

# Corruption and its Repercussions on Employment, Poverty and Inequality: Rwanda and South Africa Compared<sup>#</sup>

Firoz Khan and Pregala Pillay<sup>\*</sup>

*School of Public Leadership, Stellenbosch University, Republic of South Africa*

**Abstract:** Effective statecraft is founded on governance, planning and policy execution foundations that are historically derived and conditioned. In contemporary times, effective statecraft supposedly centres on 'sustainable' development paradigms and frameworks. This paper examines the connection between state construction and contemporary statecraft - refracted through anti-corruption policy and implementation - and their combined repercussions on employment, poverty and inequality. These include the challenges encountered by the proliferation of corruption, which many posit to be the 'key enemy' of *good governance* and, by extension, 'sustainable' development. Using Rwanda and South Africa as case studies, it is demonstrated that fighting corruption cannot be disconnected from power, political economy, the dynamics of public policy formulation, and the mechanics of policy implementation. This paper posits an association between specific types of patrimonialism, economic performance and service delivery with attendant consequences for employment generation, poverty eradication and reducing inequality.

**Keywords:** Good governance, standard narrative/elixir, developmental statecraft, patrimonialism, neoliberal.

## INTRODUCTION

Prevailing social, political and economic realities define the foundations and parameters of 'sustainable' development and state construction together with history, culture, traditions and priorities in policy construction and implementation. But the global triumph of neoliberalism has generated institutional isomorphism wherein governments strive to secure legitimacy via the adoption of 'organisational successes' of entities in both the private and public sectors (Klug, 2000). Often termed 'good' and/or 'best' practice, isomorphism, over the long term, postpones decisions on '*sensitive* questions' (Klug, 2000:18; emphasis added) related to power and political economy. Frequently, this adversely impacts socio-economic development and developmental state transformation (as the South African case study reveals).

Against this backdrop of isomorphism, the received wisdom is that 'sustainable' development is a function of governance and 'political will' – the latter more precisely defined as the capacity of society to design and implement decisions through contested social relations (Harris-White *et al.*, 2011); a greatly more painstaking task than common understanding and usage. In this context, there is the unending endorsement and uncritical championing of the position

that transformative socio-economic development is inextricably linked to *good governance* and, by extension, the eradication of 'corruption', 'patronage', 'cronyism' or 'neopatrimonialism' scourge/pathology (Mkandawire, 2015:564).

Corruption then, it is argued, is the opposite of *good governance*, destroying public trust because it contravenes laws, state policies, rules and regulations (Philip, 1997; Woods & Mantzaris, 2012; Mantzaris, 2013). Corruption, it is averred, is a formidable obstacle to 'sustainable' development and meaningful transformation at all levels of government and society. For example, according to the Department for International Development (United Kingdom), corruption is linked to low growth, income inequality, poverty, poor service provision, and the erosion of public trust in government (British Academy & UK Aid, 2015). This type of unsustainable development, in turn, delegitimises institutions and undermines the authority of governments thereby rendering them vulnerable to internal conflict and violence.

The battle against corruption is usually spearheaded by a multiplicity of organisations, agencies, committees, commissions, ethics and *good governance* institutions. But the successes in the fight against the scourge/pathology varies. This article strives to explain the reasons underpinning varying success levels. We posit that the relationship between corruption (rent seeking and rent management) and transformative development is historically contingent and conditioned by the intentions, agendas and projects of the political and economic elite with attendant consequences for employment, poverty and inequality.

<sup>\*</sup>Address correspondence to this author at the School of Public Leadership, Stellenbosch University, Republic of South Africa; Tel: +27 (0)21 8083037; Fax: +27 (0)21 8082945; E-mail: pregala@spl.sun.ac.za

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Using Rwanda and South Africa as case studies, we deploy a qualitative research method (content analysis) and an interpretative paradigm (creation of interpretative categories). The analysis draws on and is informed by primary, secondary and grey material. The material includes the empirical research findings of the two countries undertaken by academic researchers, consultants, national and international financial institutions, and non-governmental organisations.

