

**”LOCAL ECONOMIC DEVELOPMENT,
INDUSTRIAL POLICY AND SUSTAINABLE DEVELOPMENT IN
SOUTH AFRICA:
A CRITICAL REFLECTION ON THREE NEW POLICY
FRAMEWORKS”**

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Declaration

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

Signature_____

Date:_____

ABSTRACT

This dissertation considers the coherence of the prescriptions contained within three recently released government frameworks: the National Framework for Sustainable Development, National Industrial Policy Framework and National Framework for Local Economic Development. A central assumption in this regard is that a level of coherence in policy prescriptions is necessary for effective and complementary implementation. Each of these frameworks has been developed in the context of renewed commitment from the South African state to halve unemployment and poverty by 2014. It is likely therefore that the frameworks will affect resource allocation with outcomes which will have impacts on South African society at large. Thus coherence is an important consideration.

The analysis is undertaken against the background of:

- a limited literature review on policy-making (within the broader policy studies field),
- a discussion of the political economy of South Africa, and
- a consideration of certain key debates within the global 'development' discourse. This includes particular reference to the concepts of 'sustainable development', 'industrial development' and 'local economic development' within that discourse.

In addition, in order to gain some insight into the policy-making processes that were followed in the production of each of the frameworks, a limited number of key informant interviews was conducted. These interviews highlight certain elements and factors that impacted on the final policy products and the compromises that were reached around policy content.

The body of the analysis - a comparative content analysis of the frameworks - is undertaken through a discussion of the manner in which the frameworks deal with four cross-cutting themes. These four cross-cutting themes are: eco-system considerations, social considerations, economic considerations and institutional/governance considerations. This comparative reading of the frameworks exposes certain divergent policy prescriptions and confirms that disagreement exists within government itself on the country's desired development path.

The conclusion then discusses what is required to put in place a coherent policy making system in South Africa. It is proposed that the accommodation of policy coherence should not come at the expense of diversity and the expression of 'profanity' (contestation). The value of deliberative democracy, pluralism and complexity are highlighted in this regard. A number of recommendations are made.

SAMEVATTING

Hierdie verhandeling beskou die onderlinge verbintenis tussen die voorskrifte soos vervat in die Nasionale Raamwerk vir Volhoubare Ontwikkeling, die Nasionale Nywerheidsbeleidsraamwerk en die Nasionale Raamwerk vir Plaaslike Ekonomiese Ontwikkeling. 'n Sentrale uitgangspunt in hierdie verband is dat hierdie onderlinge verbintenis in beleidsvoorskrifte noodsaaklik is vir die doeltreffende en komplementêre implementering. Aangesien elk van die raamwerke ontwikkel is in die konteks van die hernieude verbintenis van die Suid-Afrikaanse regering om armoede en werkloosheidsvlakke teen 2014 met die helfte te laat afneem, wedywer hulle met mekaar wat hulpbrontoedeling betref, wat waarskynlik 'n wesentliche uitwerking op die Suid-Afrikaanse gemeenskap as geheel sal hê.

Die ontleding word onderneem teen die agtergrond van 'n oorsig van die letterkunde oor beleidvorming, en 'n bespreking van die beleidsvormingskonteks in Suid-Afrika. Daar word ook gekyk na die globale 'ontwikkelings'-diskoers en plaas die begrippe 'volhoubare ontwikkeling', 'nywerheidsontwikkeling' en 'plaaslike ekonomiese ontwikkeling' binne hierdie diskoers. 'n Beperkte aantal sleutelinformantonderhoude is gevoer ten einde insig te verkry in die beleidvormingsprosesse wat gevolg is in die opstelling van elk van die raamwerke. Hierdie onderhoude het sekere elemente en faktore blootgelê wat 'n invloed gehad het op die finale beleidsprodukte en die kompromieë wat oor beleidsinhoud aangegaan is.

'n Vergelykende ontleding van die inhoud van die raamwerke is ook gedoen deur 'n bespreking van vier temas wat onderliggend aan al die raamwerke is. Hierdie vier temas is: ekosisteemoorwegings, maatskaplike oorwegings, ekonomiese oorwegings en institusionele/regulerende oorwegings. Hierdie gesamentlike ontleding van die raamwerke toon die bestaande uiteenlopende beleidsvoorskrifte en bevestig dat daar geen eenstemmigheid binne die regering oor die land se gewenste ontwikkelingspad is nie.

Ten slotte word bespreek wat verlang word om 'n samehangende beleidvormingstelsel in Suid-Afrika daar te stel. Daar word voorgestel dat die oorkoepelende beleid nie ten koste van diversiteit en die uitdrukking van profaniteit of wedywering moet geskied nie. Die waarde van beraadslagende demokrasie, pluralisme en kompleksiteit word in hierdie verband uitgelig. 'n Aantal aanbevelings op kort, medium en lang termyn word gemaak.

TABLE OF CONTENTS

ACRONYMS	7
CHAPTER 1: INTRODUCTION	8
CHAPTER 2: METHODOLOGICAL APPROACH	10
CHAPTER 3: WHAT, THEN, IS POLICY-MAKING?	14
CHAPTER 4: BACKGROUND TO THE FRAMEWORKS	20
4.1 Major policy directions in South Africa since 1994	20
CHAPTER 5: DISCUSSING ‘DEVELOPMENT’	27
5.1 Different Developments?	27
5.2 Sustainable Development	29
5.3 Industrial development and industrial policy	31
5.4 Local Economic Development	32
CHAPTER 6: INTRODUCING THE FRAMEWORKS	34
6.1 Discussion of the three policy making processes	38
6.2 The political resonance of the 3 policy frameworks	41
6.3 Tabular overview of the 3 frameworks	44
CHAPTER 7: ECO-SYSTEM CONSIDERATIONS	55
7.1 Why choose Eco-system considerations as a cross-cutting theme? ...	55
7.2 Structure of this Chapter	56
7.3 Current Trends	56
7.4 Definitions, interpretations and principles	57
7.5 Inputs, value and opportunities	58
7.6 Thresholds and limits	62
CHAPTER 8: SOCIAL CONSIDERATIONS	65
8.1 Why choose Social considerations as a cross-cutting theme?	65
8.2 Structure of this Chapter	65
8.3 Current Trends	65
8.4 Definitions, interpretations and principles	66
8.5 Inputs, value and opportunities	67
8.6 Thresholds and limits	70
CHAPTER 9: ECONOMIC CONSIDERATIONS	73
9.1. Why choose economic considerations as a cross-cutting theme?	73
9.2 Structure of this chapter	74
9.3 Current Trends	74
9.4 Definitions, interpretations, principles	75
9.5 Factors of production, and opportunities	76
9.6 The Second Economy	78
9.7 Thresholds and limits	82
CHAPTER 10: INSTITUTIONAL AND GOVERNANCE CONSIDERATIONS	84
10.1 Why choose institutional and governance considerations as a cross- cutting theme?	84
10.2 Structure of this Chapter	85
10.3 Current Trends	85
10.4 Definitions, interpretations and principles	85
10.5 Legal and institutional environment	87
10.6 Networks and partnerships; learning and ‘self-discovery’	94
10.7 Management, monitoring & evaluation, targets and indicators	96
10.8 The normative agenda of governance	100
CHAPTER 11: CONCLUSION	103
11.1 What the Policy Making Analysis Reveals	103

11.2 What the Content Analysis Reveals	104
11.3 The Desirability of Policy Coherence.	108
11.4 State Capacity and Coherence	111
11.5 Moving Towards Pluralism	115
11.6 Recommendations	121
12. BIBLIOGRAPHY.....	126

ACRONYMS

ACF:	Advocacy Coalition Framework
ANC:	African National Congress
AsgiSA:	Accelerated and Shared Growth Initiative of South Africa
COSATU:	Congress of South African Trade Unions
DEAT:	Department of Environmental Affairs and Tourism
The dti:	The Department of Trade and Industry
DPLG:	Department of Provincial and Local Government
FDI:	Foreign Direct Investment
GDP:	Gross Domestic Product
GEAR:	Growth, Employment and Redistribution
IPAP:	Industrial Policy Action Plan
NEDLAC:	National Economic Development and Labour Council
NFLED:	National Framework for Local Economic Development
NIPF:	National Industrial Policy Framework
NFSD:	National Framework for Sustainable Development
NSSD:	National Strategy for Sustainable Development
NPM:	New Public Management
SACP:	South African Communist Party
SDCIP:	Sustainable Development Community Investment Programming
SMMEs:	Small, medium and micro enterprises
SONAs:	State of the Nation Addresses
PoA:	Programme of Action
r&d:	Research and Development
RDP:	Reconstruction and Development Programme
UK:	United Kingdom
UNDP:	United Nations Development Programme

CHAPTER 1: INTRODUCTION

A central challenge for any nation-state, and its state machinery, is the effective design and implementation of key policy directions. This requires a consistent approach to policy making. It also requires agreement on the broad societal outcomes the policies seek to achieve. A shared vision and clarity on policy objectives should result in coherent policy prescriptions. A central assumption, which is returned to in some detail in the Conclusion, is that coherence is particularly important in developmental democratic states, such as South Africa, which are confronted by many serious challenges while facing resource constraints.

Three new policy frameworks have recently been developed by the South African national government: the National Industrial Policy Framework (NIPF), National Framework for Sustainable Development (NFSD), and the National Framework for Local Economic Development (NFLED). Each has been championed by a different national department. They occur in the context of renewed commitment from the state to halve unemployment and poverty by 2014 through achieving a 6% growth rate. Each aims to contribute to the achievement of this Vision 2014.

In an environment that places increasing attention on implementation, the policies will influence the allocation of resources, institutional design and the actual implementation path over the medium-term. This will have considerable implications for society at large.

As a senior public servant working in the economic development arena, I am interested in understanding the three policy frameworks and considering their implications for the development path South Africa is pursuing. There exists no formal research on this topic, as the three frameworks are all recent and new directions in policy-making. The dissertation will hope to support a robust discussion between policy-makers regarding these frameworks and their implementation. It will also support a debate on the nature of the South African policy making system itself.

This dissertation describes the policy making context and other elements that contributed to the policy-making processes of the three frameworks. This is undertaken with the understanding that policy-making processes ultimately determine policy content. Further, a critical and comparative content review of the three frameworks is undertaken through juxtaposing the proposed policy directions and key programmatic areas contained within them. This is achieved through the consideration of a number of cross-cutting themes viewed in the context of relevant literature. In this way the content analysis investigates the extent to which the NIPF, NFSD, and NFLED provide a complementary and integrated view of the country's desired future developmental path.

My investigation into areas of policy coherence and divergence in the frameworks' prescriptions aims to expose certain of their assumptions regarding development and to reflect on these critically. The consideration of coherence within the three approaches then allows me to broaden my analysis to a more general and theoretical

consideration of policy-making. This recognises that policy content is a result of a particular policy-making processes and contexts.

In conclusion I relate both the policy making processes and the resultant prescriptions in the three frameworks to the general policy making context in South Africa. Recommendations are made on how to improve the policy making context in order to allow for increasingly coherent policy 'products', while not intellectually impoverishing the policy-making environment. The conclusions thus propose a balance between policy coherence, and diverse accounts.

It should be noted that although this dissertation has attempted to analyse the latest drafts of each framework (as at 1 June 2007), it remains possible that further drafts will be developed after this dissertation has been submitted. It is unlikely, however, that revisions to the frameworks will fundamentally alter the basic conceptions of development reflected in the current drafts.

CHAPTER 2: METHODOLOGICAL APPROACH

2.1 Policy content and policy-making analyses

The policy studies' environment incorporates various fields of analysis as well as a wide terrain of analytical foci and instruments (Cloete et al., 2006:9-18). According to Cloete et al. (2006: 55) no universally accepted definition, theory or model encapsulating the policy sciences exists.

This dissertation employs elements of policy content and policy-making analyses within its methodological approach. It is worth briefly considering both of these two analytical concepts. Cloete et al. (2006:7) describe policy content analysis as the "descriptive nature of the origins, intentions and operations of specific policies" while the study of policy-making is the study of the "actions taken by various people at each stage of policy making". I have expanded this policy-making definition of Cloete et al. (2006:7) to include not only people, but other actors (such as institutions and advocacy coalitions) as well as additional, non-actor, considerations within the arena of policy making analysis. This is considered in more detail in Chapter 3.

Given Cloete et al.'s (2006:7) definitions above (with or without the enhancements I propose to the policy making definition), it appears that there is a degree of overlap in the two analytical approaches: If policy content analysis includes the study of the *origins* of a policy, this must necessarily include a consideration of the policy making context and process. There is thus a level of interaction between the two analytical approaches. This provides an extra motivation for the utilisation of both forms of analytical technique within the methodological approach of this dissertation.

Policy content analysis techniques employed

This dissertation considers the *origins*, *intentions* and *proposed operations* of the three policy frameworks (per Cloete et al.'s (2006:7) definition of the components of policy content analyses) in a number of ways.

Firstly, in a background chapter (Chapter 4) the national context which informed the production of the frameworks, i.e. the political economy in South Africa post-1994, is highlighted. Secondly, an additional background chapter (Chapter 5) provides a brief overview of the concepts of 'development', 'sustainable development', 'industrial policy' and 'local economic development'. These background chapters serve to locate the policies in a particular local and global context – the broad *origins*, in other words.

Furthermore, the more specific *origins*, *intentions* and *proposed operations* of the three frameworks are considered through employing two different content analysis techniques:

- Within Chapter 6, which serves as a means of introduction to the later detailed content analysis, tables are provided to summarise the stated Intentions, Proposals, Implementation mechanisms, Priority Areas, Objectives

and Desired Outcomes of the frameworks. This is achieved through lifting text from the actual frameworks into tables. A brief discussion of the findings of this tabular comparison follows. Thus the broad *intentions* and *mechanics* of the three frameworks are highlighted in general before the detailed comparative content analysis is undertaken.

- The second content analysis technique, utilised within Chapters 7 to 10 (and within which the body of the content analysis is contained), is a comparative content analysis through the use of cross-cutting themes. Thus the frameworks are not analysed independently and on their 'own terms'. Such an approach would have required each framework to be analysed within its own field or discipline— of sustainable development, industrial policy and local economic development – which may have highlighted some useful insights into the content, but would not have yielded a *comparative* analysis. Instead, the chosen approach has utilised four themes (namely eco-system, social, economic and institutional/ governance - considerations) to allow for a comparison of the content *across* the frameworks. Thus all three frameworks are discussed according the manner in which they engage with each of the themes and it is the themes, rather than the frameworks, that are the titles of the relevant chapters. In this way elements of a discourse analysis are incorporated to expose the (often implicit) choices made within the frameworks, and the underlying views which inform these choices. This highlights the extent to which commonalities and discrepancies exist in the policy prescriptions across the three frameworks. It allows for areas of policy coherence and divergence to be identified.

Policy-making analysis techniques employed

As already indicated, this dissertation recognises that policy-making and policy content analyses are intertwined and inform each other. Given this, Chapter 3 contains a literature review of policy making analysis, which introduces various approaches to this field of inquiry. This provides the theoretical backdrop to the actual policy-making processes employed in the development of each of the frameworks which is explored in Chapter 6. This includes the ways in which different policy-making elements, as identified in the literature review in Chapter 3, were experienced by actual policy practitioners involved in the formulation of the three frameworks. The findings of the policy making analysis in Chapter 6 are referred to during the policy content analysis undertaken in Chapters 7 to 10 as they pertain to choices made regarding content.

Other methodological considerations

Given the above introduction to the research approach adopted within this dissertation, it is evident that I have attempted to integrate a number of analytical approaches and disciplines. I have thus deliberately provided a number of background chapters to locate the frameworks.

A deductive approach to evaluating the frameworks has been discarded in favour of an approach which recognises the complex interdependencies between different systems and disciplines as well as the validity of diverse approaches. Rather than

drawing up a set of criteria to guide the analysis of the frameworks, I have therefore chosen to compare the frameworks by considering their engagement with key themes. The four comparative content analysis chapters allow for research findings to emerge during the *process* of analysis. These findings are then taken forward into the Conclusion. Here the discussion relates the chosen frameworks and their lack of coherence to challenges that face policy making systems in general and the political economy of South Africa in particular. The recommendations that flow are both broad in so far as they relate to the policy making system and specific where they relate to three policy frameworks that were analysed. Thus the analysis of policy making and policy content of the three frameworks is a research strategy to allow for reflections on the broader policy making environment in South Africa.

2.3 Choice of cross-cutting themes

In order to allow for a joint reading of the frameworks, the comparative content analysis has been undertaken through a discussion of four cross-cutting themes. The intention of this analytical device is to compare the frameworks' interactions and engagements with each theme. This is achieved by analysing the different frameworks according to a number of dimensions on each theme, including (but not limited to) the interpretations, definitions and principles employed in relating to the theme; value and opportunities identified in relation to the theme; and limitations and thresholds recognised with respect to the theme. This exposes the different approaches to development and areas where coherence does not exist.

In considering the three frameworks, a number of common themes are immediately apparent. Each framework seeks to address economic development, all have implications for social development, and each references the natural world – albeit with differing emphases. Furthermore, all three frameworks discuss institutional / governance considerations as they pertain to implementation and the broader environment.

Perhaps not coincidentally these four areas or themes – economic, social, ecological and governance considerations – happen to mirror the pillars, or systems, of sustainable development. Indeed, within sustainable development literature, economic and social development is recognised as impacting upon the natural system and these systems are thus seen as interacting and interdependent (Muller, 2006: 1042).

All four themes or elements are identified in sustainable development literature, one notable example being the Plan of Implementation of the World Summit on Sustainable Development (United Nations, 2002:2). Furthermore, the NFSD (DEAT, 2007:20) views these four elements as having a 'nested' relationship. In other words, all economic activity is seen as embedded within a social system which in turn is embedded within the eco-system (Muller, 2006:1042). The three systems are in turn underpinned by a system of governance. In this regard the NFSD (DEAT, 2007:20) states:

“We must acknowledge that social, economic and ecosystem factors are embedded within each other and underpinned by our systems of governance”.

Economic, social, ecological and governance considerations have thus been adopted as the themes through which to conduct the comparative content analysis of the three frameworks.

Although the methodological approach adopted in the dissertation is not deductive in the sense of establishing and imposing a rigid set of criteria according to which the frameworks are ‘assessed’, there is nevertheless a broader imposition of these four themes as a frame within which to compare the content of the three frameworks under consideration. In this regard, the fact that these themes mirror the sustainable development themes does, to a certain, privilege the approach of that framework. My position - one that I acknowledge - is that all development frameworks *should* consider these four systems in order to be able to engage with and respond to the challenges of a world made up of complex, interdependent and interacting systems. This view is articulated at various stages in the analysis that ensues.

In practice, given the complex interdependencies between the themes, reducing the content analysis to one discrete chapter for each of the themes has created certain analytical challenges. At times the separation that is constructed between the themes in order to allow for this analytical technique does not adequately capture the relationships and connections that exist in reality. Nevertheless, adopting this approach has been necessary in order to organise the analysis. Where possible I have attempted to highlight some of the linkages as they emerge from the analysis.

CHAPTER 3: WHAT, THEN, IS POLICY-MAKING?

Cloete et al. (2006:3) define policy as “a statement of intent”. They suggest that: “Policy specifies the basic principles to be pursued in attaining specific goals. Policy interprets the values of society and is usually embodied in the management of pertinent projects and programmes” (Cloete et al., 2006:3).

deLeon and Kaufmanis (2001: 9) suggest that the systematic study of public policy with the intention of applying its lessons, is a distinctly twentieth century and largely American phenomenon. Cloete et al. (2006: 64) point to the ancient roots of policy, but suggest that it was only after World War II that there was a major push to recognise policy analysis as a specialist social science.

Policy-making, as one of the policy sciences, is the *process* of developing policy. For Bullock et al (2001: 15) policy-making is “the process by which governments translate their political vision into programmes and actions to deliver ‘outcomes’ – desired changes in the real world”.

During the 1970s when policy studies ‘took root’ the ‘stages approach’ to policy-making was developed, later to become known as ‘the policy process’ approach (deLeon and Kaufmanis, 2001:10). These ‘stages’ were generally believed to include: policy initiation, policy estimation, selection, policy implementation, policy evaluation and policy termination (deLeon and Kaufmanis, 2001:10). This ‘stages approach’ was a dominant approach within the policy sciences for some time. Indeed, for many years policy studies were widely understood to follow this ‘general linear reality’ (Abbott in Howlett and Rayner, 2006:1).

“The dominant paradigm in texts on policy practice sees the policy process as an exercise in informed problem-solving: a problem is identified, data is collected, the problem is analysed and advice is given to the policy-maker, who makes a decision which is then implemented” (Colebatch, 2006: 309).

By the late 1980’s, however, theories and approaches which contested the ‘stages approach’ were being developed and many writers have since criticised this approach (Hill and Hupe, 2006: 558). Indeed there are now many different analytical approaches to policy-making. Cloete et al. (2006:36-44) have attempted to provide a classification of the various policy-making models, as follows:

- The elite/ mass model, which is based on the assumption that a “small, elite group (usually government) is solely responsible for policy decisions and that this group governs an ill-informed public (the masses)” (Cloete et al., 2006:36).
- The group model, in which different interest groups are involved in influencing policy making and “the outcome of public policy is seen as representative of an equilibrium reached in the struggle between groups” (Cloete et al., 2006:39).

- The institutional model which sees public policy as the product of public institutions and that “the structure of governmental institutions can have an important bearing on policy results” (Cloete et al., 2006:39).
- The social interaction model which includes models for “general participation, negotiation, mediation and conflict resolution” (Cloete et al., 2006:40).
- The systems model which identifies major subsystems and processes that impact on policy outcomes. It “focuses on the response by the political system to the demands and needs of interest groups” (Cloete et al., 2006:42). It sheds light on the relationship between political dynamics and policy making.
- The policy network and communities model in which policy decisions frequently are impacted upon by “negotiations between networks of policy stakeholders in different policy communities which may be either inside or outside the public sector” (Cloete et al., 2006: 43). Further, “This approach to policy decision making amounts to an expansion of the basic systems model to a higher level, combining it with some elements of the group competition and social interaction models. It is more holistic than some of the earlier, more narrowly focussed models like the elite, institutional and group models and presents a more accurate perspective of contemporary policy processes” (Cloete et al., 2006: 44).
- Chaos, complexity and quantum models which view systems as being in disequilibrium – and this applies to policy systems too. Within this broad category differences exist, one being that chaos theory is mechanistic and deterministic, while quantum theory is totally indeterministic. For quantum theory, in the place of reality, certainty and simple causality are “...intersubjectivity, uncertainty, context, many worlds and many minds, non-local causes and participatory collusion.” (Overman in Cloete et al. 2006: 46-7). The complexity approach to policy-making is returned to in the Conclusion.

This broad classification of policy making models indicates the many different views of policy-making that exist. It should be noted, however, that certain theorists defy such categorisation!

Paul Sabatier is an influential policy-making theorist, his own approach being the ‘Advocacy Coalition Framework’ (ACF) (Sato, 1999:28 – 30). This framework assumes that “actors can be aggregated into a number of advocacy coalitions composed of people who share a set of normative and causal beliefs and who often take coordinated action over time” (Sato, 1999:28 - 30). Groups compete to effect policy change by using political resources. In this way, Sabatier’s ACF has certain similarities with Cloete et al.’s ‘group model’ (2006:39).

