is a determinate outcome of the ever shifting borders of national and transnational economic forces (Weiss, 1998:35).

Social Contract embeddedness in Strong and Powerful Oversight Institutions

Finally, for a state to be able to address service delivery problems and challenges, it has to establish strong and capable oversight institutions. This should comprise a well-resourced and quality cohort of public servants with the capacity to monitor performance without political interference. In any developmental state economic challenges require competent and impartial referees which are to be found in strong institutions. Thus, a high-quality civil service that has the capacity to monitor performance is essential. A high-quality civil service also augments the government's ability to design and implement policies (Ibadan, 1993:11). Such an institution allows the state to formulate and implement proactive policies to improve access to services. Surely, in South Africa, the national government has established the Department of Monitoring and Evaluation to monitor and evaluate the impact of services, however, it is not clear whether the South African Local Government Association (SALGA) is playing a similar role with respect to local government or whether indeed it has the capacity to effectively render such a responsibility given the current mandate of SALGA. Perhaps, South Africa needs to establish a Monitoring and Evaluation entity that runs across all spheres of government in as far as monitoring and evaluation are concerned.

On another level, it is by now axiomatic that in order to tackle coordination problems, leaders need institutions and mechanisms to reassure competing groups that each should benefit from growth. Therefore, one other important role that South Africa could play towards the attainment of transformative outcomes is to recruit a competent and relatively honest bureaucratic cadre and insulate it from day-to-day political interference that is increasingly becoming a challenge such that it is now difficult to separate politics from administration (Ibadan, 1993:14). Moreover, there should be centralised institutions with the responsibility to tackle coordination challenges.

However, for effective coordination to take place, politicians need to develop institutions and formulate mechanisms that would enable members of society to have confidence in the neutrality of such institutions. This would instill in citisens confidence that such institutions serve their interests. The success of coordination, then, lies in the competence of the public service to perform its task; it involves the coordination of policy and developmental interventions (Ibadan, 1993:11). The process of mobilising the developmental agenda, in short, is far easier to sustain when it is legitimised by what the Italian Marxist Antonio Gramsci has called the "active consent" of the citisenry.

Conclusion

We can now discern the institutional elements that are vital conditions of general capabilities in formulating, transmitting, and legitimating notions of common interest in a developmental state. The role of the state in embedding developmental practices in society as a mobilising platform for the neutralisation, or accommodation, of particular interests, is a complex and carefully calibrated sequence of coordinated interventions that depend on the capacity of the developmental state to advance an economic growth and development agenda.

At a deeper level, however, the question is whether the economic movements that so significantly advanced the economies of East Asia in the past six decades are to be transubstantiated in a country like South Africa which only two decades ago ended apartheid. If the great challenge of the 21st Century developmental state is economic, even something as fundamental as institutionalised democratic gains carries the burden of empty fortresses abandoned to democracy. However, if South Africa has to deliver services and reach out to all its citisens, it has to strengthen institutional coordination mechanisms in a manner that they are embracive of all societal groups. The government also has to ensure that competent people are appointed in positions of authority to be able to translate broader policy objectives and link them with service delivery plans. Furthermore, to effectively monitor and evaluate service delivery impact, the government has to create service delivery institutions that would monitor service delivery as it happens at the national, provincial, and local government levels.

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