### **Corruption, Public Policy and Development**

Corruption assumes a multiplicity of forms. It entails acts or offences of dishonesty, usually in the pursuit of personal gain on the part of the perpetrator/s; deceit on the part of a perpetrator/s to receive direct or indirect pecuniary or other benefits via defrauding an organisation/entity; personal gain as the foundation of the benefit of an individual or group holding political office; the misuse of positions for personal gain; and acceptance or extortion of material benefits by officials or private groups, or individuals illegally (Pillay, 2018). Corruption, more often than not, emanates from collusion between members of the private or public sectors. *Political* corruption is a variation of rent-seeking by individuals or groups using their political position – in a multiplicity of ways – to enrich themselves and their constituencies (amongst others) (Spector, 2005; Rose-Ackerman, 2007; Shah, 2007; Woods & Mantzaris, 2012).

For Rose-Ackerman (1999:1-3), low economic growth in developing countries (termed ‘non-Western countries’) is attributable to corruption rooted in ‘dysfunctional public and private institutions.’ *Good governance*, supposedly, remedies institutional dysfunctionality thereby fostering a conducive environment for the attraction of foreign direct investment (FDI) and sustained economic growth; decreases living costs, especially for the most vulnerable sections of the population; restores trust in the private and public sectors; reduces social unrest (arising from inequality and poverty); and deepens democracy via the expansion of social and economic rights (Woods & Mantzaris, 2012). This is the full explication of the ‘standard’ narrative/elixir.

But the importation of these ‘good’ and/or ‘best’ practice models (isomorphism) and, the more frequent, (coercive) imposition of the standard narrative/elixir, is often *insensitive* to concrete historical, cultural, and local conditions and the micro- and macro-physics of power, i.e. the past and present, and the external and

internal factors determining social and economic policy. Invoked here is the power-policy nexus, or put differently, public policy – its design, planning and implementation – is fundamentally, and always, connected to the anthropologies and matrices of socio-economic power; viz. the material interests and political agendas of public and private elites.

### **South Africa and Rwanda: Different Pathways**

Both South Africa and Rwanda still endure traumatic histories abounding a wide variety of cultural and political struggles, deep-rooted divisions, structural violence and genocide. But both countries have a common theme and denominator: the political will of the respective ruling parties to transform their societies and political economies. Given the devastating impact of corruption on the polity and economy, a large part of this political will comprises arresting and combating corruption, which of necessity entails negotiating and navigating contested social relations. Hence, success in tackling corruption is often projected as vital for the delivery of inclusive, democratic, transparent, empowering, and ultimately, ‘sustainable’ developmental pathways.

What can be said of South Africa’s pathway? Briefly, after more than two decades of democracy, the vision and dream of a prosperous, non-sexist and non-racial society, free of the legacies of the oppressive past, remains unfulfilled. The compromises struck during the transition to democracy influenced enormously the embrace of orthodox neoliberal economic policy (see for example Bond, 2005; Alexander, 2015) – pushed in large part by the major conglomerates and the state (Okereke & Agupsi, 2015).

Turning to Rwanda. This country experienced a brutal civil war. Approximately ‘800,000 Tutsis and moderate Hutus were massacred in the space of just a hundred days in 1994’; a ‘genocide’ - according to senior United Nations officials (Miser, 2019:72). Since 2004, the Rwandan Patriotic Front (RPF), under the leadership of Paul Kagame, has ruled the country. The dominance of the RPF rests on ‘military supremacy, the delivery of *certain developmental results* [discussed below] and the suppression of the opposition in a context of just two major ethnic groups’ (Goodfellow, 2017:14; emphasis added). The RPF ‘constitutes the main entrepreneurial actor’ (discussion of Tristar follows shortly) and combating corruption is viewed by the governing elite as pivotal to regime survival.



Regime survival relates to the 'real threats to power that may emerge if perceptions of corruption and disorder among a regime based on an ethnic minority were to spread' (ibid.15). Accordingly, the highly centralised bureaucratic regime – led by the President – includes rigorous policies and laws against corruption, accompanied by a series of well-planned and implemented programmes that are vigorously assessed and monitored by the relevant state institutions.