Within the ACF, however, the group lobbying is mediated by intermediaries, known as policy brokers. Policy change ultimately occurs as a result of either the work of these advocacy coalitions or from other events in the system (Sato, 1999:28 -30). So in this respect it incorporates elements of both the ‘systems’ and ‘policy networks and communities’ models identified by Cloete et al. (2006: 42-44). The ACF has been criticised for not adequately considering the relationship between the various actors and changes in the environment. A particular criticism here is that it does not explain how government agencies are mobilised as part of coalitions (Sato, 1999: 29, 30).

Nicholson-Crotty (2005:341), who has built onto Sabatier's ACF, investigates strategic bureaucratic action in the policy process. Indeed, he argues that:

“...in order to minimise ... costs, agencies will compete directly with bureaucratic rivals over the content and character of public policy” (Nicholson-Crotty, 2005: 342).

Another model, the Institutional Analysis and Development Model (IAD) provides more insight into the effects of institutional arrangements within the policy process (Sato, 1999: 30) – sharing characteristics with the Cloete et al's (2006: 39) 'institutional model'. More recently, Hill and Hupe (2006: 557- 573) have used the IAD to develop a 'multiple governance framework' approach to the policy-making sciences. Yet another approach, also built on the ACF, developed by Mintrom and Vergari (Sato, 1999:30), argues for a Policy Entrepreneur model which talks about the effect of powerful individuals on the policy process.

Others, such as Linder and Peters (1990: 59) prefer adopting a revisionist approach to the 'stages approach' to policy-making, rather than discarding it all together. deLeon and Kaufmanis (2001: 9-12) also argue that the 'stages' or 'policy process' approach should not be totally abandoned, and that while having shortcomings, it also has advantages. One such advantage identified is that it accommodates lay knowledge into the policy process, whereas other, more rigorous models (and here they imply both Sabatier's model and his predilection for mathematical theory) do not (deLeon and Kaufmanis; 2001: 9-12).

C.E Lindblom (deLeon and Kaufmanis: 2001: 11) is quoted as arguing for the inclusion of “lay probing” and “muddling through” and “usable knowledge” within policy studies. deLeon and Kaufmanis concur:

“The study of public policy should not be restricted to an exclusive playground for academic theorists; if it is not allowed to “play in Peoria” – if citizens are not permitted to understand and even assume a role in what is happening - then one needs to wonder seriously as to what we are doing, why and for whom” (deLeon and Kaufmanis, 2001:12).

In relating theory to practice, in his article *What work makes policy?* published in 2006, Colebatch (2006: 309 - 321) explores the variance between the linear view of policy-making (the 'stages' / 'policy process' approach discussed above) and the actual experience of policy practitioners. It is worthwhile to examine his analysis in more detail. Colebatch (2006: 310) highlights that for many practitioners:

“The game changes as it progresses. New issues emerge: the interaction may produce changes in the valuation of alternative outcomes, and the most acceptable outcomes may not have been the intention of any of the participants.”

Indeed, Harvey (2001:6) suggests the following:

“...the goals of the policy sciences and their researches are inherently nonlinear in their formal structure and paradigmatic goals. That is, policy research seeks to discover ameliorative solutions to social problems in which small changes in the initial conditions of the life course of a person, a community, or an institution will produce great changes in the final outcome.”

Thus Colebatch and Harvey recognise that in complex systems, outcomes can not always be predicted.

Owens et al (2006: 635) highlight another challenge to the conventional linear view of policy making. They question whether the policy maker's objective of developing evidence-based policy is possible or desirable given the inherent reductionist dangers of simply translating science into policy. They do recognise that “official discourse” has now expanded notions of knowledge to include lay knowledge, evaluations, stakeholder opinions, Internet research etc. but question how to prevent “knowledge” from becoming crudely instrumental in delivering certain outcomes for those who can manage and/ or influence the policy making process. Owens et al. (2006: 636) also suggest that we need a better understanding of “the mechanisms through which knowledge comes to have influence, and the timescales over which such impacts become apparent”.

Colebatch (2006: 313), in seeking to reconcile/ understand the various views on policy making, proposes that there are different maps used by different participants throughout the different contexts of the policy process. He distinguishes three basic maps for framing policy making: policy as authoritative choice, as structured interaction and as social construction.

Authoritative choice is described in the following manner: “The essence of policy is the authoritative decision, and policy work is defined in relation to the decision: advice goes up, choices are made and handed down, and these choices are then implemented...” (Colebatch, 2006: 313). This has echoes of the elite/ mass model as described by Cloete et al. (2006: 36).

The problem with this ‘authoritative choice’ or ‘elite/mass model’, as Colebatch pointed out in his criticism of the linear sequential policy stages model, is that it is at variance with the experience of officials. Indeed, contradicting the authoritative frame, policy practitioners: “describe a world of multiple participants, diverse agendas, contest and ambiguity, and a policy process that can be characterised as structured interaction” (Colebatch, 2006:314).

In structured interaction the policy work is more about the construction and maintenance of relations amongst stakeholders, and less about advice per se. According to Colebatch (2006:314), policy workers often refer to this as “coordination”.

The third view - framing of policy work as social construction – “sees policy in terms of the way that concerns are recognised as worthy of collective attention and ways of dealing with them as appropriate... This directs our attention to the meanings given

to words, and the shared understandings behind them, and the way in which expertise is recognised and ‘technologies of rule’ developed” (Colebatch, 2006:314).

Tebensel in Colebatch (2006: 315) proposes that the different types of knowledge about policy should be distinguished: episteme – which asks: “what is true?”; techne asks: “what works?” and phronesis asks “what should be done?” He recognises that policy participants are unlikely to be equally skilled in all these types of knowledge while good policy work rests on all three types. Tebensel (Colebatch, 2006: 315) accordingly calls on policy workers to be “knowledge versatile” rather than specialists. Judgement is seen as a central skill in policy work.

In the same vein, Dunn in Cloete et al. (2006:15) provides the following definition of analysis:

“In policy analysis, the word “analysis” is used in its most general sense; it implies the use of intuition and judgement and encompasses not only examination of policy by decomposition into its components but also the design and synthesis of new alternatives”.

How, then, does one accommodate all the different accounts highlighted by Cloete et al. (2006: 36-44) and Colebatch (2006: 309-321)? Tensbensen (in Colebatch, 2006:318) argues that policy workers can only do their work well if they can mobilise different accounts as the occasion demands. This means that “the policy process is marked by overlapping accounts, ambiguity, and the construction and maintenance of shared meaning. Experienced policy practitioners, like experienced managers, have to develop a tolerance for ambiguity...” (Colebatch 2006: 318).

In this respect McKenzie and James (2004: 32) suggest that:

“If the thinking pattern of the manager is not able to operate on a rich fitness landscape it becomes a matter of pure chance whether the solution chosen is correct or not. It is therefore necessary to educate the perceptual capacity of the manager to increase his or her ability to perceive a rich fitness landscape.”

Parsons (in Colebatch, 2006: 317) takes this further. He argues that in a differentiated and changing world, it is doubtful that policy questions are reducible to single formulations of the problem or to single responses. He suggests that rather than seeking a single account, resting on centralised expertise and clear authority, policy development should rely on “imagination, intuition and experience rather than the great tool of coherence building, information” (Colebatch, 2006: 317).

In the same vein, despite the discomfort that competing views create, Lyotard in Cilliers (1998: 118) suggests that we “discard the idea of consensus since it is impoverishing”. To proliferate knowledge, we have to proliferate discourses without trying to fix them into a permanent grid.

In his conclusion, Colebatch (2006:321) describes these different pressures and views as creating a tension for policy workers between the 'sacred' account – which assumes coherence and authority and focuses on the outcome, and the 'profane' account – which recognises interest, context and ambiguity, and focuses more on the process and on learning to manage.

According to Colebatch (2006: 313):

“... there is a 'sacred' map which stresses instrumental rationality, and a 'profane' one which recognises partisan contest (Colebatch and Degeling, 1986)”.

Later:

“This means that good policy making in complex social, economic and political systems is about letting go, fostering innovation, creativity and diversity rather than just improving steering and weaving capacity” (Parsons, 2004:52 in Colebatch, 2006: 318).

The overview of policy making theory undertaken in this chapter indicates that there are various interpretations of policy making. For the purpose of this dissertation, and particularly Chapter 6 which discusses the actual policy making processes followed in the formulation of the three frameworks, a number of elements that influence policy making have been identified. These elements include:

- the broad context, as well as changes in that context;
- key agents such as policy brokers, government agencies, and powerful individuals (“policy entrepreneurs”);
- the relationship between these actors (coordination/ structured interaction);
- interest/ or advocacy coalitions in society;
- the relationship between knowledge (scientific and lay knowledge) and power, as well as the meanings and values attached to concepts by participants in the process;
- the versatility of policy practitioners and the judgement they exercise (which includes imagination, intuition and experience) as well as their ability to embrace innovation, creativity and diversity; and
- networks and systems.

Chapter 4, which follows, explores the first element identified above, i.e. the broad context. It describes the particular South African policy-making context by considering the performance of the state over the past 13 years, and by drawing attention to key societal debates and policy shifts over the period. This also amounts to a consideration of the *origins* of the policy frameworks, as identified as a key component of policy content analysis in Chapter 2.

CHAPTER 4: BACKGROUND TO THE FRAMEWORKS

In order to contextualise the three frameworks examined within this dissertation, it is necessary to identify and locate the major policy thrusts, and the performance of the state, since 1994. This provides the broad policy context against which the three frameworks have been developed. In this regard certain of the meanings and values attached to concepts by the state and various social partners (including the 'profanity' and contestation around these concepts) are highlighted.

4.1 MAJOR POLICY DIRECTIONS IN SOUTH AFRICA SINCE 1994

In the Preface to *Towards a Ten Year Review*, Netshitenzhe and Chikane (2003: 3) of The Presidency propose that after the transition to democracy in 1994, the state faced two core challenges. The first: the development of new institutions and new policy formulation. The second: dealing with the legacy of apartheid while integrating the South African economy into the global environment.

The first major policy thrust in 1994 to deal with these challenges was the Reconstruction and Development Programme (RDP). Its core objectives included the following: meeting basic needs, building the economy, democratising the state and society, developing human resources, and nation building (The Presidency, 2003: 2).

According to Ackron (2005:26), the RDP placed particular emphasis on: "...addressing economic imbalances and uneven development within and between South Africa's regions..." and the development of "broadly representative institutions" to "address local economic development needs" and to "formulate strategies to address job creation and community development...".

However in 1996 the RDP was deserted in favour of GEAR. Describing reasons for this, Swilling et al (2005: 23) identify two incorrect assumptions on the part of the state during the RDP era. The first: that high Foreign Direct Investment (FDI) levels would necessarily be attracted into the country if capital markets were liberalised. The second: that export-led growth would form the basis of a long-term growth trajectory for the country. In reality these did not transpire. Rather, the capital market liberalisation resulted in a volatile exchange rate. Thus GEAR was introduced in 1996 to bring some macro-economic stability (Swilling et al, 2005: 23). In particular GEAR was put in place "to deal with the inherited fiscal crisis and new difficulties pertaining to currency volatility and low investor confidence"(The Presidency, 2003: 32).

According to Ackron (2005: 27), core elements of GEAR included fiscal deficit reduction to contain debt service, inflation and to free resources for growth-inducing investment; consistent monetary policy; liberalisation of exchange controls; privatisation; introduction of tax incentives; and wage restraint on the part of organised labour. Hirsch (2005:100) recognises these elements but suggests that the most important element of GEAR was the "coordination of economic policy and

implementation within government, and between government and its 'social partners'". Here he appeals to the interpretation of policy as representing 'structured interaction' between interest groups.

Government (The Presidency, 2003: 2) and the African National Congress (ANC) are often quick to argue that the RDP and GEAR were not contradictory policies and that RDP was not lost, but rather elaborated upon to include more specific priorities of clusters and departments:

"We are not pursuing macro balances for their own sake, but to create the conditions for sustainable growth, development and reconstruction. The strategy for Growth, Employment and Redistribution (GEAR) is aimed at giving effect to the realisation of the RDP through the maintenance of macro balances and elaborates a set of mutually reinforcing policy instruments" (ANC, 2007: 3).

But many disagree. According to COSATU (2006:4):

"The Freedom Charter's economic vision, taken forward in the RDP, offers a radical programme for changing social and economic relations. With the adoption of GEAR this vision of economic transformation has not been taken forward. Economic reforms largely concentrate on making the economy internationally competitive"

In the same vein, Southall (2007: 201) describes the adoption of GEAR as:

"... a top-down shift away from the more collectivist Reconstruction and Development Programme".

Discussing the impact on the health sector from the adoption of the conservation GEAR, Schneider et al (2007:305) state that: "The shift from the RDP to GEAR also had a powerful influence, not only in limiting the availability of resources for transformation but also in establishing the overriding imperatives of fiscal restraint and the crowding out of other goals".

GEAR is thus criticised for what critics view as its over-emphasis on monetary and fiscal policies, at the expense of other, broader, societal goals. Adam Habib (2004:3,4) sums up his perspective as:

"This program, known as the Growth Employment and Redistribution Strategy (GEAR), has ... not only had negative consequences for poor and marginalized people in South Africa, but it has also compromised the outcomes of the raft of other progressive legislation".

Here the point is made that contradictory policy prescriptions can undermine each other. The tension between Government's macroeconomic stance and its perceived policy failures highlight a central area of contestation in South Africa. This contestation forms the 'profanity' that policy makers face as part of the backdrop to

the development of new national policies –particularly those that deal with ‘development’, such as the three frameworks considered within this dissertation.

In providing an overview of Government policy over the past ten years, the South African Communist party (2006: 22) describes three distinct phases in the thinking and energy of the state since the dropping of the RDP in 1996:

- macro-economic policy as the assumed central public sector driver of growth (1996-9),
- privatisation as the key catalyser of growth (1999 –2002),
- public sector infrastructural investment to “lower the cost of doing business” – state capitalism - as the key catalyser (2002 to the present).

Indeed, since 2004, having attained a measure of success in “stabilising” the economy, (although other ‘indicators’ of the economic performance of the country may not have been as positive - unemployment levels and the Gini coefficient, amongst others), the focus of the state appears to have been that of catalyser. Mbeki’s second term has returned the emphasis to a larger role for the state in society (Mbeki, 2004; Mbeki, 2005; Mbeki, 2006; Mbeki, 2007). Government (Manuel, 2007a) is quick to argue that this has been made possible due to the fiscal austerity of the recent past, resulting in the bigger budget. Certainly, since the early 2000’s, a more expansionist budget has been possible; as the economy started to grow, corporates made increased earnings and thus contributed more to the tax base, South African Revenue Service activities became more effective, and more tax payers entered the tax net (Manuel, 2007b).

Nevertheless, Habib (2004:6) suggests that the more interventionist stance on the part of the state in its current period as demonstrated through its expansionist and pro-poor policies is contradicted by the continued neo-liberal macro-economics. Chapter 4 refers to this tension between the orthodox and more progressive economic camps in government particularly with respect to its influence on the policy making processes of the three frameworks.

In discussing Mbeki’s State of the Nation Address in 2004, Habib (2004: 6) has the following to say:

“...he laid out a comprehensive set of policies and targets that would facilitate service delivery and address the poverty that so many of South Africa’s people are mired in. But he did more. He announced plans that herald a far more state interventionist strategy to regulate the formal economy, and condition its evolution in a direction that would lead to higher levels of employment (Mbeki, 2004a). Much, however, can be read by what was not said. The President remained silent on the rigid fiscal policy, on the commitment on financial and trade liberalisation, on the narrow focus of our monetary authorities on inflation, and even on privatisation. As a result he signalled a contradiction in the state’s policy ensemble...much of the economic policy choices of post-1996 South Africa will remain.”

So although the state is deliberately investing more in social services, infrastructure and a targeted economic strategy, some of the fundamental economic assumptions and approaches established during the 1990's, have remained firmly in place.

Government has recognised that the growth of the past ten years has not brought an equal sharing of its spoils (Mbeki, 2007). Sharing the growth is a major thrust of the work of government through its budget ramping up on skills development, implementation of broad-based black economic empowerment charters, infrastructure development and enterprise development, and, most recently, the announcement of a social security tax and wage subsidy (Manuel, 2007a).

Announced in 2006, and championed by the Deputy-President Phumzile Mlambo-Ngcuka, AsgiSA – the Accelerated and Shared Growth Initiative of South Africa – has become the vehicle through which barriers to growth have been identified and through which these will be addressed (The Presidency, 2007a:2). AsgiSA should not, however, be confused with a macro-economic policy. It is, if you like, a basket of specific priority programmes and projects of government, focussed on speeding up (hence the accelerated description) and the more equitable sharing of South Africa's economic growth. It is an "initiative", "not a government programme" (The Presidency, 2007a: 4).

AsgiSA is the vehicle through which the state hopes to achieve its Vision 2014. Vision 2014's primary targets are a 6% average annual GDP growth rate (from 2009), and halved unemployment and poverty (by 2014). This Vision 2014 stems from the ANC's 2004 election manifesto (ANC, 2004). Within AsgiSA (The Presidency, 2007a: 3), six binding constraints on the economy have been identified and taken up as the crux of the work:

1. The relative volatility of the currency
2. The cost, efficiency and capacity of the national logistics system
3. Shortages of suitably skilled labour, and the spatial distortions of Apartheid affecting low-skilled labour costs
4. Barriers to entry, limits to competition and limited new investment opportunities
5. The regulatory environment and the burden on small and medium enterprises
6. Deficiencies in state organisation, capacity and leadership

A group of South African and international economists - also known as the Panel for AsgiSA or the Harvard Panel - are currently advising the state on AsgiSA (The Treasury, 2006a). Frankel et al (2006:56) (part of the Panel), identify a number of problems with AsgiSA:

"First, that there is little evidence in the program suggesting that firms will have an incentive to increase investment in the magnitudes required. Second, that it seems to be a program focused on capital deepening when international experience suggests that this is not where the key to growth accelerations lies, more so when even the recent South African experience suggests that capital deepening has not been the most important driver of growth. Finally, that there is no clear explanation of how the resources for the

financing of such an ambitious investment program will be obtained without worsening external imbalances” (Frankel et al, 2006: 56).

Rodrik (2006: 22) – also part of the Panel - suggests that monetary policy must be used to affect the exchange rate and thus support manufacturing, which he believes has underperformed but provides the best potential for employment in South Africa.

Despite these technical criticisms, on an ideological level AsgiSA demonstrates that the focus of government has shifted back towards a state-led approach to development and growth. Considering the changes in policy direction from 1994 to present, it appears that the state moved first from a popular developmental vision, as articulated through the RDP, to adopting elements of a neo-liberal orthodox economic approach of prioritising fiscal restraint attractive to political and economic elites (in GEAR). (In this regard Swilling et al (2005: 10-11) point out that one should not simplistically label the GEAR policy as typical neo-liberalism, given certain unique characteristics of the South African situation. They call for a more nuanced reading of the situation).

The current new vision of developmentalism as expressed in AsgiSA does not, however, eschew capitalism as the driver of growth. Nor does it question macro-economic growth's ability to bring about employment and equity. It also maintains a strong emphasis on inflation targeting. This is evidenced by the successive interest rate hikes in 2006 and the first half of 2007 (South African Reserve Bank, 2007). It is not clear if the aggressive inflation targeting approach will continue, given Rodrik's (2006: 22) proposals, nor Mbeki's own assertion on exchange rate management in the 2007 State of the Nation Address (Mbeki, 2007) and the reference to the volatile exchange rate within AsgiSA (The Presidency, 2007a:3).

A notable policy 'space' opening up is in the arena of social security. Although not advocating a basic income grant, which has been called for by many social partners for many years (for example see Legum, 2007; Guy, 2007), Finance Minister Trevor Manuel announced plans for a social security net in his 2007 budget speech (Manuel, 2007a). COSATU (Guy, 2007) is not supportive of the move to institute a wage subsidy, however, as they suggest that this will "reward employers who underpay their workers and encourage them to get rid of these young workers as soon as the subsidy expires, or be used to displace older workers while doing very little to create quality jobs that will help the country eradicate poverty."

At the recently concluded ANC policy conference, the basic income grant was again discussed and some general agreements about extending the social security nets were reached (Pressly, 2007:1).

The new developmental vision, as espoused in AsgiSA and the PoA, is one in which the state has indicated it will lead investment in the economy in order to provide the necessary infrastructure for the private sector to expand and to facilitate private investment. This will occur largely through its capital expenditure programme, which includes the provision of new, and the upgrading of existing transport, energy, and

communications' infrastructure, amongst other initiatives (RSA Government, 2007c). The capital expenditure programme is discussed in more detail in Chapter 9.

The recognition that the state should play a coordinating role in the economy can be seen as a shift away from the dominant neo-liberal position of the 1990's in South Africa. In this regard Ha-Joon Chang (2005) commented on the shift he had perceived in the South African economic landscape since the mid late 1990's, when his economic recommendations regarding a stronger role for the state were not well-received. He indicated that the recent political embrace of an explicit industrial policy is thus a notable departure from the economic orthodoxies that dominated in South Africa in the mid-1990's. These ideological shifts, as well as the ongoing debates in this regard, will be returned to in Chapter 6 in the context of the frameworks' formulation processes.

Assessing the State's performance

Assessing how the state performed between 1994 and 2006, Southall (2007:1) indicates that there is widespread agreement that major economic and social progress has been made. Indications of progress often cited by government (Mbeki, 2006) and other commentators (Manuel, 2007) alike include, inter alia, consolidation of political democracy, fiscal discipline, the consistent GDP growth rate, delivery of infrastructure and social services to the poor and integration into the world economy.

The Macro-Social Report (The Presidency, 2006:9/10) indicates:

“Income poverty alleviation by the State has happened mainly through the system of social grants, with expenditure and the number of beneficiaries having increased more than threefold since 1994.

Human capital poverty alleviation has taken the form of programmes in the areas of education, health, water, sanitation and electrification. These have quantitatively and qualitatively improved the lives of millions.

Asset capital poverty alleviation, through the housing and land programmes, has seen massive resources transferred to individuals and communities.

However, the legacy of Apartheid remains huge, with millions still unable to access such basic necessities as clean portable water, electricity and shelter”.

Nevertheless, commentators, including recently Mbeki (2007) himself, recognise that serious challenges still face our democracy. Most recently the President has spoken of containing and addressing that which is “ugly and repulsive in society” (Mbeki, 2007). Media and political commentators (Guy, 2007) have reflected that this refers both to the high crime levels, but equally to the continued poverty and destitution facing many South Africans.

Southall (2007:5) believes that although causes and historical circumstances might pre-date 1994, these deep-rooted challenges could be viewed as policy failures of

the new democratic state. Adelzadeh (2005) also suggests policy failure. On examination of the South African performance in the past ten years, he (Adelzadeh, 2005) asserted that South Africa's stabilisation-led policies have resulted in neither the traditional investment-led growth path nor the equity-led growth path. He suggests that policies now need to be directed towards coherent, comprehensive and sustained support to deal with poverty (Adelzadeh, 2005).

