

The Developmental State and Post Apartheid Economic Development

Susan A. Newman¹, Samantha Ashman² and Ben Fine³

¹International Institute of Social Studies, The Hague, The Netherlands

²University of the Witwatersrand, Johannesburg, South Africa

³School of Oriental and African Studies, Economics, London, UK

newman@iss.nl

The Developmental State Paradigm (DSP) largely emerged into prominence as a critique of the Washington Consensus, providing incontrovertible empirical evidence of the role of state intervention in promoting successful development in the East Asian NICs. In a similar way, the DS debate has risen to prominence in South Africa as a critique of the Government's adoption of free market policies in general, and of the Mbeki administration in particular. The debate has continued with the transition from Mbeki to Zuma, most recently around the government's proposed 'new growth path' and whether or not it can bring about employment-creating industrial development. This paper explores the application of the DSP to the understanding of the apartheid and post-apartheid economic development trajectory. We argue that the view of South Africa's historical development and prospects for the future through the DSP lens tends to obscure rather than clarify our understanding with the apartheid state appearing perversely more 'developmental' than the ANC-led governments after 1994. This is a consequence of analytical limitations of the DSP which include its tendency: to separate the political and the economic, to dichotomise state and market, and to be preoccupied with the notion of state capacity.

We argue that the limitations of the DSP can be overcome with a Systems of Accumulation (SoA) approach, developing on the work of Fine and Rustomjee (1996) on characterising the South African SoA as dominated by what they call the Minerals- Energy Complex (MEC). By integrating the political and the economic; bringing class interests to the fore; and emphasising the role of the state intervention in facilitating the internationalisation and financialisation of the South African conglomerate - not only as developmental vs. parasitic - the SoA approach illuminates both the changes and continuities of the South African SoA and how it produces and reproduces the uneven and combined development of the apartheid period within the context of changes in the world economy.

Fine, B. Fine, B. and Z. Rustomjee. 1996. *The Political Economy of South Africa: From Minerals Energy Complex to Industrialisation*. Boulder, CO: Westview