### **Corruption, Anti-Corruption and Outcomes: The Realities**

The South African government has over the years generated a comprehensive and diversified set of policies, rules and regulations to address corruption. There are 15 specifically structured anti-corruption laws and financial anti-corruption guidelines (Mantzaris & Pillay, 2013), and 19 anti-corruption specialised agencies (Wood & Mantzaris, 2012). Moreover, the government has participated in and is a signatory – like Rwanda – to a host of international and continental conventions and agreements including the United Nations Convention Against Corruption (2003); the African Union Convention on Preventing and Combating Corruption (2003); the Southern African Development Community Protocol Against Corruption (2001); and the Organisation for Economic Cooperation and Development Convention on Bribery of Foreign Public Officials in International Business Trade and Transactions (1997).

The existence of multiple and diversified agencies, institutions, rules and regulations have seemingly not improved the perception-ranking index of the country as per the scorecard of internationally-based corruption monitoring organisations. Transparency International's Corruption Perception Index scored South Africa 43 in 2017 – two less than the 2016 score of 45 (Transparency International, 2017). This dismal performance is the outcome of an avalanche of evidence pointing to grand corruption and 'state capture.' Implicated in this corruption are senior government figures, including the ex-President, members of the Cabinet, executives of state-owned enterprises, and high-ranking administrators. Disturbingly, one of the observations of the Transparency International Report is the *impunity* of politicians and public service and private sector leaders implicated in corruption (Corruption Watch, 2018) (a point returned to shortly).

Rwanda's anti-corruption policy is anchored in the Constitution (June 2003), and a raft of subsequent amendments. The Office of the Ombudsman is the foundation of the anti-corruption initiatives – a regime powered by internal rules and procedures. These include the Parliamentary Chamber of Deputies Law No 22/2002 of 09/07/2002 on General Statutes for the Rwanda Public Service (O.G. No 17 of 1/9/2002); Law No 65/2008 of 11/09/2008, regulating the Leadership Code of Conduct; and Law No 23/2003 of 07/08/2003, relating to the prevention and suppression of corruption and associated offences (O.G Special of 3/09/2003) (Republic of Rwanda: Office of the Ombudsman, 2012a & 2012b). There is also a separate penal code supplemented by the Leadership Code of Conduct and laws directed at the prevention and prosecution of corruption. Additionally, various measures are in place for the prevention and punishment of money laundering and the financing of terrorism; and strengthening supply chain and procurement at all levels of government (Republic of Rwanda: Office of the Ombudsman, 2012a).

The research division of the Ombudsman's Office has over the years identified numerous gaps in systems and processes with attendant increased risks of corruption in various fields. As in South Africa – but at an appreciably lower scale, depth and frequency – these problems and challenges relate to the official abuse of power, nepotism, and embezzlement of public funds (Republic of Rwanda: Office of the Ombudsman, 2012a; Ombudsman, 2012b; Republic of Rwanda: Office of the Ombudsman, 2016).

Similar to South Africa, the Rwandan government has strengthened anti-corruption institutions evidenced in the establishment of the Rwanda Public Procurement Authority. It has also moved to update procurement laws, rules and regulations to ensure that all systems and structures in public tender processes and procedures are respected and adhered to. Unlike South Africa, severe sanctions are applied for non-compliance and there is no immunity from prosecution.

The changes instituted have produced positive results. This, however, does not mean that corruption and irregularities in the allocation of public tenders have disappeared (Republic of Rwanda: Office of the Ombudsman, 2016) not unrelated to a host of oversight challenges and inefficiencies stemming from the lack of qualified personnel (both in expertise and numbers) (Republic of Rwanda: Office of the Ombudsman, 2012a:123).



Nevertheless, international reports have praised the Rwandan governance regime and initiatives at most operational and state levels for their 'zero tolerance' to corruption, 'enforcement' and 'discipline' (Goodfellow, 2017:15). While much more work remains to be done, the anti-corruption programme has been deemed successful as per the Corruption Barometer of Transparency International. In the 2017 barometer, Rwanda was named the fourth less corrupt country with a score of 55 (12 above South Africa) after Botswana, Seychelles, and Cape Verde (Corruption Watch, 2018).

### **Corruption Effects on Employment, Poverty and Inequality**

Dissection and interrogation of the structures, processes and approaches of the anti-corruption regimes, and statecraft, in general, reveal significantly diverging outcomes as relates to progress in employment generation, poverty eradication and inequality reduction.