Gqubule (2007: 8) agrees and sums up the situation as follows:

“According to the standard discourse, the economy is well-managed. The 1996 Growth Employment and Redistribution strategy (GEAR) produced macro-economic stability – a low budget deficit and inflation rate. However, the ultimate indicators to evaluate the success of economic policy are not the budget deficit or the surplus or the inflation rate. They are the rise of average living standards and the visible reduction of poverty, unemployment and inequality, which are the real macroeconomic fundamentals”

In considering the performance of the democratic state, Swilling et al (2005: 2) state that “the single most striking feature of post-1994 South Africa is that despite the general picture described above of rising levels of state expenditure on social and economic services, coupled to ambitious institutional projects to mobilise resources for development, poverty has nevertheless increased. According to the authoritative UNDP Human Development Report:

“Poverty gap, which reflects the depth of poverty ... has increased between 1995 and 2002, especially when using lower poverty lines.”(Swilling et al, 2005:2).

It is against this backdrop of the reality of progress against certain traditional economic indicators, but also of entrenched, complex and protracted challenges of poverty and development, and the state's recommitment to “developmentalism”, that the three policy frameworks should be analysed. The content of the three frameworks demonstrates that the state is beginning to consider and, to a limited extent, accommodate certain of the critiques emerging both from within its ranks and from across society. The frameworks have been shaped by this environment of ‘muddling through’ and contestation (the ‘profanity’ described in Chapter 3). The contradictions and lack of coherence that are evident in the comparison of the frameworks are testament, however, to *ongoing* contestation. This ideological contestation does not provide a clear overarching vision in which to locate the various policy-making processes of the state. This assertion will be returned to in the conclusion.

Chapter 5, which follows, moves from a discussion of the specific South African situation to a consideration of broader global debates around ‘development’.

CHAPTER 5: DISCUSSING 'DEVELOPMENT'

This chapter contains a discussion on and comparison of the concepts of 'sustainable development', 'local economic development' and 'industrial development' – against the backdrop of the 'development' discourse. This is undertaken through a limited literature review.

The overview of the 'development' debate draws attention to the global contestation around this concept, which is also part of the backdrop to the three frameworks. Indeed, each framework rides on interpretations and meanings attached to the concept of 'development'.

5.1 DIFFERENT DEVELOPMENTS?

The discourse on development is complex terrain. It is potholed, mired in historical failure and as unstable as shifting sand. But, as Nederveen Pieterse (2000: 187) puts it, we cannot desert development as this would mean accepting the world as it is, and that is not an option:

“Nowadays the ambition to 'change the world' meets with cynicism – because of the questionable record of several development decades, doubts over social engineering and rationalist planning as exercises in authoritarianism, and over modernism and the utopian belief in the perfectability of society. Yet all this does not alter the necessity to 'change the world', nor does it alter the fact that development is about changing the world, with all the pitfalls that involves...”

For Ted Trainer (2002:54-57), the main problem with 'development' arises when it is equated to growth. The assumption that development and growth are synonymous relies on the notion of trickle down benefits to the poor (to achieve 'development' through growth). History shows this has seldom manifested in any substantive fashion if left to the working of markets. Some theorists (see Trainer, 2002: 56 for more on this) and practitioners propose therefore that redistribution be included, as an additional element to a development strategy.

Ted Trainer (2002:59-61) goes on to suggest however that this recognition (that growth alone does not deal with equitability) still does not go far enough in acknowledging that development (if understood to be the same as growth) has contributed to the very problem it is trying to address. Put more simply, in his view, economic growth through global capitalism creates inequality and economic marginalisation (Trainer, 2002:59-61). Thus it cannot be expected to fix the challenge it creates. Poverty and inequality are seen as consequences of the kind of growth that occurs as a result of the structure and workings of the global economy. This view was also articulated by Professor Palagummi Sainath (2007) on SAFM on 29 June

2007, in the context of his visit to South Africa to speak at the South Africa-Netherlands Research Programme on Alternatives in Development conference.

Recognising the pitfalls of equating development with growth, Dresner (2002: 101) suggests that the 'development' discourse since the 1990's has advocated a new approach which sees development as peoples' ability to lead the lives they value. This is known as "human development". In this conception of development, the conventional wisdom that wealth creates happiness is also contested. This view proposes that the conventional development model conflates the improvement of quality of life with an affluent consumer lifestyle (Dresner, 2002: 74).

The theoretical debate around 'human development' is complex. Timothy Wise in Harris et al (2001: 49 –51) outlines the United Nations Development Programme's (UNDP) current approach to human development as having moved from a consideration of basic needs to a view of human development as a process of enlarging people's choices. Three essential levels of development in this approach are:

- A long and healthy life,
- The acquisition of knowledge, and
- Access to resources for a decent standard of living.

For Mahbub ul Haq (in Harris 2001:59-60) the four essential elements of 'human development' are equity, sustainability, productivity and empowerment; while Amartya Sen (in Sneddon et al, 2006:262) sees development as freedom. According to Sneddon et al. (2006:262) Sen makes the "normative claim that development is ultimately about freedom (e.g political rights and responsibility, economic and social opportunities, transparency guarantees in social interactions)...". Sen also critiques the "opulence-oriented approach to development" (Sneddon et al, 2006:262) discussed earlier.

Of the three frameworks considered later in this dissertation, the NFSD is the only framework that explicitly defines "development" for its purposes. The following excerpt is taken from that document.

The National Framework for Sustainable Development defines **development** as a process that results in the qualitative improvement in human well-being, which, in turn, is achieved via access to infrastructure and services, education and enhanced skills, empowerment via secure livelihoods and cultural development, decent health care and welfare support. **Material economic growth** (as measured in terms of Gross Domestic Product) is defined as the quantitative material expansion of physical infrastructure, capital assets of various kinds, economic resources, intellectual and institutional capital. Material growth is a necessary condition for development up to a certain point, beyond which development can occur at a rate that is faster than material economic growth. In fact, material economic growth can eventually be close to zero, while development can expand against a set of sustainable development and quality of life indicators. The opposite is also true: excessive material economic growth can undermine development by exacerbating poverty and degrading ecosystems. Non-material growth and development is achieved by reducing the "total material requirements of the economy" – what is more commonly known as "dematerialization. (NFSD, 2006, page 64)

In order to achieve 'human development', a number of theorists have proposed alternative ways of living (see Max-Neef, 1991; Shuman, 1997:31-82; Trainer, 2002:54-72; Norberg-Hodge, 2002; Korten, 1995; Henderson, 1999: 21-60). What they have in common is a focus on people meeting their own needs through contributing and controlling their own productive efforts – which allows for a measure of self-reliance. This involves practicing community-based decision making and participation; applying local resources and technologies in an ecologically sound manner; building local economies; rejecting one-dimensional and simplistic views and solutions to the challenges of poverty and development; and striving for satisfactory and sufficient but materially simple living standards as distinct from the Western consumer lifestyle.

It is against this moving debate on 'development', and the many criticisms levelled at conventional approaches to it, that the three frameworks are located. Indeed, the terms "sustainable development", 'industrial development', 'local economic development' all hang on interpretations of this contested word - 'development'. But there are differences in how the challenge of development (in practice) and the term (in conceptualisation) manifests across the frameworks.

I would argue that in a superficial reading, sustainable development is about '*how to do*' development, 'industrial development' refers to *what is being developed* (industries), and 'local economic development' refers to *where development should take place*. Thus, for each term, the descriptors of 'sustainable', 'industrial', and 'local economic' provide some pointers for orienting policy makers' understandings of their frame of reference and subject of application.

If one takes my superficial reading above in terms of the focus of the three descriptors, in my view it is sustainable development that immediately lends itself to the most contention. 'How one should develop'– opens up questions about what sustainability involves, what is important, what outcomes are desired, what processes are acceptable, and for whom, and when, at what cost, come into play. And, as discussed below, sustainability is also (like 'development') a deeply contested concept.

5.2 SUSTAINABLE DEVELOPMENT

Hattingh (2001:9) proposes that in order to understand the ideological positions and moral content contained within an approach to sustainable development, four key questions should be asked. These are:

1. What is so valuable that it should be sustained?
2. With a view to whom or what is the sustainability of this valuable something pursued?
3. How is sustainability pursued?

4. What are the criteria for sustainability – so that the question can be answered whether and when we have reached a state of sustainability?

Hattingh (2001:2) also highlights certain criticisms of sustainable development. He views the term as vague or ill-defined, and therefore not practical operationally. He also believes it can be (mis)used as a foil for development along current lines, thus not leading to real and qualitative changes in practice. In addition, radical views consider the term to be internally incoherent (Hattingh, 2001:2).

Wackernagel and Rees (1996: 33) also identify a number of reasons why the concept of 'sustainable development' is treated with suspicion. For them, the term is contradictory, vague, and treacherously ambiguous, subject to ideologically contestation and operationally-challenged (Wackernagel and Rees, 1996: 33).

It appears, therefore, that any national framework for 'sustainable development' cannot avoid controversy. Readings of the concept are so varied and so deeply challenged, that the importance of the contents of such a framework may be lost in the 'noise' around the concept and perceptions thereof. In my view, sustainable development as a concept has little meaning or value outside of its particular context. Although 'industrial development' and 'local economic development' are also absolutely tied to context and time, they appear to be less mired in controversy.

Nevertheless, despite the many criticisms that are levelled at the concept of 'sustainable development', certain theorists (for example Hattingh, 2001:3; Sneddon et al, 2006: 253-268) propose that the term is too important to discard. Rather, they suggest that we need to clarify the concept within the context in which we use it, while remaining aware of problems with the term.

Within the NFSD, the vision for Sustainable Development was arrived at through a process of consultation with various stakeholder groups and has been defined as follows:

“South Africa aspires to be a sustainable, economically prosperous and self reliant nation state that safeguards its democracy by meeting the fundamental human needs of its people, by managing its limited ecological resources responsibly for current and future generations, and by advancing efficient and effective integrated planning and governance through national, regional and global collaboration” (DEAT, 2006: 13).

It is noted in this regard that the NFSD has taken heed of Cloete et al's (2003: 3) assertion that sustainability should be conceptualised holistically to include political, institutional and managerial dimensions, in addition to environmental and socio-economic dimensions.

5.3 INDUSTRIAL DEVELOPMENT AND INDUSTRIAL POLICY

When it comes to industrial policy, although there are debates about whether industrialisation is desirable in and of itself- and criticism comes from proponents of ecologically sustainable development (such as Hawken et al, 1999) as well as proponents of people-centred (as opposed to industry- or economy- centred) development (such as Douthwaite, 1996; and Norberg-Hodge, 2000) - the intention of an industrial policy is relatively clear. Broadly speaking, it refers to government's strategy for economic development through industrialisation.

Indeed the core objective of the NIPF is: "to set out government's approach to South Africa's industrialisation trajectory and hence help align both private and public sector efforts towards this end" (the dti, 2007: 7).

Industrial policy is one means by which the state can play a role in economic development. Ha-Joon Chang (2002b: 112) refers to it as "policy aimed at particular industries (and firms as their components) to achieve the outcomes that are perceived by the state to be efficient for the economy as a whole". This is echoed in the President's recent indication of the sectoral development work (industries) that must occur in the context of a national industrial policy framework (Mbeki, 2007).

Certain theorists, such as Ha-Joon Chang (2002a: 127,128) believe that although history shows that industrial policy has been present for many years in the developed world, they (that is, the developed world) seldom recommend such an approach for the developing world.

Economists such as Rodrik (2004:1) argue that the public sector must provide a strategic coordinating role to allow for private action. Rodrik (2004: 2) states: "it is increasingly recognized that developing societies need to embed private initiative in a framework of public action that encourages restructuring, diversification and technological dynamism beyond what market forces on their own would generate".

Thus, industrial policy requires the role of business and the relationship between business and government to be explored more carefully. Rodrik (2004:1-57) and Menocal (2004:765 - 777) both refer to the close relationship that must be in place in order for mutual learning to take place. Quoting Evans, Menocal (2004: 772 - 776) refers to the nature of the ideal relationship as "embeddedness" while Rodrik (2004: 3) speaks of "strategic collaboration". These notions will be returned to in the Chapter 10, wherein I discuss institutional and governance considerations.

The value of industrial policy is not necessarily only in its implementation, but also in the process of its development. Rodrik (2004: 3) suggests that "the analysis of industrial policy needs to focus not on policy outcomes –which are inherently unknowable ex ante – but on getting the policy process right". Discussion, problem solving and learning through dialogue between private and public interests leads, in his opinion, to a discovery process (Rodrik, 2004: 3). In this regard, Ha-Joon Chang (2002b: 124, 125) claims that common to all forms of industrial policy is strategic

uncertainty – and that the state’s role in this regard is to provide credibility, fairness and flexibility.

In this regard the policy processes that were followed for the formulation of the frameworks, including the extent to which those processes allowed for engagement between public and private actors, are discussed in Chapter 6.

Despite my earlier suggestion that sustainable development is about “how”, industrial development is about “what” and local economic development is about “where”, it appears that certain leading theorists in the field of industrial policy making are insistent that it (industrial policy) should also be about “how”. Thus industrial policy also has a strong process-related aspect. It is from within the process of developing industrial policy that much of the value of and direction given to the policy should emerge.

5.4 LOCAL ECONOMIC DEVELOPMENT

It appears that this is also true for local economic development (LED). According to the Bertlesmann Foundation and World Bank in Ackron (2005: 2), local economic development is “the *process* (my italics) by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation in pursuit of a better life for all”. Like sustainable development and industrial development, the emphasis is on “process”. According to Ackron (2005:2), “LED is not a thing we do, but a way we do things”.

He (Ackron, 2005: 4) identifies the following essential features of the LED approach:

- A bottom up approach
- Building local developmental coalitions through networking
- An institutional not an organizational approach
- Focusing of community resources toward resolution of community issues
- Mobilization of community capital in support of community economic development
- A revised role for government in development
- A more businesslike approach to development
- Community advocacy and heightened competition between communities

Helmsing (2003:69) distinguishes between three main categories of LED initiatives:

1. Community economic development: which is focused around facilitating household diversification of economic activity.
2. Enterprise development: which is concerned with specialisation and overcoming obstacles towards specialisation in a market context.
3. Overall planning and management of economic and physical development of an area (locality development).

Rogerson (2003:1) characterises the traditional practice of LED as comprising four key components: competitiveness of localities, the enhancement of growth (here he talks about property-led development), supporting job creation (through business

retention and SMME development), as well as community development (such as community enterprises and cooperatives).

Nel, (2001: 1004) in reviewing the current status of LED in South Africa, suggests that:

“LED is one response to the so-called development impasse ... and has parallels with the anti-development argument about the need to focus on innovative grassroots movements (Escobar, 1995)”

For Rogerson (2003:8-12), in the past, LED in South Africa has not been based on this “innovative grassroots movement” approach, but has had a distinct neo-liberal flavour. He now sees a move towards pro-poor and community-led development but believes that in reality the South African approach to LED accommodates elements of both market-led and market-critical approaches. This characterisation of LED will be considered in more detail as it pertains to the NFLED in Chapter 6.

Nel (2001:1006) suggests that in promoting and implementing LED, partnerships are critical, as is trust, cooperation, resources and leadership. I will return to a discussion of these implementation considerations in Chapter 10.

This chapter’s overview of the concepts of ‘development’, ‘sustainable development’, ‘industrial development’ and ‘local economic development’ has highlighted areas of conceptual contestation. This contestation adds to the complexity of the environment in which the three policy frameworks were developed.

Chapter 6, which follows, considers the actual policy making processes undertaken in the development of each of the three frameworks. It illuminates the different approaches to the process of policy making, and highlights certain of the policy-making elements that ‘played out’ in the final selection of content for each of the frameworks.

CHAPTER 6: INTRODUCING THE FRAMEWORKS

The literature review in Chapter 3 of this dissertation outlined various elements that exert an influence on policy making, including the policy context. Chapters 4 and 5 provided a broad overview of the policy making context which informed the frameworks' development. Certain areas of contestation were identified in both of those chapters, particularly around the meanings and values attached to economic policy choices, and the concept of 'development'.

This chapter examines the actual sequence of events that culminated in the policy-making 'products': the frameworks. In addition to depicting the policy-making processes from a linear, sequential perspective - an approach which Chapter 3 clearly indicated does not accurately reflect the complex reality of policy-making - other policy-making elements have been highlighted.

The discussion in this chapter is based on interviews with certain policy entrepreneurs involved in the policy formulation processes. In the case of the NFSD it is also based upon the text contained within that framework. The NFSD is the only framework of the three that extensively details its process of development.

Table 1, over the page, indicates the timelines, formal processes and policy-making events that characterised the policy making processes for each of the frameworks. As the discussion in this chapter reflects the views of a few individuals who played significant roles in the formulation of the policies it is highly subjective and open to interpretation. Nevertheless, the interviews have allowed for the identification of certain important elements that exerted an influence in each of the policy formulation processes.

A discussion of the findings of the interviews follows Table 1. It describes certain of the elements that contributed to the final policy products from the point of view of the respondents and allows for a comparison of these elements to be made across the policies.

TABLE 1: POLICY MAKING PROCESSES CHARACTERISING THE PRODUCTION OF THE THREE FRAMEWORKS

	NFSD	NFLED	NIPF
<i>POLICY-MAKING INITIATION DATE AND INITIATING MANDATE</i>	<p>August 2002: Forum of South African Director-Generals Management Committee mandated DEAT and DFA to formulate a national strategy for sustainable development.</p> <p>2004: Preparatory work in this regard resulted in a Cabinet memorandum being submitted and adopted.</p> <p>DEAT was later confirmed as the lead department in development of a National Strategy for Sustainable Development (NSSD) in 2004.</p> <p>A specific instruction in this regard was that the NSSD was to be developed through a consultative and participative process which incorporate various 'voices'. It also instructed that the resultant NSSD was not to be a 'super-policy' but rather a 'framework that builds upon existing programmes and strategies'.</p>	<p>LED discussions started in 1998. At least 4 versions of the document were developed between 1998 and 2005.</p> <p>There was initially a debate between the dti and DPLG about which department had the mandate for LED.</p> <p>Finally it was agreed that the DPLG, as the national department accountable for local government, should formulate the policy framework on LED.</p> <p>In mid-2006 a final process for the development of a National Framework for Local Economic Development was initiated by DPLG.</p>	<p>There have been various guises of industrial policy since 1994 (e.g. the Integrated Manufacturing Strategy) but none has been formally or explicitly labelled the 'industrial policy' and approved by Cabinet as such.</p> <p>When Minister Mphahlele joined the dti in 2004 there was an explicit instruction to develop an industrial policy. This was also influenced and supported by internal thinking along those lines.</p> <p>There was no formal initiating date, but a workshop in late 2005 brought together internal and external stakeholders to mobilise and stimulate debate on the idea of industrial policy. This workshop included representatives from government, civil society, labour, business, and local and international academia.</p>
<i>FORMAL REFERENCE/ STEERING/ WORKING GROUPS</i>	<p>August 5 2005: A National Roundtable Workshop was held on the NSSD. This included stakeholders from government, parastatals and investment agencies, research agencies, provincial and local government, international agencies, organised business, large companies and non-governmental organisations.</p> <p>This workshop proposed the key methodology of using long term trends in order to provide content to the NSSD. A specialist research team was commissioned to write papers that described the long term trends, related policy initiatives and connections to policy related fields.</p>	<p>The final policy framework was led by the DPLG with contributions made over a number of years by a range of stakeholders.</p> <p>In 2004, a core group of South African Local Governmental Association (SALGA), dti, DPLG wrote much of the text over the period of one week. The Sustainable Development Community Investment Programming (SDCIP) approach was only added in 2006.</p>	<p>Various iterations of the NIPF were written internally within the dti. The dti also steered the process.</p> <p>In addition, an internal reference group as well as an external experts group was set up in early 2006. These groups were convened around the initial drafts of documents.</p>

	NFSD	NFLED	NIPF
FORMAL REFERENCE/ STEERING/ WORKING GROUPS (CONTINUED)	<p>These papers were then discussed at various national and sectoral workshops and by an Academic Review Panel from the universities.</p> <p>DEAT also set up a Government Steering Committee comprised of representatives of all national departments, provincial government and other organs of state.</p> <p>Five pathways to Sustainable Development were identified during a workshop between the drafting team and DEAT. These were tested against various steering committees and review panels.</p> <p>Five separate chapters were written and distributed in the 8th June version of the NSSD.</p> <p>Written comments were solicited from the various parties consulted during the process.</p>	<p>A formal reference group was involved throughout the process. This is referred to in the Minister's foreword in the NFLED as the Government Steering Committee. This committee was formerly known as the Provincial LED forum and included members of all three spheres of government as well as participation from a number of national departments including the dti, DPLG, Treasury, Department of Water Affairs and Forestry, Agriculture. SALGA also played an important role.</p> <p>This Government Steering Committee was also informed by municipality and community forums, which allowed for the lessons from LED work on the ground to be fed into the national process.</p>	
FORMAL CONSULTATION PROCESSES	<p>A series of National Consultative workshops were held.</p> <p>This was followed by an additional workshop. Thereafter key social and economic policies that were likely to be affected by the trends research were identified.</p> <p>Feedback was received from all groups on the Trends Analysis.</p> <p>The draft NFSD was made available for public comment on the DEAT website: www.environment.gov.za</p>	<p>A variety of small workshops were held with various interest groups in 2005/ 2006. The final policy formulation phase was launched at a national conference in August 2006 workshop attended by 600 donors, government officials, civil society institutions and academics.</p> <p>The draft NFLED was made available for public comment on the DPLG website: www.dplg.gov.za</p>	<p>The framework was presented to organised business and labour at National Economic Development and Labour Council (NEDLAC).</p> <p>In addition to extensive consultation within government, the NEDLAC presentation, expert reference group, the NIPF was also presented to Congress of South African Trade Unions (COSATU).</p> <p>However the framework was not made available to the public for inputs or comments.</p>

	NFSD	NFLED	NIPF
<i>POLITICAL ENDORSEMENT/ ACCEPTANCE PROCESSES</i>	The framework has yet to be endorsed by Cabinet.	<p>Prior to the August 2006 conference, the draft had received approval from political leadership in the DPLG.</p> <p>The framework was taken to the Economic Cluster twice. It faced some contestation from the Cluster, particularly from the dti.</p> <p>The Parliamentary committee also reviewed the document.</p> <p>It was approved by the Cabinet committee in 2006.</p>	<p>It was taken to a Cabinet Committee in October 2006, then to the Cabinet Legotla in January 2007 at which point the instruction was given that actions should be included in the framework. Thus the Industrial Policy Action Plan (IPAP) was developed and together with the NIPF presented to and accepted at the Cabinet Legotla in July 2007.</p> <p>The document was released to the media and the public in the first week of August 2007. A provincial road show will follow.</p>
<i>PRODUCTION OF DRAFT FOR COMMENT</i>	8 June 2005. 15 September 2006	An electronic copy of the draft was available electronically on the DPLG website from late 2006 to mid-2007.	No drafts were published for public comment
<i>FINALISATION OF FRAMEWORK</i>	A final stakeholder workshop is planned for August. Thereafter the NFSD will be finalised.	The framework has been finalised.	The framework has been finalised (July 2007)
<i>PROGRESS AGAINST IMPLEMENTATION</i>	No progress as framework is still being finalised.	<p>The SDCIP approach has received considerable support outside of the DPLG. Implementation is taking place through partnerships and networks.</p> <p>A concern is that municipalities still don't have enough capacity to execute LED. This relates to general capacity challenges facing municipalities.</p>	The Industrial Policy Action Plan (IPAP) is currently in implementation. It largely mirrors the Programme of Action (PoA) for the Economic Cluster. This reflects a deliberate approach to coordinating and aligning the work.