The reality in South Africa is confirmation of the empirical evidence linking (predatory) rent-seeking, poor economic performance and extremely high levels of income inequality (Bhorat, Cassim & Hirsch, 2014). The world's top economists assert that rising inequality – as is the case in South Africa (Maughan, 2018) – leads to 'state capture, which in turn reinforces political, social, and economic inequality' (Stiglitz *et al.*, 2016:4). In the long term, this dynamic jeopardises durable economic growth and expansion; contributes to and heightens unemployment (Khan, 2019); and increases precarity in the workplace (Standing, 2011).

The statistics support these assertions and findings. South Africa's business cycle has been in a downward phase since December 2013 – the longest down-swing since 1946 (Naidoo, 2019). In 2019, the economy nosedived 3.2% in the first quarter; the worst economic contraction in a decade (Gernetzky, 2019). It is for this reason that some have motivated for FDI attraction – and their local equivalents – as necessary for economic and social development, especially job creation. (Stoddard & Noy, 2015:388). Lack of it has been described as a leading reason for the escalation of inequality, poverty and unemployment (Lambsdorff, 2003:429).

The latest Statistics South Africa (2019) shows that unemployment increased for the second time in 2019. The official and the expanded counts of unemployment present a bleak picture. The official unemployment rate

stands at 29% (6.7 million people). The expanded definition of unemployment (includes non-job seeking economically active individuals) is pegged at over 10 million people (38.5%). Taking a long term view, unemployment – using the expanded definition – has risen by 8.8 percentage points since 2008 (Statistics South Africa 2019). It has been calculated that the country's GDP, under a corrupt-free environment, could have been 10% to 30% higher and between 500 000 to 2.5 million more jobs could have been created by 2017 (Arnoldi, 2018).

Widely publicised and verifiable cases of corruption alongside recent devastating reports on state capture (Bhorat *et al.*, 2017; Seale, 2017; Von Holdt, 2019) reveal that elites and syndicates involved and implicated in corrupt activities act '*brazenly*' and with *impunity* (as mentioned above). For instance, the Johannesburg Stock Exchange had ZAR378-billion wiped out and more than 148 000 jobs were lost in December 2015 when Pravin Gordhan (then Minister of Finance) was fired by President Jacob Zuma, the figurehead of 'state capture', because of Gordhan's opposition to the – neither needed nor affordable – ZAR1-trillion nuclear deal Russia that the Zuma administration was hell-bent on securing. After the midnight end-of-March 2017 cabinet reshuffle that saw Pravin Gordhan and Mcebisi Jonas unceremoniously booted from the finance ministry, ZAR506-billion was wiped off the value of South African bonds and listed companies wherein pension funds are heavily invested (Mertens, 2019). Evidence from the infamous #GuptaLeaks – the electronic correspondence of President Zuma's business partners, the Gupta family – included the ZAR1-billion paid by Eskom to global financial consultants McKinsey, and the 2016 ZAR659-million coal prepayment to Tegeta (a Gupta-owned company) so that the family could acquire the Optimum coal mine to supply Eskom with poor quality coal at inflated prices (Morningstar, 2018).

Corrupt officials, politicians and political parties severely compromise government discharging their constitutional obligations and responsibilities. For example, fourteen municipal councils invested ZAR1.5-billion earmarked for community service delivery in VBS Mutual Bank, which was unequivocally proscribed by the Municipal Finance Management Act (MFMA) (Merten, 2019a). The Bank collapsed, municipalities defaulted on their service delivery obligations and capital projects, and tens of thousands of poor people – mostly pensioners – lost their hard earned and saved money, a large part of it swindled by leading high-level



politicians and political parties. All fourteen councils are on the list of the 87 dysfunctional councils identified in May 2018 by Zweli Mkhize, the Minister of Cooperative Governance and Traditional Affairs (Mkhize, 2018).

One calculation of the financial repercussions of corruption reveals that the South Africa's budget from 2007 to 2019 incurred a loss of R252.5-billion thus leaving a shortfall of R246-billion (Merten, 2019a). Again, should there have been a corrupt-free government for the period 2010 to 2017, it is estimated that between ZAR500-billion to ZAR1-trillion more tax revenue could have been collected for service delivery, infrastructure projects and improving the quality of people's lives, in general (Mertens, 2019).

In summary then, state institutions, meant to serve society, have degenerated into terrains of greed, fraud, patronage and corruption (Mabandla, 2012). This has dealt a deadly body blow to the very notion of the post-apartheid aspiration for the installation of a 'developmental state' and the institutionalisation of developmental statecraft. Instead, the so-called 'developmental state' was substituted by a new highly centralised new bureaucratic/technocratic state elite supported by a new 'public sector middle class' steeped in corruption (Mantzaris & Pillay, 2013), and an unprecedented proliferation of corrupt relations between the public and private sectors. Aggravating matters were the regressive consequences of affirmative policies aimed at deracialising the economy; viz. Black Economic Empowerment and, more recently, Broad-Based Black Economic Empowerment. Regrettably, these empowerment programmes had a minimal effect on the redistribution of wealth and economic power. In fact, there was upward redistribution: 'the flourishing of the elite class depended [in large measure] on the continued exploitation of the poor' (Smith, 2016). The creation of a few Black elites - mostly through cooperation with or cooption by white conglomerates in several key sectors - was instrumental in widening and deepening the gap between the (new) economic elites and the poor and vulnerable. Indeed, although inter-racial poverty has generally decreased, inequality has not.

Poor economic growth, high unemployment, poverty and failure at all educational levels has led to rising inequality at all societal levels (StatsSA, 2017). South Africa has, according to the World Bank (2018), the unenviable reputation of being classified as 'the most unequal country in the world'. StatsSA reports that 30.4 million of South Africa's 55 million inhabitants live in

poverty. The majority of those affected are Black African women, children and the elderly. One in seven of the population suffered extreme food poverty, surviving with less than ZAR441 in 2015 (StatsSA, 2017). This poverty level is the same as that of 2007. In other words, the significant progress in poverty reduction recorded between 2002 and 2007 has since 2007 effectively stalled (see Merten, 2017 for further discussion).

It is plain to see that corruption impacts the most vulnerable sections of the population; delegitimises institutions; and leads to mistrust of both the state and private sector. The adverse impacts on the poor coupled to the loss of trust has fuelled social instability (evidenced in countrywide, increasingly violent, service delivery protests – Alexander, 2010, 2013); frustrates and retards economic growth; and discourages investment (both local and foreign). There is a desperate need for politicians and officials to engage with these realities and tackle corruption, which deleteriously impacts and compounds inequality, poverty and unemployment. This is a downward spiral of exclusionary growth and development and ever-increasing pervasive underdevelopment – otherwise known as a *vicious circle*.

In contrast, Rwanda has adopted a development path that is unorthodox – not the standard narrative/elixir - which has effected meaningful and sustained development evidenced in employment generation, poverty eradication and the reduction of inequality. The unemployment rate from 2004 to 2018 ranged from 0.95 in 2004, peaking at 1.15% in 2014, and pegged at 0.97% in 2018 (Pletcher, 2019). The proportion of people living below the national poverty line declined from 60.6% in 2001 to 56.7% in 2005, reducing further to 44.9% in 2010, and 39.4% in 2014 (Ggombe & Newfarmer, 2017:5). The unorthodox inclusive growth policies have resulted in a reduction of inequality, measured by the Gini coefficient, from 0.52 in 2006 to 0.49 in 2011 (Ibid.)

Inspired by the East Asian experience, Rwanda under the firm hand of its President, 'opted for rapid economic expansion as a palliative to the horrors of genocide' (Ryan, 2018:54). Since then, Rwanda has achieved economic growth rates of 8% for fourteen years (Ryan 2018:55), substantially better than to 'many comparator countries in the region' (Kenya, Uganda, Tanzania), including the long-running star performers like Botswana (Ggombe & Newfarmer, 2017:5).



Classified as a 'developmental patrimonial state', the Rwandan government, the 'main entrepreneurial actor', has centralised and deftly managed rents with a pro-poor rural development bias (Kelsall, 2011a:84). The core features of such a regime is its anchorage in the dominating role of a ruling party that combines vision, a competent and capable state machinery, and centrally-driven initiatives with elite and the populace participating at all levels (Dawson & Kelsall, 2012:50). The '*certain developmental result*' (see above) comprises the transformation of the agricultural sector into a mainstream activity that has improved the lives of the poor; tackled poverty head-on; reduced unemployment significantly; and improved livelihoods throughout the country (Lemarchand, 2009). Growth in agricultural production contributed to 35% of the poverty reduction between 2004 and 2014, with 10% of the reduction arising from 'increased commercialization' of the sector (Ggombe & Newfarmer, 2017:5).