6.1 DISCUSSION OF THE THREE POLICY MAKING PROCESSES

The discussion below describes and compares the viewpoints of the policy-makers that were interviewed regarding their policy-making experiences.

Initiation date and mandate

Each of the frameworks was initiated through processes that occurred over a number of years:

- Prior to the NIPF, the dti had developed the Integrated Manufacturing Strategy - an industrial policy of sorts, although not labelled as such.
- In the case of the NFLED, the final framework was preceded by many other versions of the document. These iterations of LED policy were mainly internal to the DPLG.
- The final push to develop the NFSD was preceded by preparatory work and a Cabinet memorandum.

Participation and consultation

The NFSD and NFLED were more widely consulted than the NIPF:

- The NFSD drew on a variety of experts for content provision and then this content was discussed and adjusted in line with the recommendations of various committees/ working groups. A series of workshops and conferences allowed for broad participation in the various phases of the policy formulation. A Government Steering Committee was also established. This comprised representatives of all national departments, provincial government and other organs of state. The NFSD draft was made available for some time on DEAT's website, and was distributed to participating institutions for additional comments.
- The NFLED also incorporated certain opportunities for public and stakeholder comments through its various iterations over the years. The August 2006 LED national conference was the formal consultation platform, and attracted a wide spectrum of societal interests. The draft was available for public scrutiny and comments on the DPLG website. The framework also went to Cabinet and Parliament on a number of occasions, to seek support and final approval.
- The NIPF did not engage in as broad a consultation process as the NFLED and NFSD. The processes for consultation outside of government were tightly managed through institutions such as NEDLAC. Critique was thus limited to elites within government, and, to lesser extent, elites within labour and business. Despite this, the intergovernmental consultation occurred over many months and was not without its own contestation.

Ideology, contestation and compromise

All three frameworks were influenced by the changing policy context in South Africa after 2002, which saw a move towards 'developmentalism':

- For the NIPF, policy space opened up as a result of the lack of progress against GEAR targets and the tension between the more conservative and

populist camps in the ANC succession battle. This meant that although the time was right for an industrial policy, the NIPF still had to walk the path of embracing developmentalism without adopting too radical an approach.

Despite not seeking wide consultation or discussion on its prescriptions with business and labour, the NIPF was subject to significant contestation from within government itself. This contestation emanated largely from the Treasury and the Presidency. Areas of contestation included the conceptual nature of industrial policy (and this related to the broader debate about the role of government – how interventionist it should be, in other words), and the degree to which the emphasis should be on ‘coordination’ and alignment with the government’s economic Programme of Action (PoA). (Chapter 3 referred to this view of policy making as ‘structured interaction, where emphasis is on coordination amongst stakeholders and less upon the prescriptions themselves).

In terms of specifics, the final content on industrial financing was more cautious than originally intended, while the support for trade liberalisation was stronger than in initial drafts. Certain elements of the conceptual approach proposed by the Harvard Economists were also accommodated, such as the emphasis on ‘self-discovery’.

- The NFLED was also affected by shifting ideologies within government. In addition to the content changes in earlier drafts of the NFLED document between 1998 and 2005, which resulted from new officials at the DPLG introducing their own approaches, the changes also reflected shifts in macroeconomic thinking within government – from the RDP, to GEAR, to Expanded Public Works Programme and AsgiSA. The NFLED responds in its final iteration to the notion of a ‘developmental’ state. It is also motivated by Government’s agenda of implementing the Inter-Governmental Relations Framework, which aims to support cooperative governance.

Partly as a result of this ‘opening up’ of policy space, the NFLED was able to actively seek a break with past thinking on LED. This is evidenced in the inclusion of the Sustainable Developmental Community Investment Programming (SDCIP) approach (the substance of which was provided by a non-governmental organisation) as well as New Institutionalism. At the same time, the final draft of the NFLED also incorporates more conventional thinking around LED. Thus the final product is a compromise. The detail of these approaches will be returned to in Chapters 7 to 10.

But the NFLED was a ‘compromise’ in more ways than one. The decision to develop a policy *framework* (my emphasis) was a compromise between a ‘policy’ and no formal government position. This was a deliberate tactic because the notion of DPLG championing LED was contested (as economic development is the mandate of the dti). But despite the debate over the

mandate, DPLG recognised that municipalities needed to be assisted in formulating their responses to LED and that national government needed to articulate an approach in this regard. The contestation within government over the mandate for LED and the conventional versus pro-community factions meant that the document had to be taken to the Economic Cluster twice. It was also taken to Parliament more than once.

- The NFSD was also influenced by the move towards a more developmental state. Another key driver of the framework was the World Summit on Sustainable Development, held in Johannesburg 2002, at which South Africa committed to developing a sustainable development strategy for the country. The formulation of the NFSD was thus largely motivated by this international commitment at a time when domestic policy space was 'opening up'.

In the case of the NFSD, a critical milestone was the adoption of the methodological approach of taking a long term trends view, which allowed the framework to move beyond short term policy prescriptions. Further a political decision resolved that the 'strategy' was to be renamed a 'framework' to allow for greater consultation. The participation processes in the development of the framework did allow for substantial involvement and comments from various government departments, including Water Affairs, Minerals and Energy, Science and Technology and the Presidency. Provincial and local government were also involved in the policy making process during the drafting stages. In addition, certain environmental organisations made active contributions to the process and content. Thus a range of voices from within and outside of government contributed to the process and content of the NFSD.

To sum up then each of the final policy 'products' represents the culmination of a series of agreements and compromises reached on policy content, although each of the processes had its own 'flavour'. Based on the analysis above, it appears that each of the processes combined elements of policy making as 'structured interaction' (particularly in the case of the NFSD, where the process drove the content formulation) and 'social construction' (particularly in the case of the NIPF, where the value and meanings attached to economic policy choices drove the inclusion/exclusion of content).

Implementation

The NFSD is currently being revised to incorporate final comments. The Annexes, which in earlier versions included a raft of proposed actions, are being removed from the final framework. Despite not yet being ready for implementation, the process of developing the framework, and the existence of a framework (albeit as yet without final government endorsement), provides a 'mandate' or authority to sub national initiatives that locate themselves within the same paradigm. In other words, it 'legitimises' initiatives that embrace sustainable development approaches through providing them with a policy reference point within national government.

The NFLED, although finalised, has not seen much implementation from the DPLG. Implementation of LED per se was however never the intention at DLPG, as this mandate resides at the local level. Rather the push is on improved coordination and organisation between the different spheres of government. Nevertheless a LED 'toolkit' has been developed to support municipalities. The SDCIP is being taken up in South Africa by other players in the development arena, such as the European Union, the United Nations, and certain municipalities, such as the City of Cape Town.

The NIPF, through its Industrial Policy Action Plan (IPAP), the content of which is not covered herein as it was not publicly available at the time of this dissertation, is already under implementation. This is because the IPAP for the financial year of 2007/8 is deliberately aligned with the Programme of Action for the economic cluster.

In light of the discussion above, the content of the frameworks is thus viewed as a product of the processes and context outlined in Table 1 and discussed above, as well as that in Chapters 4 and 5. The content represents elements of both 'structured interaction' where the relationships between stakeholders (coordination) has played a role in determining content, and 'social construction' in which the meanings and values given to concepts exerted a strong influence on their eventual content. The latter has been demonstrated through both policy space afforded post 2002, but also through the ongoing tension between ideologies in the policy-making processes.

Furthermore, the role of bureaucratic action – in which certain national departments have brought a strong influence to bear on the processes - has been highlighted. These bureaucratic actors all contributed to shaping the policy processes and the finalisation of content.

The dynamics and considerations highlighted above will be referenced, where relevant, in the analysis of the content of the frameworks. This content analysis follows in Chapters 7 to 10.

Section 4.2 below considers the comparative political resonance of the frameworks. This aims to establish the relative weight or importance attached to each of the frameworks by government as this will have an impact on the resources and support provided for implementation.

6.2 THE POLITICAL RESONANCE OF THE 3 POLICY FRAMEWORKS

Before analysing the three frameworks' proposals with respect to certain cross-cutting themes, this chapter compares the political "resonance" of each of the frameworks. Bouchard and Carrol (2003:3) define "resonance" as:

"the degree of importance placed on the policy area by the general public. It is the relationship of the policy area with peoples' basic values".

For the purpose of this dissertation, I have used *political* 'resonance' to refer to the degree of importance placed on the policy area by the *political leadership*. I have thus adapted the concept from the general public to political leadership.

As a yardstick of the three frameworks' 'political resonance', I have used

- a) the coverage received by the three frameworks within recent State of the Nation Addresses (SONA's) – as arguably the most important political tonesetter, and
- b) within Government's Programme of Action (PoA) – the literal work programme for government.

State of the Nation Addresses

Each of Mbeki's State of the Nation addresses of the past few years has included a special focus on the implementation capacity of the state (which I have already alluded to above), particularly of local government. This focus has included a commitment to improve the performance of local government through coordinated action across the spheres of government, as well as through specific programmes and projects (Mbeki, 2003; Mbeki, 2004; Mbeki, 2005; Mbeki, 2006; Mbeki, 2007).

Although local economic development per se does not get much 'airtime', attention is consistently placed on building the capacity and performance of local government. It is against this context that the NFLED should be understood. Most recently:

"Programmes to improve the capacity of our local government system continue apace....

We continue to respond to these challenges and will undertake all necessary tasks, informed by our Five Year Local Government Strategic Agenda, which includes hands-on assistance to municipalities by national and provincial structures, the deployment of skilled personnel including professional volunteers from the public, and strengthening the Ward Committees – 80% of which have been established across the country"(Mbeki, 2007).

A second theme within the SONAs, mentioned since 2004 with increasing emphases in more recent years, is sectoral development. More recently this sectoral focus has been incorporated under a broader discussion of South Africa's industrial development path. In this regard the National Industrial Policy Framework has received substantial coverage in Government statements. Most notably, within the 2007 State of the Nation Address, the President (Mbeki, 2007) made a number of very specific comments and commitments on the matter:

"In line with the National Industrial Policy Framework which has now been completed, we will:

- intensify implementation of customised sector measures ...

- develop an overarching strategy to prioritise key interventions in mining and mineral beneficiation, agriculture and agro-processing, the white goods sector, creative industries, community and social services and pharmaceuticals...

- develop programmes to facilitate investments in sectors along the supply chain for our infrastructure programmes, including capital goods in ICT, transport and energy... “

Thus, unlike the NFLED where the relevance of the framework is referenced through association, the NIPF appears to have a strong political mandate and is clearly located as a priority within the current administration's plans.

The National Framework for Sustainable Development does not appear to hold the same level of political resonance or cachet. Indeed, in reviewing the State of the Nation Addresses during Mbeki's second term in office (since 2004), “sustainable development” has not received a mention. It is also worth noting that the few eco-system commitments have ever been made in this important political tone-setter, whereas socio-economic commitments have been numerous.

Programme of Action

Environmental considerations are also not mentioned in any of the Clusters' POA's. References to land and water are with respect to reform and access programmes – emphasising the economic and social dimensions of these resources.

Developing local government capacity is, however, a key theme of the PoA. Within the Governance and Administration Cluster of Government's PoA (RSA Government, 2007b), there exists a raft of activities to be undertaken at the local government level (see Appendix 1). Activities include the implementation of institutional and operational systems to monitor, evaluate and report on local government service delivery; the Local Government Competency Framework; National Local Government Skills Audit; and Local Government Performance Management Framework, amongst other activities.

The NIPF emerges as a clear priority through a reading of the PoA for the Economic Cluster. Appendix 2 contains a list of all the interventions listed in the POA for the NIPF (RSA Government, 2007c). These include: implementation of the Export Strategy, addressing ICT pricing, implementation of Research and Development measures and implementation of sector strategies.

The comparative political resonance of the NIPF in relation to that of the NFSD and NFLED indicates that the NIPF has ‘captured’ the support of senior government decision-makers. It also indicates the extent to which leadership appears to have attached more value to the concept of ‘industrial policy’ than it has to ‘sustainable development’ or ‘local economic development’.

Chapter 6.3, which follows, provides a summary of the content of the documents in a tabular format. It aims to go to the heart of the frameworks in that it identifies principles, focus areas, strategies and recommended actions.

6.3 TABULAR OVERVIEW OF THE 3 FRAMEWORKS

This chapter provides an overview of the content of the three frameworks. It highlights the main policy thrusts through answering the following questions:

- a. Why does the framework exist: what is its stated intention/ purpose?
- b. What is proposed and how is this to be achieved?
- c. Who will take action and when?

Thereafter, to allow for more detail, I have provided one table per framework to consider the actual proposals. In the case of the NFSD, the action list is far too lengthy to capture in this document, so I have restricted myself to priority areas and themes, without cascading into proposed actions. I then conclude this chapter with a brief discussion of the key programmatic thrusts outlined in the tables. This serves as an introduction to the content analysis undertaken in Chapters 7 to 10.

In undertaking this exercise, I have attempted to extract the information from each of the three frameworks and present it as clearly and accurately as possible. In this regard, and as mentioned above, the purpose of this dissertation is not to analyse or criticise the technical construction or internal coherence of the individual frameworks. Rather the intention is a comparative analysis of the policy making processes and policy prescriptions of the frameworks which is undertaken through a consideration of cross-cutting issues.

Table 2: Intention of the framework

National Framework for Sustainable Development	National Industrial Policy Framework	National Framework for Local Economic Development
<p>The purpose of the framework is to make known South Africa's (including government, business and civil society) national vision for sustainable development and indicate its intended interventions to re-orient South Africa's development path towards sustainability (DEAT, 2006:10).</p>	<p>The development of a National Industrial Policy Framework (NIPF) is designed to address our binding constraints, particularly regarding sector development strategies including the development of new industries and new businesses. (the dti, 2007: 4)</p> <p>"Its core objective is to set out government's approach to South Africa's industrialisation trajectory and hence help align both private and public sector efforts towards this end" (the dti, 2007: 7)</p> <p>"First, it is aimed at providing greater clarity and certainty to the private sector and social partners with respect to investment decisions leading up to 2014 and beyond. Second, it is intended to provide a reference point for substantial improvements in intra-governmental coordination of the numerous and complex set of policies and projects that will form part of the NIPF." (the dti, 2007: 13)</p>	<p>The very first sentence of the Executive Summary of the framework establishes that it "aims to support the development of sustainable local economies through integrated government action" (DPLG, 2007:3).</p>

Table 3: What the framework proposes and how it intends to achieve this

National Framework for Sustainable Development	National Industrial Policy Framework	National Framework for Local Economic Development
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<p>The framework proposes 5 policy areas for strategic implementation:</p> <ol style="list-style-type: none"> 1. Enhancing systems for integrated planning and implementation 2. Sustaining our eco-systems and using our resources sustainably 3. Investing in sustainable economic development and infrastructure 4. Creating sustainable human settlements 5. Responding appropriately to emerging human development, economic and environmental challenges <p>(DEAT, 2006: 16)</p>	<p>The vision for the industrial policy includes specific objectives:</p> <ol style="list-style-type: none"> 1. To facilitate diversification beyond our current reliance on traditional commodities and non-tradable services. This requires the promotion of increased value-addition per capita characterised particularly by movement into non-traditional tradable goods and services that compete in export markets as well as against imports. 2. The long-term intensification of South Africa's industrialisation process and movement towards a knowledge economy. 3. The promotion of a more labour-absorbing industrialisation path with a particular emphasis on tradable labour-absorbing goods and services and economic linkages that catalyse employment creation. 3. The promotion of a broader-based industrialisation path characterised by greater levels of participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy. 4. Contributing to industrial development on the African continent with a strong emphasis on building its productive capabilities. <p>Thirteen strategic programmes are identified:</p> <ul style="list-style-type: none"> SP1: Sector Strategies SP2: Industrial Financing SP3: Trade Policy SP4: Skills and Education for Industrialisation SP5: Competition Policy and Regulation SP6: Leveraging Public Expenditure SP7: Industrial Upgrading SP8: Innovation and Technology SP9: Spatial and Industrial Infrastructure SP10: Finance and Services to Small Enterprises SP11: Leveraging Empowerment for Growth and Employment SP12: Regional and African Industrial and Trade Framework SP13: Coordination, Capacity and Organisation <p>(the dti, 2007:6, 7)</p>	<p>In addition to its main objectives, outcomes and focuses, the NFLED (DPLG, 2007: 3) proposes 4 main strategies:</p> <ol style="list-style-type: none"> 1. Improve good governance, service delivery, public and market confidence in municipalities through an alignment of national, provincial and local programmes. 2. Spatial development analysis and planning exploiting the comparative advantage and competitiveness of the 52 municipal regions. 3. Intensify enterprise support and business infrastructure development in local areas. 4. Introduce sustainable developmental community investment programming.
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Table 4: Who will take action and when

National Framework for Sustainable Development	National Industrial Policy Framework	National Framework for Local Economic Development
<p>A section deals with the institutional framework for implementation and action plans. As a framework, the NFSD makes suggestions about how the institutional framework should be established and what developing and implementing an action plan involves, but does not state categorically, what will happen (DEAT, 2006: 84-92).</p> <p>It is in the Annexes (DEAT, 2006: 93-169) that a long list of proposed interventions is included – grouped by sustainability theme. There is an indicative time period that is given for each intervention, and this gives some guidance towards what needs to be done within the short term, and those that need to occur over a longer period, or in an ongoing fashion. However, as the Framework is just that - and not a final strategy – it is not clear if the relevant identified parties will be held to the various items identified in the Annexes.</p> <p>Although the key stakeholders are identified within the framework, the actual and final commitment to the proposed interventions is not made. This is referred to as needing finalisation within a later stage of the policy process, when a national strategy and action plan will be adopted (DEAT, 2006:89).</p>	<p>Within the executive foreword by the Minister of Trade and Industry, the following is stated:</p> <p>“Successful implementation of the NIPF requires coordination across a range of government departments, as well as appropriate organisation and capacity within them. Thus the Economic, Investment and Employment Cluster (EIEC) has a central role to play in coordinating industrial policy at the national level. Industrial policy coordination mechanisms will be strengthened at both the national and sub-national level, with a particular focus on fast-tracking critical policy and projects-specific choices. Capacity to implement industrial policy will also be strengthened, particularly within the DTI.” (the dti, 2007:10).</p>	<p>Three institutional mechanisms are explicitly identified in the Framework – the LED Support unit, the LED Forum, and an excellence network, which will support the two aforementioned mechanisms. Specific suggestions are made regarding the parties responsible for the implementation of the 4 strategies, as follows (DPLG, 2007: 33-34):</p> <p>Strategy 1: Improve good governance, service delivery, public and market confidence in municipalities through an alignment of national, provincial and local programmes This will be championed by the LED unit.</p> <p>Strategy 2: Spatial development analysis and planning exploiting the comparative advantage and competitiveness of the 52 municipal regions. This strategy will be driven through the IDP/OGDS/NSDP alignment task team that is led by the Presidency and of which the dti is part.</p> <p>Strategy 3: Intensify enterprise support and business infrastructure development in local areas This, according to the Framework, is part of the “ongoing responsibilities of dti”.</p> <p>Strategy 4: Introduce sustainable developmental community investment programming. According to the Framework this will require a special programme to be established, which is to be mobilized by the LED unit.</p>

The following three tables deepen the level of analysis for each of the frameworks.

Table 5: National Framework for Sustainable Development's priority areas and themes (DEAT, 2006: 73-80):

Priority areas	Themes	
Enhancing systems for integrated planning and implementation	<ul style="list-style-type: none"> • Governance and integration for sustainable development • Planning for sustainable development 	<ul style="list-style-type: none"> • Monitoring and evaluation for sustainable development • Policy integration
Sustaining our eco-systems and using our resources efficiently	<ul style="list-style-type: none"> • Value of our eco-systems • Improving aquatic eco-systems, water availability and water quality • Dematerialising the economy • Air quality and climate change 	<ul style="list-style-type: none"> • Food security and natural resource based livelihoods • Economic and fiscal instruments • Implementation of international agreements
Investing in sustainable economic development and infrastructure	<ul style="list-style-type: none"> • Increasing investment in infrastructure to address poverty and unemployment • Mechanisms, methods and criteria to address sustainable infrastructural investment 	<ul style="list-style-type: none"> • Developing skills and capacity for building and maintaining sustainable infrastructure • Second economy interventions
Creating sustainable human settlements	<ul style="list-style-type: none"> • A shared approach to sustainable human developments • HIV and AIDS and TB • Linking sustainable resource use, poverty eradication and LED 	<ul style="list-style-type: none"> • Safe and efficient public transport • Rural sustainable settlements • Waste management
Responding appropriately to emerging human development, economic and environmental challenges	<ul style="list-style-type: none"> • Climate change • Rising energy prices 	<ul style="list-style-type: none"> • International cooperation for sustainable development • HIV and AIDs

Table 6: National Framework for Local Economic Development’s objectives, outcomes, focus, strategies and actions

Main objectives (DPLG, 2007: 7)	Main outcomes (DPLG, 2007: 7-8)	Focus of the Framework (DPLG, 2007: 15-16)	Key strategies and Actions (DPLG, 2007: 23-432)
<p>i. To shift towards a more strategic approach to the development of local economies and overcome challenges and failures in respect of instances where municipalities themselves try to manage the litany of non-viable projects or start-ups.</p> <p>ii. To support local economies in realizing their optimal potentials and making local communities active participants in the economy of the country.</p> <p>iii. To elevate the importance and centrality of effectively functioning local economies in growing the national economy.</p> <p>iv. To wage the national fight against poverty more effectively through local level debates, strategies and actions.</p> <p>v. To improve community access to economic initiatives, support programmes and information.</p> <p>vi. To improve the coordination of economic development planning and implementation across</p>	<p>i. Analysis of the 52 district and metro municipal economies undertaken and shared understanding across government of the challenges and potentials of these areas developed.</p> <p>ii. The comparative advantage and competitiveness of all District and Metro municipalities are identified, incorporated into its LED strategy and exploited.</p> <p>iii. All District and Metro municipalities have credible LED programs, which are being effectively implemented by a dedicated local economic development unit or similar entity.</p> <p>iv. All Local Municipalities have at least one staff member (at least qualified through the LGSETA LED Learnership) dedicated to coordinating inputs that strengthen the local economy.</p> <p>v. The implementation of the IGRF Act and the effective utilization of IGR structures occur to encourage and facilitate discussion and joint economic planning among municipalities and with Provincial</p>	<p>Improving the competitiveness of the 52 District and Metropolitan municipal regions in South Africa by providing an approach to developing local economies with the participation of all relevant stakeholders</p> <p>Rendering economic growth compatible with social equity and safeguarding the environment since human and natural resources are the backbone of sustainable development.</p> <p>What the state, (with all its organs and agencies) can do to support and reward citizens who organize locally and operate in local level partnerships to engage in greater economic activity, spreading economic development in an even manner.</p> <p>How the state can be a platform to facilitate the inclusion of all to participate in the economy. This would include rewarding and enabling citizens who form organized communities in response to social and economic</p>	<p>1. Improve good governance, service delivery, public and market confidence in municipalities through an alignment of national, provincial and local programmes:</p> <ul style="list-style-type: none"> - intensify support to municipalities under Project Consolidate. - monitor and report on implementation of the Municipal Finance Management Act and Property Rates Act. - Assist municipalities to finalise appropriate spatial policies in their IDP’s that are linked to a municipal-wide land-use management system. - Improve infrastructure investment and intergovernmental coordination - Support municipal-economic forums <p>2. Spatial development analysis and planning exploiting the comparative advantage and competitiveness of the 52 municipal regions</p> <ul style="list-style-type: none"> - undertake analysis of the 52

<p>government and between government and non-governmental actors.</p> <p>vii. To build greater awareness about the importance and role of localities and regions which globally are playing an increasingly significant role as points of investment facilitated by supportive national policies.</p>	<p>and National Government.</p> <p>vi. All municipalities have innovative spatial development strategies, land-use policies, by-laws and implementation capacity to facilitate fast and effective business establishment and functioning, especially for informal/street traders, and SME's.</p> <p>vii. All municipalities have at least one public-private partnerships through which a major investment is being implemented.</p> <p>viii. A national excellence center for monitoring, learning and research in local and regional economies is established.</p>	<p>rights' programming.</p>	<p>municipal economies</p> <ul style="list-style-type: none"> - target priority growth sectors - build capacity of a knowledge economy and innovation - market the 52 regions and their products - establish innovative funding instruments - regulatory impact assessment <p>3. Intensify enterprise support and business infrastructure development in local areas</p> <ul style="list-style-type: none"> - implement the new small business development strategy - improve access to finance <p>4. Introduce sustainable developmental community investment programming:</p> <ul style="list-style-type: none"> - promote community organization through development trusts, partnerships, cooperatives, etc. - encourage community or third tier banking - improve trading markets and ring market system - improve local multiplier of government spend.
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Table 7: National Industrial Policy Framework

Main objectives	Main outcomes	Key strategies and Actions (the dti, 2007: 7)
<p>Vision 2014: A restructured economy that can facilitate the achievement of a 6% p.a. growth rate from 2010 and halved unemployment and poverty by 2014 (the dti, 2007:13).</p>	<p>A diversified economy which has moved away from its traditional reliance on minerals and mineral-processing towards increased value-added per capita.</p>	<p>SP1: Sector Strategies SP2: Industrial Financing SP3: Trade Policy SP4: Skills and Education for Industrialisation SP5: Competition Policy and Regulation SP6: Leveraging Public Expenditure SP7: Industrial Upgrading SP8: Innovation and Technology SP9: Spatial and Industrial Infrastructure SP10: Finance and Services to Small Enterprises SP11: Leveraging Empowerment for Growth and Employment SP12: Regional and African Industrial and Trade Framework SP13: Coordination, Capacity and Organisation</p>
	<p>A more labour-intensive industrialisation path characterised by sustainable, labour-absorbing manufacturing and services sectors and economic linkages which catalyse employment creation.</p>	
	<p>Broad-based growth characterised by greater levels of participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy.</p>	
	<p>Economic development on the African continent by actively supporting its productive capabilities and more developmental regional trade integration. (the dti, 2007:6)</p>	

The tabular overview of the content of the frameworks seeks to introduce the overall policy objectives and key proposals within those frameworks. This is in line with Cloete et al's (2006: 7) definition of policy content analyses' consideration of the origins, intentions and operations of policies.