Critically, the transformation of the agricultural sector is institutionally activated and driven by a state-party owned and controlled company: Tristar (Golooba-Mutebi, 2008a & 2008b; Gray & Khan, 2010; Kelsall, 2011a; Kelsall & Booth, 2010). Tristar is the major, if not, the key institution that has over the years furnished capital for joint ventures in underdeveloped areas to tap unrealised economic and developmental potential. In short, Tristar - the state-party hybrid investment entity - directs profits into developmental and other socially important infrastructure projects with a rural bias thereby promoting job creation and the production of public goods. The success of Tristar has been pivotal to widening the RPF's electoral support (Kelsall, 2011a).

Tristar hardly qualifies as a poster child of *good governance*. Its success in mobilising, centralising and channeling rents to the rural poor has 'allowed the RPF to take a tough line on corruption in other areas of administration, creating a *virtuous* circle of public [value] creation and development' (Kelsall, 2011a:84, emphasis added). Corruption, though, while not completely eliminated, has significantly decreased. This decrease is undoubtedly due to effective and efficient enforcement of policies or 'rule-bound development' (Goodfellow, 2017:15) guaranteeing success in the anti-corruption fight. The Rwandan government has shown concretely that it possesses the strong political will to fight and uproot corruption and its dire repercussions. This is because fighting corruption is a central component of the identity and is integral to

the RPF's ideology, strategies and governance regime (Goodfellow, 2017:15). In contrast, despite South Africa's adherence to the strictures and dictates of *good governance* to purportedly remove 'market-distorting' interventions, it has here, and globally, sustained the argument for and maintained the hegemony of a minimalist state (Mkandawire, 2001, 2002). Consequently, this *good governance* regime - like elsewhere - has 'fatally' damaged the 'possibility of creating a developmental transformation state' (Khan 2004:188). It is therefore of little to no surprise that after 25 years of democracy, South Africa has failed to redress inherited asset imbalances and income inequalities of the past and generated greater hardship for the most vulnerable and poor black majority (Okereke & Agupusi, 2015).

## CONCLUSION

South Africa and Rwanda have chosen different development and policy pathways in state construction and combating corruption. The comparisons and contrasts spotlight issues pertaining to the historically conditioned relationship between statecraft, patrimonialism and developmental outcomes.

Evident in both cases is the acknowledgement that corruption is socially corrosive and damaging, manifested in the suite of anti-corruption policies, legislation, rules, regulations and institutions. But when politically contextualised and embedded in political economy, the comparisons show that corruption (predatory rent seeking) in South Africa, and the failure to curb and arrest it, measurably contributes to and exacerbates unemployment, poverty and inequality. On the other hand, Rwanda's 'patrimonialism' - its unorthodox development path, its centralisation and management of rents and its overall governance regime - is way more efficient and effective in delivering unprecedented and rapid economic, social and human development.

In Rwanda, political will and prudently designed anti-corruption policies, coupled with pro-poor development programmes, have rendered patrimonialism developmental. Rwanda's 'developmental patrimonialism' is the key driver of the national agenda as it protects and widens collective political, social and economic capabilities. It is given further impetus by capacity building not only of the state bureaucracy but also large sections of the population, especially in the rural areas. Tristar, the party-state firm - a hybrid institutional vehicle ('not a



poster child of *good governance*) – is of paramount importance in ensuring and guaranteeing pro-poor development outcomes.

By comparison, the governance regime and development programme in South Africa is far from developmental or transformative. In fact, South Africa's regime and programme is anti-developmental – not very far from Zimbabwe's anti-developmental patrimonial regime (where a predatory elite squandered and abused resources and rents) (Dawson & Kelsall, 2012). The ruling party has adopted and implemented a policy regime derived from imported *good governance* policies and strategies, i.e. the minimalist state.