The tables provide an overview of how each framework is structured and the relative importance of prescriptions within this internal content ordering. This is necessary as the content analysis that follows in Chapters 7 to 10 is undertaken through a consideration of cross-cutting themes which does not allow for each framework to be considered as a whole. Rather the analysis cuts across the content within the frameworks to highlight and compare each framework's engagement with the four cross-cutting themes.

The tables above show that the structuring of the frameworks' content varies:

- The NFSD was based upon research into a number of particular areas, which led to the identification of 5 priority areas (referred to as pathways). Each priority area contains a number of themes according to which certain recommended interventions are described. This is not translated into actual actions, although the Annexes have provided this level of detail. The 5 priority areas are in themselves crosscutting. They incorporate social, economic and eco-system considerations, as well as governance considerations.
- The NIPF is clearly structured in its identification of 4 main outcomes which are to be achieved through 13 Strategic Programmes (SP's). These programmes are specific and relate to the various factors of production, as well as broader economic issues –such as African economic development, Broad-based black economic empowerment, etc.
- The structure of the NFLED is less clear. Principles, objectives, outcomes, strategies and actions are all identified. It is not clear which strategies and actions will address the various objectives and outcomes. In the final event, however, the implementation of the framework amounts to the 4 strategies and the actions identified within those 4 strategies.

Thus the structuring of the frameworks differs based on the methodologies adopted and relative degree of 'implementation focus'. The NFLED is the most detailed in its implementation focus as it cascades strategies into action, although many of these actions are to be driven by an institution other than the DPLG.

The 13 Strategic programmes of the NIPF are also fairly targeted, although actual actions are absent from that framework. As mentioned earlier, the July 2007 Cabinet Legotla approved the Industrial Policy Action Plan (IPAP) which contains detailed actions, but is a separate document to the NIPF.

The NFSD provides a broad description of what interventions need to be prioritised within a strategy, and the detail of various proposed activities is captured in the Annexes, but remains fairly abstract in its commitment to action.

The tabular overview of the priorities of the frameworks provides an introduction to Chapters 7 to 10 where the analysis moves from policy making to policy content. This content analysis recognises that policy content is a function of policy making. Thus the policy content considered hereafter is a product of the context, processes, and the elements within the processes, which characterised the formulation of the three frameworks.

The content analysis in Chapter 7 compares the manner in which eco-system principles, values, opportunities and thresholds are discussed within the three frameworks. It aims to compare the approach taken to eco-system considerations in order to highlight areas of similarity and divergence in policy prescriptions. 'Eco-system considerations' is the first of the four cross-cutting themes used to dissect the content of the frameworks to surface areas of convergence and divergence.

CHAPTER 7: ECO-SYSTEM CONSIDERATIONS

Chapter 6 considered the policy making processes that were followed in each of the three frameworks. This highlighted the actual sequence of events during the policy making stages, key actors, as well as contestation that emerged. The relative political resonance of the frameworks was also discussed.

The second half of Chapter 6 used tables to highlight the main proposals emanating from each of the frameworks. This included the policy priorities and main proposed interventions. This tabular overview sought to summarise the content of each framework before disaggregating it through a cross-cutting analysis.

This chapter- Eco-system Considerations – is the first of four content analysis chapters which disaggregate the content of the three framework. This approach is necessary in order to compare the approach taken to certain themes across the frameworks.

7.1 WHY CHOOSE ECO-SYSTEM CONSIDERATIONS AS A CROSS-CUTTING THEME?

As indicated in Chapter 2, each of the frameworks references the natural world and its inputs into development. Within the sustainable development literature, the eco-system is recognised as the overarching natural system in which all human activities occur. Indeed, all economic, socio-political, cultural activities occur are necessarily located within this natural system, and are regulated by the biosphere and its functions. The biosphere has a limited regenerative and assimilative capacity, which once exceeded, results in changes to the natural world (for more on this see Goodland and Daly, 1996:1002-1005). This, in turn, affects our own human development. Impacts include changes in air quality, the availability of resources like water, decreasing soil fertility, biodiversity losses, and a changing climate, amongst others. And all these ecological elements are inputs into our lives and work.

There is no one globally shared view on the seriousness and immediacy of environmental challenges (such as climate change), nor the substitutability of technology for environmental goods and services, nor the value of the natural world. Whether limitations to human interaction with the biosphere should exist and what they would involve is interpreted and understood differently by various theorists, economists, planners (including policy makers) and practitioners. Nevertheless, despite significant disagreement on certain issues, there is increasingly recognition that human behaviour has a serious impact on the environment, and that this in turn is affecting our lives. Climate change, for example, is a critical environment challenge (International Panel for Climate Change, 2007: 1-22) and has become a 'popular' environmental issue in the sense that it is now championed by politicians and movie stars alike, such as Al Gore (Reuters, 2007) and Leonardo DiCaprio (Leonardo DiCaprio, 2005).

Common sense thus dictates that we must consider the natural world and its ecosystem considerations in all we do and plan. This chapter thus compares the different stances adopted by the three frameworks with respect to the natural world.

7.2 STRUCTURE OF THIS CHAPTER

For the purpose of this chapter, and in order to compare the three frameworks with respect to ecosystem considerations, the analysis will be undertaken through a discussion of the following themes, viz:

- Environmental principles, definitions, and interpretations.
- Nature as an input; and the value and opportunities that the natural world presents.
- Thresholds and limits with respect to the natural world.

Each of these themes is considered in the analysis that follows. But first eco-system trends in South Africa are briefly described, in order to frame the discussion. These trends are taken from the NFSD.

7.3 CURRENT TRENDS

In order to contextualise the analysis in this chapter, it is worth noting that South Africa's specific situation is characterised by the following (DEAT, 2006:34-40):

- Energy consumptive industrialisation, largely based on local coal supply, and a likely strong demand for energy over the medium to long term, with major state led infrastructure development planned, as well as anticipated follow-on investment from the private sector.
- Water scarcity, which will be increasingly pressurised by industrial development and private usage, as more South Africans gain access to potable water services. Climate change forecasts for South Africa exacerbate this scenario, with an overall decrease in rainfall anticipated, although this differs heavily from region to region.
- In general our biodiversity and ecosystem health is declining with many species under threat.
- Increasing pressure on the biodiversity of the country due to land use pressures and climate change.
- Solid waste levels are increasing dramatically and poor management and inadequate recycling characterise the current situation.
- South Africa's soils are not naturally conducive to high yield farming, with only 3% of land considered high potential land. Given this, there is a risk of overfarming which threatens food security, land reclamation programmes, etc.
- Climate change and coastal development place increasing pressures on marine and coastal resources. This in turn threatens the livelihood of subsistence and small scale fisherman.

- Mining resources are finite. Nevertheless this sector remains the backbone of the economy and can contribute positively to social and economic redress through partnerships with government and communities.
- Air quality will continue to be negatively impacted by increasing numbers of vehicles on the roads and industrialisation.

7.4 DEFINITIONS, INTERPRETATIONS AND PRINCIPLES

The NFSD (DEAT, 2006:1-176) is fundamentally oriented towards development that is resource use efficient. It recognises the interdependence of environmental, social and economic systems. It also talks about sustainable development having an attitudinal and values approach to environmental assets (as well as social and economic assets). This last point will be considered in more depth in Chapter 10. Furthermore, the NFSD (DEAT, 2006: 10) states very clearly that:

“The way in which we live in South Africa and the development path that we are currently pursuing, has elements of being unsustainable and consequently not viable, in the long term”.

Later, in the same section of the Executive Summary’s Rationale and Context section, the report links much of the growth in economic activity to degradation of the natural environment and consumption of natural resources (DEAT, 2006:10):

“Environmental crises now facing us and the consequential adverse impacts on society and the economy, are symptoms of the failures of current governance systems and industrial practices throughout the world to ensure that people do not progressively consume the ecosystems and resources on which their continued well-being depends”.

In this respect, despite the NFSD clearly pointing a finger at industrialisation’s role in eco-system degradation, the NIPF has almost no mention of the natural world at all, other than the minerals sector as an industrial sector. In its Situational Analysis (the dti, 2007: 8-30) the NIPF does not identify climate change or energy and water resources, or other environmental thresholds or biospheric elements, and the impact that these are having, and will increasingly have, on the economy. There is a brief reference to non-tariff barriers, including environmental tariffs, but this is not discussed in any detail (the dti, 2007:51).

Neither does the NFLED make substantive comments about the role of the environment within the policy directions it proposes. Where references to the natural world exist, this relates more to the principles which govern the frameworks than to actionable considerations or programmes. For example, one of the focus areas of the NFLED (DPLG, 2007:16) is: “Rendering economic growth compatible with social equity and *safeguarding the environment* since human and natural resources are the backbone of sustainable development” (my italics).

Later, the framework (DPLG, 2007:17) continues on this theme when it refers to:

“The assets (natural, physical, financial, human and social capital) of these local economies, including the local people, leadership and workforce are harnessed for the benefit of local economic development. The harnessing of these assets and their proper use and management serves as a lever for attracting and securing greater private sector investment and finances for the development of the local area. The unique natural and other features of these local areas are used to maximise specific advantages of location”

Again on page 17, the following is stated as it pertains to the natural environment:

“The natural environment, public spaces, settlements and buildings are attractive, appealing and desirable. They inspire confidence in the local economy and the creation and maintenance of these is in itself a constant source of work for local people “(DPLG, 2007:17)

But this - i.e. safeguarding, harnessing or maintaining the natural environment - is not a consistent theme flowing through the document. Neither is it translated into actual implications for LED, nor into an objective, or programmatic thrust. The attention to natural resources in the NFLED reduces these resources to inputs into productive activities. In considering the requirements for effective local economic development, the focus within the framework is squarely on people – people as potentiality, as social capital, as institution builders and actors, as implementers. This is discussed in greater detail in Chapter 8.

I would argue that without operationalising this concept – environmental protection – for municipalities, it is likely it will be overlooked in practice. Having said this, environmental protection is not the only area in which the framework appears to be strong on principles and overall intention, but weaker on turning this into practical and practicable action for municipalities. Perhaps this is a deliberate and conscious approach, as it recognises the relative autonomy of local areas to make choices within an overarching framework and approach, i.e. the NFLED. The DPLG’s desire in this regard to act as facilitator and connector, rather than as implementer, was highlighted in Chapter 6 and will be returned to in the discussion in Chapter 10.

7.5 INPUTS, VALUE AND OPPORTUNITIES

In considering critical elements for industrialisation, the NIPF (the dti, 2007: 15) makes the point that: “four complementary sets of policies are necessary for the successful implementation of an industrial policy: a supportive macroeconomic and regulatory environment; skills and education; traditional and modern infrastructure; and support for technological effort.”

Natural resources are not listed as a supporting set of considerations/ resources or systems within the considerations of an 'enabling environment' for industrial development.

Within the NIPF (the dti, 2007: 23) there is nevertheless recognition of the wide range of natural resources which are seen as the basis of a more labour-intensive and value-adding trajectory. The list includes minerals, cheap electricity, agricultural goods and 'inherent biodiversity':

“South Africa has an abundance of mineral and plant resources. Coupled with historically cheap electricity and substantial state support, this has given rise to a distinct comparative advantage in a range of resource-processing sectors...” (the dti, 2007: 23)

This is the sum total consideration of the role, impact, opportunities afforded by the natural world and environment within the NIPF. The natural resources inputs are limited to energy, minerals and the like. And the discussion on energy is framed in the light that cheap and unlimited energy can be assumed. This is despite the fact that “South Africa has one of the worst energy efficiency records in the world” (Groenewald, 2007:7).

This seems to be behind the times. Peck and Chipman (2007: 334), in writing about energy and materials' efficiency within industrial development, make the following remarks:

“Energy efficiency is rising toward the top of many national agendas for a number of compelling reasons that are economic, environmental and inter-governmental in nature. As many industries are energy-intensive, this is resulting in new impetus to industrial energy efficiency policies. The economic reasons are quite clear. Most important has been the rise in energy prices from 2005-2006 and their likely continuation at a high level. Increasing concerns over energy security (reliability of supply) are a second factor...”

There does seem to be some recognition of this in other parts of government's work. Recently, on 1 June 2007, Eskom announced plans to subsidise the wide-spread use of solar heaters for water in homes (Davies, 2007: 1). With Treasury's mooted tax measures (DEAT, 2006: 9) and other global consumer and governance pressures, industries themselves are likely to start moving towards more resource-efficient practices. Even the Deputy-President has recently alluded to the opportunities presented by environmental services such as waste-management. According to an article in Engineering News (Moodley, 2007):

“She stressed that municipalities should lower the entry barriers to small and microenterprises to encourage participation in the sector and added that, while this was a challenge, there was also an opportunity”.

None of these developments are referenced within the NIPF. It is perhaps not all that surprising that industrial development in South Africa is restricted to a consideration of the traditional conception of economic factors. And it is unlikely that this is a South African phenomenon alone. Industrial policy is about industrial development and this field of study has not traditionally accommodated notions of environmental inputs, or limits. Indeed, Rodrik (2004: 1 – 57), one of the most prominent writers on the subject, makes no substantive reference to eco-system considerations at all in one of his seminal articles: Industrial Policy for the 21st Century (Rodrik, 2004:1-57). Thus within the NIPF, a clearly anthropocentric approach is taken to the natural world, which recognises and prioritises people's needs only.

In contrast to the view that the natural world is purely an input into production, there are also those theorists (for example Devall, 2001; Hawken, et al, 1999) who believe that nature has value beyond mere instrumentality. Dresner (2002:77) describes a continuum upon which one can be placed depending on one's view of nature's value. This continuum extends from the 'very weak'/exploitationist/conventional approach, which is typified by the anthropocentric and resource intensive approach in the NIPF and NFLED, to 'moderate sustainability', where much of the focus is on conserving the critical natural capital (this is the stance of the NSDF), to strong sustainability – where natural capital can only be depleted if it is compensated for.

Deep ecologists - a form of strong or very strong sustainability – work from the premise that the natural world should be conserved for its own sake and that humankind should cease from dominating and manipulating the biosphere. This view holds that the natural world has intrinsic value and a deep spiritual significance (Macy and Young-Brown, 1998: 39-56).

Increasingly critics (for example Goodland and Daly, 1996: 1002-1017; Hawken et al, 1999:3) of the dominant global conventional/ exploitationist view – 'weak sustainability' - raise the spectre of major societal crisis brought on by resource wars, climate change and the like. The collapse of the global economy that is predicated on oil supplies, increasing industrialization and middle class growth in consumption, coupled with the control of the global economy by TNCs, is foretold.

Another anthropocentric way of viewing natural inputs and systems is as exploitable commodities. In the NFLED, the only example where the general comments pertaining to the natural world are translated into any practical, actionable implications is under the heading: Competitiveness (DPLG, 2007: 19). This reads:

“Government's policy thrust is to increase investment by building the competitiveness of the 52 municipal regions. This competitiveness is driven by involved and organised communities and enterprises engaged increasingly in manufacture and distribution of *sustainable, ecological and environmentally friendly* products and services (my italics)”

However, this is the last reference to the development of sustainable, ecological and environmentally friendly services and products within the NFLED. It is not therefore clear if this approach is to be incorporated into LED activities in practice.

The NFSD is far bolder in its approach to the opportunities presented by natural capital than the NFLED. In particular, the NFSD proposes that the NIPF introduces a new focus area for sectoral development: Sustainable Resource Use industries (DEAT, 2006: 46). These are to include recycling, renewable energies, organic farming, and biotechnology. Sustainable Resource use industries are attractive from at least two perspectives: they create jobs and income and diversification of the economy (the traditional objective of industrialisation), while having a positive environmental impact either through increasing the resource efficiency of production and/ or reducing/ recycling the waste produced.

A central proposal of the NIPF is a clustering of sectors into groupings, and one such grouping is to be a Natural Resources cluster, but in its current conception only oil and gas, paper and pulp and platinum are mentioned (the dti, 2007: 40). There is no mention of industries built on our biodiversity, although “inherent biodiversity” (the dti, 2007: 31) is identified earlier. Hawken et. al. (1999:182) for example, would argue that biological diversity offers opportunities for the learning and application of knowledge (an essential level of development according to the UNDP), such as biomimicry.

Industrial development in South Africa is currently linked to high levels of material consumption. Nothing in the NIPF signals a move away from this. Materially intensive and inefficient patterns of development are challenged by the likes of Dresner (2002: 90) and Goodland and Daly (1996: 1007) who advocate dematerialising the global economy in an effort to become more environmentally sustainable. Dematerialisation refers to a process that uses resources more effectively and efficiently (Dresner, 2002:90). Dematerialisation, in addition to requiring a change in middle class lifestyles, also includes a technology component, in order to increase efficiency and reduce waste production. The central approach of the NFSD is to dematerialise our growth path.

Indeed, the recently released UN’s Industrial Development for the 21st Century highlights that:

“A range of policies can promote industrial energy and material’s efficiency, often with positive impacts on firms’ financial performance as well as the environment” (United Nations, 2007: iv).

The NIPF (the dti, 2007: 51, 52) does place an emphasis on technology development. ‘Technology and Innovation’ is one of the critical programmes identified within the framework. Research and development (r&d) is a key dimension within this theme and a target is set to increase r&d spend to 1% of GDP (the dti, 2007: 51). There is, however, little reference to the opportunities presented by environmentally

efficient technologies. The NIPF (the dti, 2007: 31) has the following to say about technology development in SA:

“South Africa has developed pockets of actual or potential technological leadership based on its historical industrial strengths. These are, for instance, related to the mining, chemicals, agriculture, energy, defence and aerospace industries. “

This appears to signal a missed opportunity given the demand from the industrialised world for energy efficient goods and services and the increasing pressure that is being placed on political decision-makers. In fact, the only case of a prioritised sectoral strategy that seeks to maximise the opportunities presented by high oil demand coupled to increasing environmental conscientiousness, is the biofuels sector strategy. Biofuels has been identified as one of the top three industrial sectors identified within AsgiSA (The Presidency, 2007a: 23).

Although prioritised, this sectoral work has recently become controversial. Some of the questions that have been asked relate to where the water to grow massive biofuels plantations will come from, and what the net energy gains will be once the energy burned in clearing, cultivating and harvesting, converting to fuels and transporting to market have been calculated (King, 2007: 1) The NFSD also point to some of the potential negative effects of a bio-fuels strategy in terms of biodiversity loss, and food production and food security (DEAT, 2006: 73).

Despite its cautious take on biofuels, the NFSD highlights the need to diversify our energy sources, given the rising oil prices (DEAT, 2006: 81). The main proposal made in that document relates to the development of an integrated national energy policy that restructures the energy distribution industry in South Africa.

7.6 THRESHOLDS AND LIMITS

As described at the outset of this chapter, “at any given point in time, there are limits to the amount of pressure that the earth’s ecosystems can handle without irreversible damage to these systems or to the life support processes that they enable” (Dresner, 2002: 85). This refers to the concept of thresholds or environmental limits.

Establishing limitations to actions and absolute thresholds is becoming increasingly important as we suspect natural limits are being breached. The NSDF makes certain proposals regarding specific action and thresholds regarding the natural world and resource utilisation (DEAT, 2006: 73, 76).

The NFLED does not establish any environmental thresholds or limitations. In fact, existing environmental regulations are seen as a limitation themselves. There is a reference to the role of the municipalities in terms of regulating and implementing the

compliance of legislation, inter alia, environmental and land use legislation (DPLG, 2007: 20):

”There is a need to ensure that these processes of regulation are administered in a way that does not impair business start-up and growth and inhibit job creation. The dplg will encourage municipalities to use regulatory impact assessment tools in measuring the balance between the need for regulation and competitiveness.”

This implies that environmental regulations are seen as a business cost and constraint. Thus municipalities are encouraged to act in line with legislation, but the implication is that they must not “unduly” (my word) exercise caution in this regard. Contrary to seeing the “value” the natural world represents, here the protection of the environment is seen as a “cost”.

From personal experience, it is pertinent to note in this regard that within the Economic Cluster of Government, environmental limitations are increasingly discussed as impediments to development. The Environmental Impact Assessment processes receive heavy criticism as a case in point, as do the perceived slowness and reluctance in the allocation of water licenses by the Department of Water Affairs and Forestry. Indeed, one of the AsgiSA projects is the construction of the Olifants De Hoop dam (The Presidency, 2007a), which has been criticised by some (see Wray, 2006 for example) because it is likely to have major effects on the flow of that river, which is critical for the Kruger National Park, as well as other ecosystems.

Nick King (2007: 1) points to this worrying trend when he suggests that despite enshrining environmental rights in the Bill of Rights, there are many examples of current policy and projects promoted by government that have negative consequences for the environment. He points to the authorisation of a new coal-fired power station in Limpopo, the prospect of opening the Tsitsikamma coast to recreational fishing, mining contraventions, and plans for new large dams. David Fig (2007:226) also suggests that the environmental commitments within the Bill of Rights are not being met.

Where environmental limitations are seen as obstacles to development, immense pressure is placed on custodians of the legislation. Unfortunately the debate is often viewed in such simplistic terms.

Despite the absence of substantive text on the natural world in the NFLED, many municipalities experience competing pressures for resources. An example here would be the exponential growth of golf courses and of residential estates. The Western Cape Provincial Government has recently blocked the development of a new golf course – valued at some R1,1 billion - on the Garden Route (Lewitton, 2007), but many other such developments are going ahead in other provinces.

Without environmental thresholds articulated as part of a macro-development vision, hard and fast decisions are extremely difficult to make in practice, particularly when environmental limits are posited against economic development. These decisions must often be taken at the local level, where there may not always be a strong lobby for the environment. It is important that alternative development scenarios are put in place so that pro-environment is not seen as pro-stagnation, and pro-poverty.

In Summary:

A recent report on Climate Change (International Panel on Climate Change, 2007:8) indicates that Africa is likely to suffer most heavily from the effects of this phenomenon in the 21st Century. It proposes that states must take whatever action they can to mitigate environmental damage and prepare for the likely effects. Understanding the patterns of environmental change likely to unfold within South Africa in the next century should be the cornerstone of any economic strategy as it will impact directly on the ability to execute certain economic activities.

The content analysis in this chapter has demonstrated that there is no common understanding or policy position across the frameworks on eco-system services: the NFSD advocates dematerialisation, while the NFLED does not translate its principle of environmental protection into programmatic work; and references to the eco-system are almost entirely absent within the NIPF. There is no recognition in that framework that the eco-system is a binding constraint in the execution of its strategic programmes.

The discussion of the policymaking processes undertaken for each framework indicated that the NIPF was not widely consulted. This might partly explain the absence of eco-system considerations from the document as it is likely that broad consultation would have been raised this 'binding constraint' to industrial development for debate and/ or consideration. This may have been raised by government itself, or from advocacy coalitions outside of government.

Furthermore it appears that DEAT, as the custodian of the NFSD, did not or was not able to exert much influence on the content of the NIPF as it pertained to eco-system considerations. This is despite the fact that DEAT reports into and participates within the Economic Cluster (together with the dti, the Presidency, Treasury, etc). This is the cluster within which the NIPF was presented and discussed during its various iterations. This lack of bureaucratic agency on the part of the DEAT will be returned to in the conclusion.

Chapter 8, which follows, uses the same analytical approach to compare the engagement of the three frameworks with social considerations.

CHAPTER 8: SOCIAL CONSIDERATIONS

This chapter- Social Considerations – is the second of four content analysis chapters which disaggregate the content of the three frameworks through the analysis of a cross-cutting theme.

Much in the same way that Chapter 7 discussed the frameworks engagement with eco-system considerations, this chapter investigates the manner in which social considerations are understood and incorporated within the three frameworks. The summation section at the end of this Chapter relates the content analysis findings to the process analysis undertaken in Chapter 6.

8.1 WHY CHOOSE SOCIAL CONSIDERATIONS AS A CROSS-CUTTING THEME?

As indicated in Chapter 2, each of the frameworks references society and social considerations in relation to development. This flows from the recognition that challenges to human development continue to plague our world. These include equal and equitable access to resources/ services such as housing, shelter, health care, education and food security, as well as access to a decent quality of life and opportunities for fulfilment.

Although none of the three frameworks' mandates is primarily the social dimension of development, it is important to consider how the three policy frameworks address human and social considerations within their remits. As in the case of eco-system considerations, analysis of the manner in which the frameworks describe human and social considerations illustrates areas of ideological convergence and divergence.

8.2 STRUCTURE OF THIS CHAPTER

For the purpose of this chapter, the analysis of the three frameworks is undertaken through a discussion of the following considerations:

- Principles, interpretations, definitions of the human development challenge.
- Human and social capital as inputs into productive processes, as well as the value that is ascribed to human and/ or social capital and opportunities this presents.
- Limits and thresholds when it comes to social considerations.

8.3 CURRENT TRENDS

In order to contextualise the analysis in this chapter, it is worth noting that South Africa's specific situation has been characterised in the following manner (The

Presidency, 2006: 93-96). As in the case of the trends sections that frame the other chapters, this represents one perspective:

- An improvement has been achieved in the quality of life for South Africans but there still exists a poverty trap for those who are most economically marginalised as well as huge backlogs in social service provision (housing, education, health, etc.).
- Inequality exists between and within income strata.
- Limited economic activity and entrepreneurship exists within African and coloured communities and in rural areas.
- Massive migration trends exist to areas with high economic potential which highlights the legacy of Apartheid and ongoing challenges around spatial planning.
- Despite much political attention on achieving equity – particularly for women, children and the disabled – much more work is required to significantly make inroads into and overcome the challenges faced by the most vulnerable societal groups.
- The impact of the HIV / Aids epidemic on mortality rates is pronounced and major efforts are needed to curb this disease and address other health issues in society.
- Social conditions (including poverty, the built environment, access to recreational services and the like) as well as greed, are seen as underpinning the high crime rate.
- South Africa is a society in major dynamic change – both materially and spiritually.
- White South Africans still own and control most of the wealth and have better access to social services.
- An underlying tension exists between individual advancement and collective development within the capitalist market economy that South Africa has promoted.
- Despite increasing levels of general social cohesion, major challenges persist related to racism, xenophobia, the legacy of inequality, and crime.

8.4 DEFINITIONS, INTERPRETATIONS AND PRINCIPLES

At the outset, the NFLED (DPLG, 2007:4-5) locates itself within the 'new institutionalism' camp (although later in the text it does point out some limitations of this approach). It sees its value in transcending the view that economy and society are distinct domains:

“... “new institutionalism” ... breaks down the distinction between economy and society, showing how economic decision-making and action is shaped by the shared values, norms, beliefs, meanings, and rules and procedures, of the formal and informal institutions of society. The normative agenda of the New Institutionalism is to develop shared meaning and values, and to

strengthen the networks of social interaction. This has also been variously described as building social capital, or developing social cohesion.”

This immediately establishes the importance the NFLED places on interactions and relationships at the local level that develop social capital. It is recognized that Local Economic Development is embedded in a social system.

In the NFSD, this is taken one step further. Economic interactions are seen as occurring in a social system, which in turn exists within a natural system (DEAT, 2006: 21). In fact, the premise of the NFSD is to achieve human development within the capacity of the biosphere to regenerate and assimilate itself. The NFSD translates this into a set of proposals ranging from the elimination of poverty and extreme inequality, to sustainable resource use and livelihoods (DEAT, 2006: 71-83).

The NIPF’s intention is to achieve a halving of poverty and unemployment in the timelines set by AsgiSA (the dti, 2007:13). Social and human capital and resources are seen here as a factor of production – labour (the dti, 2007:1 -59). An emphasis is also placed on achieving equity –this relates largely to deracialising the economy - and it is mainly an intragenerational equity that is referred to (the dti, 2007: 53, 54). The NFSD, in line with the Brundlandt’s Commission’s thinking about equity is not limited to intragenerational equity alone, but also intergenerational equity, which includes assumptions about the state of the natural world for future generations (DEAT, 2006: 20).

8.5 INPUTS, VALUE AND OPPORTUNITIES

As identified above, the NFLED Framework (DPLG, 2007: 4) suggests that the development of social capital is necessary for economic development. This resonates with Wallis and Killerby’s (2004: 240) view that “goodwill, fellowship and other social attributes have an instrumental value in terms of measurably improved living conditions”. Social capital in this sense can be seen as synergy between state and society – comprising both a ‘civil’ and ‘government’ component (Wallis and Killerby, 2004: 243). In order to achieve the levels of synergy between state and society, Evans (in Wallis and Killerby, 2004: 250) calls for “embeddedness”. This term has been introduced previously and will be considered in more detail in the conclusion.

The NFLED (DPLG, 2007: 11) supports this approach. It proposes:

“Wide-scale social mobilisation through information, knowledge and skills programmes can help drive us to a higher growth path. This approach recognises communities as their own change agents, rather than just passive citizens to whom services must be ‘delivered’. The active involvement of local

populations in the development process is the path to accelerated and shared growth in local spaces.

Moving from social capital to human capital within the NFLED, Principle 9 of the 10 guiding principles of the framework (DPLG, 2007: 7) goes on to state:

“People are the single greatest resource and including all citizens in development and increasing their skills leads to increased opportunities for stimulating local economies.”

In the NIPF, skills (not people) are seen as an important input for economic development, and work around improving skills development, in a targeted fashion is advocated in the framework (the dti, 2007: 29):

“The strategy of the previous government of deliberately not investing in skills formation for the majority of the population has created long term problems. This poses two major sets of challenges. The first is that the global commoditisation of lower-value manufacturing places constraints on the growth of sectors that can absorb relatively unskilled labour. Conversely, availability of skilled labour becomes a constraint on the growth of more dynamic goods and services markets, which are increasingly more skill and technology intensive.”

A deliberate intention of the NIPF and the theme of one of its strategic programmes is economic inclusion, which is seen as the route to achieving social inclusion. Here economic inclusion means deracialising the economy through pursuing broad based black economic empowerment, whilst growing the economy through increased industrialisation (the dti, 2007: 6):

“The promotion of a broader-based industrialisation path characterised by greater levels of participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy”.

In fact, this theme of ‘participation’ or inclusion also emerges throughout the text of the NFLED as a major theme (DPLG, 2007: 16):

“How the state can be a platform to facilitate the inclusion of all to participate in the economy. This would include rewarding and enabling citizens who form organised communities in response to social and economic rights’ programming”.

The NFLED seeks to address the existing situation of social exclusion, which Charles Gore (In Harris et al, 2001:64-67) describes as a concept used to understand the impact of globalisation and economic changes on those not clearly benefiting from these processes. It is an analytical concept used to explain the interconnected social, cultural, political and economic processes that can lead to poverty.

Some critics (according to Gore in Harris et al, 2001:65) see it as a problematic concept as, for them, it misidentifies the problem as one of lack of integration rather than one of marginalisation, which they argue is inherent in international division of labour. This is not dissimilar to some of the criticism levelled at the two-economy approach of Government, which is explored more in Chapter 9.

One of the paradoxical implications of integrating the previously marginalised into consumer culture, is that this consumer culture is one of the roots of environmental unsustainability. Thus simply improving social and economic inclusion, but maintaining existing patterns of middle-class resource use, is environmentally unsustainable (see, for example, Dresner, 2002: 111; Goodland and Daly, 1996: 1007). In fact, this is simply not possible within the limits of the natural world.

Nevertheless, in order to respond to the challenge of existing socio-economic exclusion, the NFLED advocates the development of “Sustainable Developmental Community Investment Programmes” (SDCIP’s) (DPLG, 2007:20-23). The idea here is that support needs to be provided to facilitate the emergence of cooperatives and social enterprises, amongst other forms of productive organization – to mainstream the unemployed into the economy:

“Each ward will encourage the development of trusts, focusing public sector investment, through a process of local dialogue and consensus into key areas of need identified by the community and largely delivered through community trusts, social and cooperative enterprises” (DPLG, 2007: 21)

Government is required to organize itself to partner communities in programmes and to provide the ‘offers’ to communities, who in turn need to be aware of government’s programmes. There is a deliberate ideological slant to this (DPLG, 2007: 21):

“The above has profound implication for the way LED is organised. It adds a new cultural and organisational thrust to what the state presently does for and occasionally with citizens under the term ‘delivery’. For a start, it invites some 15 million adults who live in the marginalised second economy to organise at street, neighbourhood and village to become community members of ‘Rights’ programmes.”

These community investment programmes are seen as a means to “systematically build up community confidence and competence” (DPLG, 2007:21).

This is a departure from past economic approaches that assumed a trickle down effect as the means to effectively resolve protracted and entrenched socio-economic and spatial factors resulting from the Apartheid past. It is pro-poor in the sense that communities are expected to articulate their needs, and are presented with the opportunity to organise themselves to address these needs, with government support.

A number of suggestions and examples around sectors/ industries where SDCIP could be considered are proposed within the NFLED. These include: crafts, fresh produce, community gardens, agricultural cooperatives, waste collection, street trading, sub-contracted clothing and textiles, and traditional medicine (DPLG, 2007: 31). It is worth noting that nearly all these industries rely on a natural resource base, but the health of this natural resource base is assumed, which indicates that the NFLED does not recognise critical natural capital. This was discussed in Chapter 7.

Other than craft, however, these industries do not include cultural or creative industries (such as dance, art, music), nor the more technologically advanced creative industries of film, design, media. Given the discourse in the NFLED regarding new institutionalism's cultural turn at the outset of that framework, this appears to be an oversight.

Recognising the importance of culture in development, in a recent draft paper by the Isandla Institute (Minty, 2007: i), it is suggested that "culture in terms of its intrinsic value has a vital role to play in animating cities and in so doing address polarisation". That paper goes on to propose that policies relating to culture must address the specific local context. It is proposed, amongst others, that "a spatial framework and approach for promoting cultural diversity in the city" be prioritised (Minty, 2007: ii). Thus there appears to be a strong relationship between culture and the space economy. For this reason, the absence of substantive references to the role of culture in economic development within the NFLED is particularly surprising.

In terms of the NIPF, its recognition of the social context of high unemployment and poverty in South Africa places some emphasis on supporting those industries that allow for labour absorption (the dti, 2007: 41, 42). But the framework does not go far in its recognition of the economic opportunities presented by the development of cultural and creative industries or the opportunity to build social cohesion and inclusion, as well as personal and cultural expression, and identity building. Certain senior officials (for example Makgetla, 2007) argue that creative and cultural industries can satisfy economic needs while at the same time benefiting and supporting important socio-cultural characteristics and dynamics. This is particularly true in a world that is increasingly globalised.

8.6 THRESHOLDS AND LIMITS

Much in the same way that environmental limitations need to be considered in relation to economic (and other) activities, so too do social limitations. Here I refer to the view that there are limits to human and social action that is healthy for the individual and society (for a radical view on this, see Mies and Shiva, 1-21 who espouse eco-feminism). The Macro-Social Report (The Presidency, 2006: 65-69), for example, talks about the relationship between crime and the fabric of society. There are also limits in the sense of minimum wages which are established in South Africa.

The recognition of social limitations is not an explicit focus of the three frameworks. Rather, it emerges from a careful reading.

In this regard, a relevant common theme –and faultline –in the debate about achieving greater competitiveness and employment creation in South Africa concerns the matter of labour legislation. The NIPF (the dti, 2007: 30) also has something to say about this, and one can be sure that the words have been carefully chosen:

“More complex is the interrelationship between relative labour costs and industrial productivity. In US\$ terms average manufacturing labour costs per hour were on a downward trend between 1995 and 2002. However, the appreciation of the currency induced a rapid reversal of this trend with relative labour costs rising substantially. The debate around labour costs needs to be approached with sophistication because issues of labour cost and productivity are inextricably linked, particularly through investment in capital equipment and skills development. They are also influenced by the levels of the ‘social wage’ such as the proportion of income workers spend on necessities such as transport, housing and healthcare.”

Recent economy-wide strikes among public sector workers, in order to achieve real increases in their wages, demonstrate the power that organised labour has in the economy. In contrast to the case of environmental rights, where the lobbying pressure comes for environmental activists, labour rights can be/ and are protected through the pressure brought by ANC alliance partners, and are witnessed by the widespread mobilisation of workers. It is therefore highly unlikely that the minimum wages or labour rights will be forfeited in the pursuit of global price competitiveness. This form of social threshold is likely to be upheld.

In Summary

The analysis within this chapter has indicated that the approach to social considerations across the frameworks differs. The NFLED views people as the most important consideration in development. The NIPF for the most part reduces social considerations to the ‘skills’ needed as inputs into economic activity, although there is a recognition of equity as an objective. The NFSD sees the social context embedded in a natural context and proposes approaches that recognise these complex interdependencies including advocating sustainable livelihoods (DEAT, 2006: 71-83). None of the three frameworks deals with culture and cultural/ creative industries in any substantive fashion. As in the case of eco-system considerations, these new growth industries are not explored in any great detail as alternatives to existing and established industrial sectors.

A consideration of the policy-making processes in Chapter 6 indicated that the Department of Arts and Culture was not a key bureaucratic agent in the formulation of any of the frameworks. It is equally unlikely that cultural advocacy coalitions were actively involved in reviewing and commenting on the frameworks. This is partly due to the dichotomised view of the world and the way that public administration is

organised, in which it separates the 'functions' and responsibilities for 'arts and culture' from economic development and the environment. It is not dissimilar from the challenges faced in bringing eco-system considerations into the mainstream of economic development planning.

Chapter 9, which follows, employs the same analytical approach to compare the three frameworks engagement with economic considerations.

CHAPTER 9: ECONOMIC CONSIDERATIONS

This chapter- Economic Considerations – is the third of four content analysis chapters. Much in the same way that Chapter 7 discussed the frameworks engagement with eco-system considerations, and Chapter 8 with social considerations, this chapter investigates the manner in which economic considerations are understood and incorporated within the three frameworks. The summation section at the end of this chapter relates the content analysis findings to the process analysis undertaken in Chapter 6.

Chapters 7 and 8, in analysing the way in which the frameworks referenced both eco-system and social considerations, indicated that the former is almost entirely absent from the three 'development' frameworks, whereas the latter is considered in a greater detail. The recognition of social capital within the NFLED and the aim of integrated and holistic development espoused in the NFSD, even the consideration of equity within the NIPF, indicate that social considerations are higher up the political agenda than ecological ones.

Against this backdrop, the importance given to and engagement with economic considerations within the three frameworks, is considered below.

9.1. WHY CHOOSE ECONOMIC CONSIDERATIONS AS A CROSS-CUTTING THEME?

As indicated in Chapter 2, each of the frameworks references economic development. Economic choices and activities have fundamental impacts on our lives and the earth's ecosystem services. Chapter 5 introduced the 'growth' versus 'development' debate. It stands to reason that the recommended strategic areas of economic intervention within the three strategies, if implemented, will profoundly affect our country. This chapter aims to identify the areas of coherence and divergence with respect to the economic choices and proposals put forward by the frameworks.

It is worth noting that two of the frameworks - the NIPF and NFLED - are explicitly about economic development. That is, they were developed with the primary intention of articulating economic approaches. Local economic development is about creating the conditions for economic development in the local area, while industrial policy is about facilitating the strategic restructuring of the economy, through a deliberate use of certain state resources and by making choices about support to certain industries. A more detailed analysis of these concepts was undertaken in Chapter 5.

9.2 STRUCTURE OF THIS CHAPTER

Economic choices and considerations can include a number of elements. For the purpose of this chapter, the analysis that follows will be divided into a number of topics, viz:

- Economic principles, objectives and assumptions.
- Factors of production and economic opportunities.
- Second economy strategies.
- Limits/ thresholds to economic production.

9.3 CURRENT TRENDS

In order to locate this discussion around economic considerations in the three frameworks, certain trends in South Africa are briefly described below. These trends are identified by the NIPF (the dti, 2007: 28-32):

- South Africa is a medium-sized, middle income country, with a small domestic market and significant distances to major markets.
- Substantial restructuring of the economy has taken place since 1994, with increased liberalisation of the economy and the achievement of macro-economic stability.
- Specific industrial and sector-specific measures have been introduced, mainly on the supply-side of the economy.
- Broad-based black economic empowerment has become a key policy thrust of the state in order to ensure that access to economic opportunities is afforded to black South Africans.
- GDP growth rates between 1994 and 2003 averaged 3% per annum. Since 2003 this has risen to about 4,5% per annum and above with strong global commodity prices and domestic consumer demand driving this increase.
- Private services have increased their percentage share of GDP contribution, while the traditional resource and manufacturing sectors have declined, as has government services.
- Resources are still a major contributor to GDP and employment, although this makes South Africa vulnerable to commodity cycles.
- Employment creation has not kept up with the growth in the economy, resulting in an official unemployment rate of 25.6% in 2006, with other broader measures of unemployment estimating it as high as 40%.
- The demand from industry for skills has increased across the economy.
- Fixed investment has increased but remains low at 17% of GDP.
- Economic activity is concentrated around the three traditional metropolises of Gauteng, Cape Town and Durban.
- Deficits in infrastructure, skills, capacity for coordination, and regulatory effectiveness are impediments to growth.

- The global economy is increasingly competitive creating a “competitiveness squeeze” for South Africa, in which it must choose certain key areas to develop global competitiveness.

9.4 DEFINITIONS, INTERPRETATIONS, PRINCIPLES

The NIPF states very clearly that its vision is to contribute to the AsgiSA targets of achieving a 6% average annual growth rate, and halving unemployment and poverty by 2014 (the dti, 2007: 13). The NIPF then expands on this to include: the further intensification of industrialization towards a knowledge economy by 2014 (the dti, 2007: 13). It goes on to state that this industrialization will be characterised by: diversification, intensification, labour absorption, broadening the base of participation and benefits (that is, achieving greater intragenerational equity), and regional industrial development (the dti, 2007: 14-15). Thus the focus of the strategy is on achieving a certain type and quantum of industrial development, targeting certain results, as located at a specific national and regional level.

The intention of the NFLED is put succinctly as “to support the development of sustainable local economies through integrated government action” (DPLG, 2007: 3). In contrast to the NIPF, the NFLED thus immediately introduces two concepts that are not present within the vision or objectives of the NIPF: *sustainable* economies and *integrated* government action (my italics). Much of the implementation focus of the NIPF, as will be indicated in Chapter 10, does, however, emphasise the need for coordination between and within government departments and spheres.

Within the context of the NFLED, the concept of “sustainable” seems to be fairly “weak” in that it appears to simply assume the durability of the economic development activities it promotes without considering the ecological systems which must provide for this. One could, however, infer that the NFLED proposal of developing community investment schemes to take up opportunities at the local level implicitly promotes social sustainability as it supports the ownership and management of production by local people for local people. But this link up is not explicitly made in the text. Nor is an explicit link made to the underlying local ecosystem services that are assumed to be in good health and capable of servicing these local economies – an assumption that is flawed in many areas due to over-exploitation of natural resources and global conditions like climate change.