It can plausibly be argued that the elite could not adopt a developmental transformation agenda because it had no choice: it was a victim of globalisation and the unforgiving and merciless disciplining hegemony of contemporary neoliberalism. Worded differently, South Africa's recent history of democratisation captures the tensions, struggles and contradictions of restructuring the economy and stimulating sustainable growth in a 'neoliberal era' (Okereke & Agupusi, 2015:211) that is ill-equipped to address the inequalities and injustices of the past and present. But what is distinctive about South Africa is that while most developing countries had globalisation 'externally imposed' and 'mediated' through Bretton Woods structural adjustment programmes (SAP), South Africa's globalisation/SAP package was 'largely internally generated' (ibid.:127). In short, the protagonists of the package come from 'within,' viz. the state and the country's major conglomerates (ibid.). South Africa, then, in contrast to Rwanda, and most developed countries, chose and/or foisted upon itself the standard narrative; a neoliberal elixir not informed by and completely out of step with our local and national development and growth imperatives. Rwanda, on the other hand, successfully rooted their development policies in local imperatives, customs, culture and history, wherein the RPF 'constitutes the main entrepreneurial actor' ('there is little by way of a capitalist economy through which to profit'). The government has 'played a leading role in economic development' (Ggombe & Newfarmer, 2017:09), and combating corruption is 'perceived as central to the governing elite's survival' (Goodfellow, 2017:15-16). The same cannot be said about South Africa's government and the predatory elite who act *brazenly*; with *impunity*; and, increasingly, *violently* (Von Holdt, 2019).

The 'statist' developmental regime of Rwanda - directed by local imperatives and the needs of the poor, which ensures regime survival and corruption-free administration - stands in counterposition to South Africa's regime where the *state and society lack the capacity to organise, make and implement decisions to direct or restructure political economy relations*, i.e. the 'political will'. In short, the South African government is a junior partner in state-private sector relations. Okereke and Agupusi (2015:128) furnish elegant commentary in this regard:

The way the South African [post-apartheid] political economy has been structured has given the private sector enormous power. Instead of using this power to partner with the government, the private sector has continued to use its economic power to maintain the status quo. The government on its part lacks bold initiative and political will to carry out real reform or enforce the private sector partnership in transforming the country and eliminating apartheid legacies.

The question remains as to how long this situation will prevail, especially, with implementation of development programmes still being 'highly biased in favour of the upper strata of the population that accounts for just a fraction of the population' (ibid.:129), while the majority is mired and trapped in poverty and destitution. This is the context of violent service delivery protests, a profound democratic deficit, and state capture (which, until recently, witnessed 'public representatives...willingly hand[ing] over the keys to the [state] vault to the Guptas' (Mthombothi 2018)). Resultantly, government is alienated from society, and transformative and empowering development for the majority is elusive.

The South African elite persistently postpones *political* decisions on the 'sensitive questions' of restructuring the political economy; implementing pro-poor redistribution/policies; restoring public trust; enforcing anti-corruption laws; and enhancing the capability of the bureaucracy and the poor. Rwanda offers valuable pointers wherein a *particular type of political will* and *patrimonialism* attuned to local needs and imperatives, and implemented by a hybrid state-party institution, has produced remarkable outcomes.

Notwithstanding the differences in our respective political economies and the political maturation of our societies, the Rwandan experience points to the need



to consider heterodox forms of state construction and statecraft in economy, polity and society. Rwanda's success in building capabilities in a redistributive manner - contrary to *good governance* and other imported models - alerts to alternative institutional arrangements/vehicles and development strategies. Whether South Africa can marshal the necessary political will to own and define the contours of a sustainable and durable growth strategy that is driven by a developmental transformation state is the thorniest and, most intractable, post-apartheid political economy question.

Rwanda offers some pointers for South African policymakers who seek to rethink, reconstruct, and transform our post-apartheid economic, institutional and social governance regimes. Three are worthy of mentioning: firstly, patrimonialism under particular circumstances, 'does not harm, and may even help' economic growth and social upliftment (Kelsall, 2011b:1). Secondly, neopatrimonialism can be rendered compatible with 'rapid, pro-poor' economic development (ibid.:3). Lastly, policymakers should be vigilant about 'best practice solutions' such as *good governance*, levelling the 'playing fields' and minimising rent-seeking (ibid: 4, original text).

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