The NFSD, in contrast, is clear that while pursuing the target of 6% growth, we must be aware that unemployment, poverty and inequity will continue to persist, and that socio-economic development cannot be attained if ‘underlying ecosystems and resources are depleted and degraded’ (DEAT, 2006: 40). Thus the NFSD proposes that a third objective be added to the AsgiSA targets of halving unemployment and poverty by 2014. It is: “How to decouple economic growth and poverty eradication from rising levels of natural resource use and waste per capita over time” (DEAT,

2006: 19). This will then achieve *sustainable* shared and accelerated growth (my italics) (DEAT, 2006: 20).

9.5 FACTORS OF PRODUCTION, AND OPPORTUNITIES

As mentioned within Chapter 7, the NIPF (the dti, 2007: 15) articulates: “that four complementary sets of policies are necessary for the successful implementation of an industrial policy: a supportive macroeconomic and regulatory environment; skills and education; traditional and modern infrastructure; and support for technological effort”. These are seen as the main policy areas that underpin industrialisation.

Despite the NFLED placing a fair amount of emphasis on galvanising social capital, as discussed in Chapter 8, it does also maintain a more orthodox, pro-growth focus to developing local economies through establishing and exploiting the comparative advantage and competitiveness of the area (DPLG, 2007: 25). This approach that identifies both pro-market and pro-poor elements is characteristic of more recent thinking in LED, according to Rogerson (2003:10). This was discussed briefly in Chapter 5. It was also demonstrated to be a result of the policy making process undertaken in the formulation of the NFLED (Chapter 6). The incorporation of both pro-market and pro-poor interventions was seen as necessary in order to achieve endorsement of the framework.

Both the NFLED and NIPF ultimately seek to address unemployment and poverty. NIPF assumes a trickle down effect where, if growth in the productive capacity of manufacturing exports is created, additional jobs and opportunities will be realized (the dti, 2007: 13, 14).

”While the NIPF is aimed at unlocking constraints that will benefit the entire economy, there is a particular emphasis on growing non-traditional tradable goods and services due to their relative intensity in low-skilled labour and potential for value-addition. These sectors include manufactured products outside of mineral processing, services that can compete in export markets as well as against imports, including certain non-traditional agricultural and mining activities“.

There is however a recognition that deliberate programmes need to be in place to ensure that equity is attained. Specific programmes are identified for SMMEs, Broad Based Black Economic Empowerment and regional development (geographic spread), thus acknowledging that growth alone will not solve the challenges of inequality and distribution (the dti, 2007: 52, 53).

The NFSD (DEAT, 2006: 74-80) articulates 5 critical pathways in order to promote sustainable development:

- Enhancing systems for integrated planning and implementation
- Sustaining our ecosystems and using natural resources efficiently

- Economic development via investing in sustainable infrastructure
- Creating sustainable human settlements.
- Responding appropriately to emerging human development, economic and environmental challenges.

For the purposes of the analysis in this chapter, I will dwell primarily on the proposals contained under “economic development via investing in sustainable infrastructure”.

The following objectives are identified (DEAT, 2006: 77/8):

- household consumption that is more equitable and financially sustainable,
- sectoral economic interventions that can maximise job creation,
- the identification of appropriate “second economy” interventions that will expand employment, create assets, build the skills base and contribute to solving social problems. Examples of social problems are given such as water pollution and sanitation, disaster management and child-headed households.

But the main focus of the NFSD with respect to economic development is on using the R400 billion infrastructure development programme of government. The approach here proposes that economic growth and quality of life are maximised by ensuring efficient and sustainable resource use. This means incorporating sustainability criteria and cutting-edge technologies into planning and implementation of the infrastructure programme (DEAT, 2006: 77).

The government’s capex programme is also recognized as an opportunity by the NIPF (the dti, 2007: 31):

“Government’s public expenditure programme – in its various forms – will provide a major opportunity to resuscitate supplier industries which suffered from low investment levels over the last decade-and-a-half. Both capital and operational expenditure is set to be substantial for at least the next decade. This provides opportunities for domestic firms to gear up their competitiveness to service the public expenditure and develop capabilities to move into export markets”.

Pragmatically speaking, however, it remains to be seen if this is possible at this late stage. There is still no clear signalling from the State owned Enterprises to industry about the massive procurement that needs to take place. Given the time pressures and the sheer scale of the procurement, it is likely that much of this expenditure will go to imported items. Whether significant local content and capabilities, including sustainability criteria and local cutting edge technologies can be accommodated within the cost, time and scale requirements of the SOEs is yet to be established.

In its consideration of economic development, the NFSD (DEAT, 2006: 76) also emphasises that:

“serious consideration needs to be given to the recommendations contained in National Treasury’s discussion document on Market-based Instruments to support Environmental Fiscal Reform in South Africa”.

This document (The Treasury, 2006b: i) suggests that fiscal reform could be considered in order to support sustainable development. It recognises that “some markets are subject to failure, particularly with respect to environmental goods and services...”(The Treasury, 2006b:iii). It then proposes that when such markets are subject to failure Government may step in, but only if the benefits of this action outweigh the costs (The Treasury, 2006b: iii). In conclusion the paper presents the various types of environmental fiscal reform measures that are possible, and illustrates potentially appropriate interventions (The Treasury, 2006b: 105). But it stops short of making formal recommendations.

The importance of this paper is that it starts to articulate a view within Treasury that environmental fiscal reform should be explored. This explicitly recognises that environmental assets have value but are not usually given a financial value in the conventional sense in the workings of the markets, and thus considerations of environmental costs are often not adequately taken into account. This movement towards the pricing of environmental goods and services signals that Treasury is aware of the economic importance of natural capital. Given the importance of Treasury as a bureaucratic actor in policy development, but more critically in the provision of financial resources for policy implementation, this recognition augurs well for sustainability.

9.6 THE SECOND ECONOMY

Within all the frameworks, the challenge of the so-called ‘second economy’ is identified. The ‘second economy’ was first introduced as a concept by President Mbeki in 2003 (Devey et al, 2007:3):

“the second economy (or the marginalised economy) is characterised by underdevelopment, contributes little to GDP, contains a big percentage of our population, incorporates the poorest of our rural and urban poor, is structurally disconnected from both the first and the global economy and is incapable of self generated growth and development”.

The concept is highly contested. Devey et al (2007:18, 19) point to some of the challenges with the concept, suggesting that it “is not useful for understanding the history and current challenges facing the economy...that the so-called ‘first’ and second economies are, in fact linked...that there is ... high levels of movement between formal and informal jobs”.

Within the NFLED the ‘second economy’ is conceptualised in the following manner (DPLG, 2007: 12):

“The dual economy model requires a set of policies and programmes that address the non-functioning nature of the marginalised local Second Economies. It is only once the communities in the marginalised areas become economically active that national economic growth can rise to the point where the first economy can begin to absorb these local marginalised economies.”

The NFLED responds to the Second Economy challenge through proposing a people-centred, locally based approach to development, and local economies. The focus on Sustainable Developmental Community Investment Programming is a new and major thrust of the thinking around local economies. Its approach is very different to that proposed in the NIPF in that it sees development being achieved through local economic empowerment galvanized through social capital rather than the NIPF’s top down selection of industries and deliberate strategic interventions within those industries.

The NFLED suggests that communities can perform as economic agents, in addition to more traditional structures such as companies. It also recognizes that there is a spiral in marginalised areas that results in their perpetual marginalisation as capital (human, economic, etc) migrates out of these areas into the “first economy”. In order to break this cycle, rather than importing capital, the framework proposes that it is galvanized locally and turned into a virtuous circle through the creation of local multipliers (DPLG, 2007: 21).

Within the NFLED the following statements introduce the thinking behind the proposed introduction of SDCIP:

“Sustainable Developmental Community Investment Programming (SDCIP) is about moving beyond project-based community economic development. ...

SDCIP suggests building community, and using a powerful cultural dynamic as the main vehicle and partner for LED together with the resourcing of organised communities to carry out key local functions, provide services and become important productive units. To do this, there needs to be a paradigm shift, a corrective to the dominant ‘globalisation’ model. A new balance has to be struck between globalisation and ‘localisation’. Localisation requires a new set of policies and programmes to exist...

SDCIP provides the “yeast in the local economic bread” to ensure the rapid establishment of an economic democracy, that is ‘competent’ citizens daily exercising their key economic and social rights... In so doing it will reward local production and increase ‘effective local demand’ to help to meet the cost of local service and investment needs...

It is thus a ‘Charter for the Second Economy’...

The SDCIP... enables a correction to be made to the main structural fault line of the economic legacy of apartheid and which forms the dual economy of South Africa. It promises to do this by unlocking the potential of all areas of South Africa by assisting all citizens to once again become 'competent'."

This SDCIP strategy seeks to create community-based capital formation.

The NIPF also recognises the 'second economy', but appears to seek to address these challenges through more conventional economics – through creating employment and opportunities within the formal "first" economy, and through encouraging entrepreneurship (the dti, 2007:18):

"The process of economic development is one of moving to an economy where the overwhelming majority of the population is engaged in gainful activities through the eradication of unemployment and under-employment. In South Africa the term coined for this group of people is the 'Second Economy' in contrast to the 'First Economy.'

The NIPF contributes to the process of integrating the Second Economy in a number of ways. First, through encouraging the creation of quality and sustainable formal sector employment. Second, by assisting people to become entrepreneurs in the economy in viable and productive small enterprises. This includes both the creation of new enterprises that in turn generate formal jobs, and the 'graduation' of certain viable informal enterprises to formal businesses.

Broad-based BEE must form an integral part of policies to integrate the Second Economy into the industrialisation processes supported by NIPF. On the one hand, NIPF programmes should include support for broad-based BEE, providing economic opportunities for historically deprived communities and individuals. On the other, broad-based BEE targets must be aligned with the core ASGI-SA objectives of growth, employment creation and equity and should be aligned with the goals of the NIPF.

The NIPF supports long-run solutions to the marginalisation of many of our people from the core formal economy. It needs to be backed up and supplemented by appropriate education, training and social protection policies. These policies are required both to assist historically deprived communities to engage effectively with the economy, and to alleviate poverty until the economy creates adequate employment opportunities."

In its consideration of the so-called 'second economy', the NFSD outlines the various strategies already in place or identified in other policies and programmes. The programmes of both the NFLED and the NIPF are identified, in this regard (DEAT, 2006: 42). The NFSD goes on to propose that:

“It is important to also consider ways to shift components of the second economy in a more sustainable direction. For example, while many largely unsupported street traders undeniably provide a positive service, others trade in (often illegal) imports from countries like China at the expense of South African manufactured goods of quality that create local jobs” (DEAT, 2006: 43).

The NFSD thus recognises that the so-called ‘second economy’ is heterogenous and complex and that programmes to address ‘second economy’ challenges also need to be sufficiently nuanced to address these complexities.

The NFSD also talks about ‘second economy’ programmes related to biodiversity and resource use and the National Skills Development strategy that is meant to pull the ‘second economy’ into the first economy (DEAT, 2006:44). The NFSD proposes that progress rests on the ability of the NFLED to empower communities to take ownership of state programmes. Thus, in the instance of economic inclusion strategies, the NFSD places much emphasis on the activation of the NFLED’s strategy of SDCIP’s (DEAT, 2006:43). This is perhaps the area of strongest linkage between all the frameworks.

Nevertheless, despite the focus on ‘second economy’ in all three frameworks, it is worth noting that the debate around the conceptualisation of a ‘second economy’ in South Africa is ongoing. Jeremy Cronin (2007:27) like Devey et al (2007:18, 19) criticises the way that the Government describes and understands the ‘second economy’:

“The failure to understand systemic duality on the world scale is repeated on the national scale. Twice, for instance, the ANC document makes the ridiculous (but symptomatic) claim that: “The most significant vehicle for sharing growth would be to eliminate the second economy”. The so-called “second economy” is not some unfortunate stand-alone reality left behind by apartheid, now requiring “modernization” – it is a direct and ongoing cause and effect of the way our so-called “first economy” functions” (Cronin, 2007:27).

The major challenge raised by the criticisms of the current two economies approach is thus that it does not recognise what has driven the creation of the ‘second’ or marginalised economy, and does not see that the ‘second economy’ is a function or direct effect of the first economy’s operations and behaviour. This rings similar to Trainer’s (2002:54-57) concern that growth can never address poverty because the nature of growth as created by advanced capitalism is itself the cause of the poverty,

None of the frameworks offer any substantive critique on this matter.

9.7 THRESHOLDS AND LIMITS

The NIPF views the only limits to economic growth as internal constraints, which characterise the South African economy, many of which are seen as a direct result of Apartheid programmes. One key constraint on economic growth identified in the policy framework is skills. Others relate to inadequate fixed investment levels, monopolistic and oligopolistic forces which undermine competition and affect the cost of key inputs into the economy and certain sectors, inadequate investment in R&D, a lack of widespread beneficiation and diversification (the dti, 2007: 9,10). The intent of the NIPF is to address and overcome these “binding constraints” in order to reach higher economic growth levels, and employment uptake (the dti, 2007:5).

The NFLED views constraints existing in the form of inadequate municipal capacity that results in “a litany of non-viable projects of start-ups” (DPLG, 2007: 8). In this regard it is recognized that municipalities do not have sufficient dedicated and appropriately skilled and supported resources to undertake LED of the sort envisaged by the Department of Provincial and Local Government. This is recognised as both a constraint and a priority area requiring intervention.

Another challenge facing local municipalities and LED relates to the institutional and legislative environment, which is complex and ultimately must unfold – or be brought into action – in a local setting. Local municipalities are thus required to understand, manage and bring together through implementation the great variety of national legislation, programmes and levers (DPLG, 2007: 19). Institutional and governance considerations will be explored in greater detail in Chapter 10, which follows.

The NFSD has a different conception of limitations to economic growth. It would view these as absolute in the sense that the regenerative and assimilative ability of the natural world is finite. The NFSD therefore recognises limits to the kind of growth that the world is currently experiencing and which is directly linked to material inputs and waste creation. It is in recognising these environmental thresholds that the NFSD proposes that new ways of producing and living must be found in order to keep the natural systems, upon which we are totally dependent, intact (DEAT, 2006:19,20).

In addition, the NFSD identifies the negative effects likely to be experienced from increasing debt and high interest rates, particularly on the poor.

In Summary

This chapter has demonstrated that the approaches to economic development differ across the three frameworks. In particular:

- The NIPF indicates that its objectives will be achieved through increasing industrialisation – and diversification within this industrialisation (the dti, 2007: 14,15).
- The NFLED seeks to increase economic development within localities through a three-pronged approach: competitiveness, public sector leadership

- and governance, and sustainable developmental community investment programming. These approaches combine a market led view of growth as epitomised by recruiting investment, exploiting competitive advantages with mobilising local social/ community capital to provide certain services and functions (DPLG, 2007: 19-22). The NFLED also has a strong coordination and cooperation aspect, which will be discussed in more detail in Chapter 10.
- The NFSD proposes that its principles and pathways be used to re-align the policies and decision-making systems of all social partners and organs of state to “establish a coherent and mutually consistent national system aimed at promoting sustainable development” (DEAT, 2006: 12). A key principle is dematerialisation – which is in direct contrast to the NIPF’s desire to increase industrialisation based on natural resources.

Thus the different stances of the three frameworks indicate that they are all informed by different ideological approaches. This is particularly true of the NIPF and NFSD, which appear to be poles apart. The NFLED contains elements of the NIPF approach in its focus on competitiveness and growth, and elements of the sustainable development approach through its inclusion of SDCIP. It thus represents a compromise.

The discussion of the policy making processes in Chapter 6 highlighted the important role that shifts in ideology have played in the last few years in South Africa. This has allowed for the ‘policy space’ to open up, which has given rise to formulation of the NIPF and NFLED. In particular, this shift in ideology has seen a move away from the more austere application of GEAR’s pro-market approach of the late 90’s, towards a form of developmentalism (as articulated within Vision 2014 and AsgiSA).

Nonetheless, even with the broader acceptance of the need for a re-engaged state, the tension remains between more conventional approaches to economics (as articulated in the NIPF and parts of the NFLED) and emerging pro-poor and dematerialisation approaches (as articulated in the NFSD and parts of the NLED). A clear example of this ongoing contestation, or ‘profanity’, is the conceptualisation and application of the ‘two economies’ approach.

Chapter 10, which follows, uses the same analytical approach - the examination of a cross-cutting theme - to compare the content of the three frameworks. In Chapter 10 the cross-cutting theme is institutional and governance considerations.

CHAPTER 10: INSTITUTIONAL AND GOVERNANCE CONSIDERATIONS

10.1 WHY CHOOSE INSTITUTIONAL AND GOVERNANCE CONSIDERATIONS AS A CROSS-CUTTING THEME?

According to the Government's Ten Year Review (The Presidency, 2003: 9):

"It is possible to argue that the success or failure of government in achieving its developmental objectives will be largely determined by the appropriateness of the institutional framework that it creates."

Further, Evans (2004: 30) suggests that:

"According to Hoff and Stiglitz (2001:389), modern economics has concluded that "[d]evelopment is no longer seen as a process of capital accumulation, but rather a process of institutional change".

Thus, the institutional setting of a given context is an important factor in effecting change. Indeed, institutions and institutional development are acknowledged as key contributors to the successful implementation of economic policies. Kanbur (2001: 6) suggests "... there is broad agreement on the central importance of institutions ...in determining the outcomes for the poor".

Governance is not an equivalent concept to institutional framework or institutional development, as it extends beyond the rather rigid notion of institutions, to include other actors, processes, and considerations of decision-making and power.

Radcliffe and Dent (2005: 618) talk about the slipperiness of the term "governance" and the challenges it poses for research. They refer to Bevir and Rhodes' definition of governance: "Governance refers to the informal authority of networks as constitutive of, supplementing and supplanting, the formal authority of government; to governing with and through networks. It points to a more diverse view of state authority as being located at the boundary of the state and civil society." (Radcliffe and Dent, 2005: 618).

In considering the implementation of the three frameworks, I believe that institutional considerations are key elements, but that other critical additional elements of governance, relating to the broader environment, must also be considered. This chapter hopes to consider a variety of the notions that are encapsulated within "governance" in terms of their discussion within the frameworks. This includes the principles and interpretations of 'governance'; the legal and institutional environment within which the frameworks locate themselves; the other partners and networks that are referred to; implementation processes, including monitoring and evaluation strategies; as well as the normative agenda of the frameworks.

10.2 STRUCTURE OF THIS CHAPTER

Taken together, the considerations within this chapter therefore include:

- Principles, interpretations, definitions of governance;
- Legal and institutional environment;
- Networks and partnerships, learning and self-discovery;
- Management, monitoring and evaluation, targets and indicators; and
- the normative agenda of the frameworks.

10.3 CURRENT TRENDS

In order to locate this discussion of governance, certain trends in South Africa are briefly described below. These trends are taken from the NFSD (DEAT, 2006: 54-63):

- The concept of cooperative governance is entrenched in our Constitution, adopted in 1996 and is a paradigm shift from the values which underpinned the Apartheid regime.
- The concepts of cooperative and democratic governance have been taken forward, interpreted and embodied within different legislation. This includes government's legal duty to act as custodian of the nation's environment as well as intergovernmental coordination responsibilities and mechanisms. It also extends to the role and responsibilities of provincial and local government.
- Huge change has been experienced in the organisation of government institutions since 1994, in order to break with a racially constructed and supported past. Beyond the literal organisational component, new legislation includes public finance acts and performance management systems.
- Key coordinating mechanisms have been introduced to allow for cooperative governance across departments and spheres of government. This includes the Clusters in which different departments meet and report on work based on certain themes.
- Capacity constraints have been recognized as a key limiting factor for the effective implementation of Government's vision. Although these capacity constraints exist at all levels of government, particular emphasis has been placed on these challenges at a local level. Capacity here relates to skills, experience, number of staff, financial resources, and so on.

10.4 DEFINITIONS, INTERPRETATIONS AND PRINCIPLES

Each of the three frameworks places a different emphasis on governance.

The NFSD talks about the "infrastructure of governance" as being comprised of policy, laws, institutions and strategies (DEAT, 2006: 75). For the NFSD, the reference to governance is linked back to one of the principles of the Constitution that

calls for 'democratic governance' and "cooperative governance" (DEAT, 2006:54-55). So it is from the Constitution, South Africa's pre-eminent framework of values and rights, that the NFSD translates its own focus on democratic and cooperative governance. Governance trends are explicitly considered within the framework and a set of proposals are made regarding governance processes in South Africa (DEAT, 2007: 54-63). The governance system is graphically represented within the NFSD and explained as integrating and holding together all the other systems (economic, socio-political and ecosystem services) within a legitimate regulatory environment (DEAT, 2007:21).

The elements considered in the NFSD's governance trends section include the following: technology for governance; provincial and local government trends and the relationship between state and society – civil society trends; governance trends in business and industry; participation and partnerships; information, indicators and reporting for sustainable development; and regional governance. In this way the NFSD seems to take a view on governance as a complex combination of actors, processes, information, coordination, communication and participation (DEAT, 2006:54-63).

As indicated above, a key aspect of the governance discussion in the NFSD is the principle and aim of 'cooperative governance', which refers to the various committees, clusters and councils that seek to bring together public sector decision makers from the different spheres of government and from different line departments.

It is also worth mentioning that Cabinet's instruction (DEAT, 2006: 12) regarding the process of developing the NFSD was that it should be:

“...an integration of *governance, multiple voices, processes and action* (my italics) in decision-making towards a common goal with a consensual vision to set parameters and define policy choices for promoting a sustainable development agenda. This includes improving the performance of the state through focus on implementation, integration and better alignment across all spheres and direct contact with the people”.

Within the NFLED, its third principle refers to 'good governance' (DPLG, 2007:7):

“Local Economic Development is an outcome of actions and interventions resulting from local good governance and the constant improvement and integration of national priorities and programs in local spaces.”

According to Cloete et al (2003: 2) 'good governance' is:

“...the achievement by a democratic government of the most appropriate developmental policy objectives to sustainably develop its society. This is done by mobilising, applying and coordinating all available resources in the

public, private and voluntary sectors, domestically and internationally, in the most effective, efficient and democratic way”.

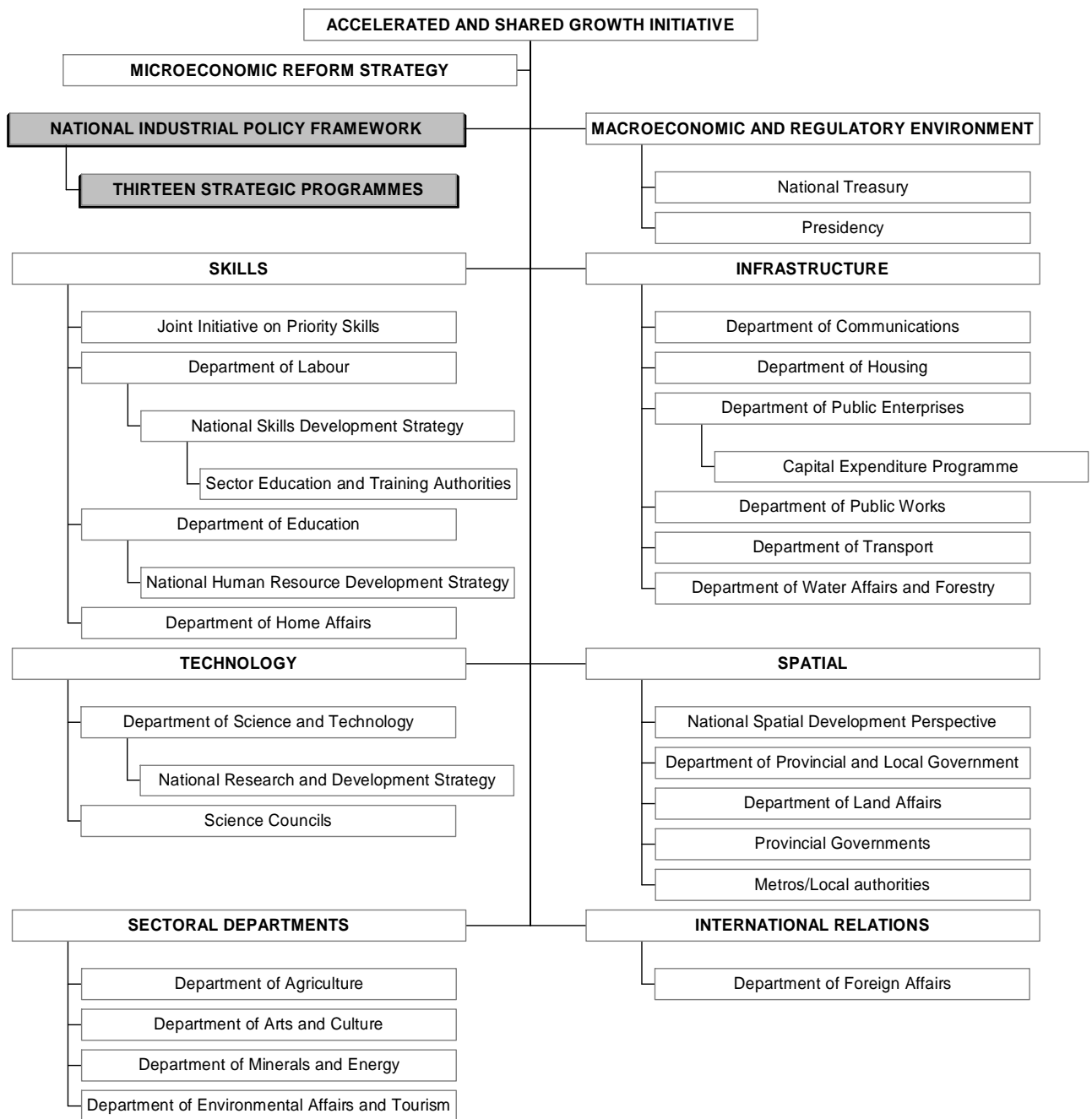
The NFLED, as in the case of the NFSD, places considerable emphasis on intergovernmental relationships, particularly the need for improved coordination and alignment of services between the spheres of government.

The NIPF is equally deliberate in its analysis of and discussions on various governance considerations. The focus of governance in the NIPF relates largely to “coordination, organisation, and capacity for industrial policy implementation” (the dti, 2007:55-57). Here the focus is less on understanding the complex dynamics between the various networks nodes, and more on building institutional and intellectual capacity within government, in order for it to play a more decisive role in directing industrial policy. This will be returned to later in this chapter.

10.5 LEGAL AND INSTITUTIONAL ENVIRONMENT

The NIPF articulates its location within certain “ongoing and complementary policy and programmatic initiatives within government” and provides a Figure 1, which is replicated below (the dti, 2007: 17). This diagrammatically represents the various policy and programmatic initiatives that the NIPF sees as pertinent. Later in the NIPF (the dti, 2007: 56), section 17 highlights and explicates areas and departments in which it sees a particular need for alignment. This is largely a narrative description of the relationships with other policies and themes that are depicted in Figure 1, below. The NIPF talks in particular about its coordination with other policy and programmes within the Economic and Employment Cluster.

Figure 1: An indicative illustration of the links between the National Industrial Policy Framework and related policy initiatives (the dti, 2007:17)



The NFLED also has a section that explicitly locates that framework in terms of its policy context for LED (DPLG, 2007: 9-10). It refers to the 1998 White Paper on Local Government, and local governments core responsibility as: "creating a platform and environment to engage stakeholders in implementing strategies and programmes"(DPLG: 2007: 9). Here the framework outlines the challenge that LED is an unfunded mandate for municipalities, as although the constitution requires municipalities to undertake LED, it does not include LED as a listed function. It is thus proposed that municipalities are to create a conducive environment and to act as

'connectors' – rather than directly create jobs (DPLG, 2007:9-10). This flags early on in the framework one of the areas that presents a practical challenge to implementation of LED strategies, and which relates particularly to the structure of the institutional and regulatory environment in which LED occurs.

A third area identified within the NFLED policy context is the district and metro arena. Here the 5-year Strategic Agenda for the 2nd term of Local Government (2006-2011) – this is the document that Mbeki highlighted in the 2007 State of the Nation address - is discussed and the role of LED within it (DPLG, 2007:9-10). The following emphasis is placed in the text, in this regard:

“The Strategic Agenda for Local Government is underpinned by the concept of a unitary government wherein a de-concentration of national and provincial government capacity connects with the capacities of municipalities to produce the required governance capability for sustainable local development.”

This supports the earlier point that the coordination of capacities is the NFLED's central principle with respect to governance. Thus governance in this context refers to the collective powers of all three spheres of government, together, and the emphasis is on leveraging 'capability' as a result of this co-operative governance.

The NFLED also references the NIPF under Enabling Environment (DPLG, 2007:11)

“The Industrial Policy process indicates that many of South Africa's economic problems and potential solutions lie in the area of microeconomics. Government is challenged in both the targeting and the managing of micro-economic initiatives. There is a tendency for these either to be mismanaged, waste resources or be hijacked by specific interest groups. The response to this challenge is to use resources to create conditions, which stimulates and enables the general environment in which business is done. Where specific initiatives are required, these should be designed to favour enterprises and social programmes that can demonstrate a clear and unambiguous focus on growth. The framework document shows how these principles can underpin government's approach to economic development at the local level.”

In my view, this excerpt from the NFLED, in which it tries to relate its own approach and context to that of the NIPF, sends out confusing signals particularly given the recommendations and principles elsewhere in the NFLED. The excerpt seems to imply that the principle of “unambiguous focus on growth” - which it claims is manifest as a driving principle in NIPF - should be adopted with the NFLED approach to local economic development. I have three problems with this:

1. My own reading is that the NIPF is not focused on growth alone and, indeed, its very *raison d'être* is to move South Africa's industrialization path towards higher levels of diversification, labour absorption, export orientation and knowledge intensification. Strategies are also recommended to ensure

equitability. Thus it seeks a certain quality to the growth. Whether all these objectives are mutually achievable is a matter for another discussion and no doubt the focus of much future research. But in my reading the NIPF does not advocate an 'unambiguous focus on growth' alone.

2. Further to this, it does not seem that given the overall tone of the NFLED, including its talk of social capital and cohesion, New Institutionalism, Sustainable Developmental Community Investment Programming, and the like, that an "unambiguous focus on growth" is a comfortable fit. It seems to underestimate the different ideologies that play out (within its own framework) between a top-down growth-driven agenda, and a bottom-up community based agenda for development.
3. The NFLED discussion of the NIPF also seems to conflate microeconomics (as industry / sectoral development) with a micro, i.e. local, spatial perspective. The NFLED has an explicit spatial agenda, whereas the NIPF does not. For the NFLED, the local area –the district and metro level to be precise – is the perfect spatial level at which to organise economic development (DPLG, 2007:10). The NIPF does not take as much of a spatial perspective although one of the 13 Strategic Programmes is 'Spatial and Industrial infrastructure' in which it is proposed that an approach is needed to guide government investment in infrastructure into those areas that present potential (the dti, 2007: 52-53).

Other frameworks that are identified as key policies that will inform implementation of the NFLED include the National Spatial Development Framework, the Provincial Growth and Development strategies and Integrated Development Plans. Some emphasis is given to aligning the various policies and their proposals (DPLG, 2007: 3). These frameworks all rest on a spatial perspective.

Within the NFSD, in the very first sentence of the framework, under the Introduction within the Executive Summary, the primary locator is immediately established as the United Nation's Millennium Development Goals (DEAT, 2006:9). This sets the NFSD apart from the other two policy documents, as it locates itself against and identifies its mandate as stemming from an international agreement first, before locating itself locally. My reading of the framework interprets the MDG's as providing a key global political mandate for the framework, perhaps in the absence of a clear and urgent national mandate. It is worth noting that the references to the MDG's and Johannesburg Plan of Implementation continue into the proposed strategic activities, which comprise Annex 1 of that framework (DEAT, 2006: 93-113).

A second locator identified as the contextualising environment, is the South African Constitution (DEAT, 2006: 13), which has already been mentioned in the context of cooperative and democratic governance above. Here the NFSD refers specifically to Section 24 of the Constitution, which obliges that "ecologically sustainable development" be pursued.

The framework then posits itself in support of AsgiSA – thus referencing this economic initiative - with one key addition or caveat: that a further challenge is incorporated. This is “how to decouple economic growth and poverty eradication from rising levels of natural resource use and waste per capita over time” (DEAT, 2006: 19). The NFSD then strongly states that if we do not begin to view this additional challenge as equally important as the challenges currently articulated within ASGISA, we will fail in our pursuit of those very challenges.

The Johannesburg Plan of Implementation is another agreement which establishes the need for the NFSD. This was the multi-stakeholder agreement that was reached during the World Summit on Sustainable Development in 2002. It commits states to develop national strategies for sustainable development and to begin implementation by 2005 (DEAT, 2006: 23).

It appears the political mandate for NFSD stems from international agreements, such as the MDGs and JPOI, rather than a local political imperative. This is significant in the sense that it is the only one of the three frameworks to make such a clear linkage to international agreements. As mentioned above, my view is that the global political economy might be more supportive of the development of such a policy than the local context. It appears that in South Africa developing a national framework or strategy for sustainable development does not have the same political resonance as it does globally. This notion of political resonance has been discussed in an earlier chapter and its relevance will be discussed further in my concluding remarks.

The NFSD also highlights that its scope was established through the directive from Cabinet that the framework should not be a new ‘super policy’ but rather a “framework that builds upon existing policies and strategies” (DEAT, 2006:12). Thus sustainable development was located quite clearly by Cabinet as no more than the sum of the parts of other pieces of government work. It appears Cabinet did not want to advocate systemic change or fundamental reorientation of its work – anything too radical, in other words. This immediately sets the ‘tone’ for the framework.

David Fig (2007:234) has the following to say about the framework, which he refers to as the National Strategy for Sustainable Development (NSSD), as it was initially known:

“The NSSD may provide glimmers of inspiration, but it walks a tightrope between conformity with other parts of government policy (like ASGISA) and the impulse to propose a more radical development path”

As in the case of the compromises reached in the NIPF and NFLED (as discussed in Chapter 6), the NFSD also appears to represent a compromise between the various interests that influenced its formulation.

Fig also points to a cultural and structural challenge facing sustainable development policy-making in South Africa (2007:234):

“Significantly, the culture of sustainable development has not been integrated into the thinking of the key macroeconomic strategists. Unlike most other portfolios, the organogram for the Office of the President contains no environmental desk. The key statement of industrial policy ignores the principles of sustainable development, instead arguing for continued exploitation of its natural resources, including ‘cheap electricity’”.

Here Fig identifies the same point that I make repeatedly, i.e. that no notion of ecosystem services or critical natural capital exists within the NIPF.

To begin to address this challenge, in terms of the ‘infrastructure of governance’, the NFSD suggests that a Sustainable Resource Use Cluster is set up in government to implement the measures the NFSD proposes regarding governance for sustainability. It is proposed that the Office of the Presidency be the lead agency in this regard (DEAT, 2006: 75). This is a key recommendation to realign and prioritise ecosystem services. There is also a recommendation (DEAT, 2006: 75) regarding “planning for sustainable development to ensure greater alignment of sustainability criteria, including biodiversity, into all levels of integrated and spatial planning...”. Specific planning frameworks are identified in this regard and include: the National Spatial Development Perspective, Provincial Growth and Development Strategies, Integrated Development Plans, Local Economic Development strategies, amongst others. These are the same spatial frameworks that the NFLED references.

Despite the NIPF having more political resonance than the NFSD, the power given to the NIPF is also curtailed. This can be read from the following section of the NIPF:

“An important aspect of the success of industrial policy that has been identified in a range of developing countries is the role of a ‘nodal agency’ in coordinating industrial policy with related policies, particularly with respect to macroeconomic issues, skills, infrastructure and technology development. The department leading the implementation of a particular strategy must have a sufficiently strong leadership and coordination capacity. While South Africa has not adopted the system of a single ‘super-Ministry’ which has overall responsibility for all of these aspects of policy, the Economic Investment and Employment Cluster combines the key government departments responsible for most of these policies. Therefore the EIEC needs to take on a much stronger role with respect to the coordination of industrial policy interventions” (the dti, 2007: 39)

This is despite the evidence from South East Asia, the NIPF must fight for political support through the Economic cluster. No new structures have been created to fast track the NIPF’s implementation. The institutional framework remains that same. The battles between the various departments that report into the Economic Cluster were highlighted in Chapter 6 with respect to the policy making processes of the NIPF.

The NFLED also has various challenges facing its coordination and implementation within government structures, particularly as it is an unfunded mandate. It appeals to the Inter-Governmental Relations Framework Act and Inter-Governmental Relations structures for coordination (DPLG, 2007: 20). In discussing the role of the State, the following is highlighted within the NFLED (DPLG, 2007:16):

“The state’s role is to assist and to create the conditions for local action to emerge and grow. This framework does not dictate what should happen in different municipalities but focuses on what the state can do to support local leaders, communities, businesses, NGOs, organised labour, and other stakeholders to realise their own and their collective objectives. It emphasises the need for local people to work together with each other and with external role players to improve their lives. The state should play the role of facilitator, net-worker and monitor. It should be the supporter of internationalisation, and arbitrate and keep a balance between weaker and stronger local capacities”.

With respect to the establishment of Sustainable Developmental Community Investment Programming as a core focus of the new proposed LED approach, the following is all that is proposed for implementation (DPLG, 2007: 31):

“The main action that dplg will undertake is to start with exposing SDCIP to decision-makers in the public and private sector, and to communities (ward committees and traditional leaders in particular).

A few SDCIP initiatives have started in South Africa already. Others will emerge from work being piloted in Limpopo Province. Progress should be monitored and lessons learned should be disseminated.

National and provincial departments responsible for policy and funding instruments, as well as municipalities, should be encouraged to review their expenditure processes and adopt a SDCIP approach to complement a focus on sound public service leadership and governance.”

Overall, four structures are proposed to oversee the implementation of the NFLED (DPLG, 2007: 33-34):

- the Minister/ DG of DPLG as the accountable politician/ official,
- the led support unit at DPLG,
- the led forum, and
- an excellence network.

It is not clear if these structures will have enough resources or clout to ensure that the SDCIP approach is widely adopted. It appears, therefore, that DPLG has very few teeth when it comes to the implementation of the new approach (much of the focus appears to be on “exposing” and “encouraging”) and that there is a reliance on other institutions’ acceptance and championing of the programme. A concern is that given its marked departure from past policies, there will necessarily be resistance to

introducing the new programmes identified by the NFLED. Without sufficient political will and appropriate mechanisms to enforce the introduction of SDCIP, it is unlikely huge strides will be made.

Chapter 6, which considered the actual policy making processes followed, shed some light on the lack of implementation focus within the NFLED. It established that in recognition that LED is a function of local government, but also that many municipalities struggle with various forms of capacity, the DPLG decided to develop the framework to assist the municipalities to understand some of the debates, possible strategies and sources of funding in this regard. It was accordingly never envisaged that the major implementation push would come from DPLG. Rather that DPLG would facilitate coordination.

The discussion in Chapter 6 also indicated that certain actors outside DPLG are frustrated by the lack of action to drive implementation of the SDCIP. Other organisations are getting involved –such as the United Nations, and European Union. Certain municipalities have also expressed an interest in finding out more about SDCIP. This introduces the idea of other actors –outside national government – as important contributors to implementation through networks and partnerships. This notion is discussed in more detail, below.

10.6 NETWORKS AND PARTNERSHIPS; LEARNING AND ‘SELF-DISCOVERY’

Each of the three frameworks talks about collaboration, relationships and partnerships that extend beyond government. The NFLED sees partnerships as the mechanism through which the strategic proposals are to be realised or activated. This has been discussed above in relation to the implementation of the NFLED’s proposed SDCIP approach.

Within the NIPF, the relationship between social partners and the state is discussed in general, while the relationships between the state and business is discussed in some detail. Here the NIPF talks about the process of mutual learning that is critical to industrial policy development. This is known as “self-discovery”. Indeed, the President’s introduction to the framework states (the dti, 2007:4):

“Industrial policy is about government and business and other stakeholders including trade unions coming together and agreeing on the basis of high quality research, experience and intuition on sector strategies that will support our broad economic goals. The ingredients of these strategies include a combination of actions by government and the private sector and rely on a high level of trust and commitment on all sides.

It is worth noting that “intuition” is also highlighted here, in addition to research and experience. This supports Parson’s (Colebatch, 2006:317) call for intuition, and Tebense’s (Colebatch, 2006:315) assertion that policy-making requires “judgement”.

In terms of the relationship in industrial policy between government and business, Rodrik and Menocal both refer to this as necessarily close in order for mutual learning to take place. Menocal refers to the nature of the ideal relationship as “embeddedness” (2004: 772), while Rodrik speaks of “strategic collaboration” (2004: 3). In this regard, discussion, problem solving and learning through dialogue between private and public interest leads, in Rodrik’s opinion, to a discovery (Rodrik, 2004: 3).

This notion of ‘self-discovery’ is a bold one in that it advocates, above all, that risks be taken, even if mistakes are made. There exists an implicit recognition that only through decision-making and the implementation thereof can learning take place. Chapter 6 indicated that the inclusion of this principle of ‘self-discovery’ formed part of the deliberate accommodation of certain views of the ‘Harvard Economists’. It remains to be seen therefore, in the execution of the NIPF, how actively the conditions for ‘self-discovery’ will be pursued.

In the case of the NFSD, regular references are made to ‘social partners’, particularly with respect to the alignment work that all social partners will need to embark on in order to give effect to the strategic areas of interventions (the pathways) identified in the framework (DEAT, 2006:1-176). And, unlike the other two frameworks, the NFSD refers extensively to international agreements and bodies such as the Commission for Sustainable Development, the World Trade Organisation, NEPAD, etc (DEAT, 2006: 33-34). There are also references to collective responsibility within the NFSD (DEAT, 2006: 28), which argues that South Africans “must take responsibility for sustainable and shared resource use”.

Connick and Innes (2001:5) talk about the importance of partnerships and the “relationships, institutionalised practices, norms and behaviours” and what they give rise to in terms of behaviour, in policy making;

“We have come to believe, along with many others in the policy world, that collaborative dialogue among stakeholders is the most productive way to address complex and controversial policy questions... Collaborative policy making links the agents that produce results, and establishes information flows and feedback that help them learn, and accordingly act in more productive ways. If you think of collaborative policy making in the light of this complexity model, you get an entirely new perspective on what it can or should accomplish. Agreements may still be of some importance, if only as targets or markers of success, but in a changing complex adaptive world their value may be ephemeral. What are not ephemeral are the new relationships and institutionalised practices, norms and behaviours that emerge in the process”.

The discussion regarding the SDCIP, and the interest that non-state actors have shown in implementing this approach, illustrates this point. Indeed, the very process of developing the NFLED policy framework had an impact upon stakeholders, so that new behaviour has resulted. The NFSD has also supported the emergence of new

practices. As highlighted in Chapter 6, the existence of the framework has, to a certain extent, 'legitimised' and located sub-national initiatives that ascribe to the principles and paradigm put forward in the NFSD.

10.7 MANAGEMENT, MONITORING & EVALUATION, TARGETS AND INDICATORS

From a managerial perspective, and in terms of executing and accounting for policy implementation, each framework recommends certain distinctive processes for implementation, and the monitoring and evaluation thereof.

The NFSD makes specific comments on the need for an integrated monitoring arrangement on sustainable development targets (DEAT, 2006: 72). Here the "fragmented" nature of existing monitoring and evaluation systems is identified as a gap. Specific recommendations are made, including (DEAT, 2006: 71):

- Integration of the regulation and management of, and decision-making pertaining to, water resources, land use and land management.
- Speeding up the implementation of market based fiscal instruments for sound environmental management and conservation of critical ecosystems.
- The need to manage the tension around resource optimisation in certain sectors, and the protection of ecosystems as the basis of sustainable development.
- The improved inclusion of environmental considerations into planning processes such as IDPs.
- Improving energy policy and mechanisms to introduce renewables into energy supply systems.

Later, in one of the five critical pathways it proposes, the NFSD makes some specific recommendations about integrating planning and monitoring and evaluation for sustainable development. Proposals are made regarding existing governance mechanisms, such as various spatial frameworks (including the National Spatial Development Perspective and Integrated Development Plans) as well as the Government-wide Monitoring and Evaluation System (DEAT, 2006: 75).

The NFSD is the only framework that explicitly talks about indicators – as outlined above. To reiterate, it proposes that a set of environmental indicators be added to the social and economic indicators envisaged by the Government Wide Monitoring & Evaluation System (DEAT, 2006: 62). A list of proposed sustainable development indicators is included in Annex 2 of the NFSD (DEAT, 2006: 113-115).

For the purpose of this analysis, I have also considered the recently released Development Indicators Mid-term Review (The Presidency, 2007b) which aims to track trends and performance with respect to key indicators of the 'developmental state'. Released on 21 June 2007, this new scorecard is significant in that:

“This set of key development indicators provides pointers to the evolution of our society up to the middle of this government’s term, two-and-half years after the April 2004 elections. In addition to promoting effective planning and implementation, the publication of the indicators is intended as a contribution to public discourse on the progress South Africa is making towards the ideals inscribed in the Constitution”(The Presidency, 2007b).

Ten themes are used to group the 72 indicators. These are:

- Economic growth and transformation
- Employment trends
- Poverty and inequality
- Household and Community Assets
- Health
- Education
- Social cohesion
- Crime
- International relations
- Good Governance (The Presidency, 2007c)

It appears that both economic and social dimensions of development are included in the indicators. There is, however, no theme which rates sustainable development, environmental performance or ecosystem services. Biodiversity is considered as one of the indicators under the theme: Good Governance. The goal for this indicator is articulated as: “To integrate the principles of Sustainable Development’s into the country’s policies and programmes and reverse the loss of environmental resources” (The Presidency, 2007c: 76).

The trend analysis claims: “South Africa has been at the forefront of global biodiversity conservation through the active involvement of government and civil society, as well as mainstreaming by business and industry. With large areas of natural habitat still remaining in the country, conservation and biodiversity-friendly land uses such as game ranching have the chance to develop and flourish. The tourism industry provides an excellent incentive for better biodiversity management and for exploring the economic benefits of such an approach” (The Presidency, 2007c: 76).

The actual indicator utilised is the percentage of area protected to maintain biodiversity to surface area. There is a clear positive upward trend. But this one indicator clearly does not meet the objective: “To integrate the principles of Sustainable Development into the country’s policies and programmes and reverse the loss of environmental resources” (The Presidency, 2007c: 76).

My view is that this one indicator cannot be taken as a meaningful proxy for the state of the environment. It represents a disingenuous approach to measuring the broad concept “sustainable development” or, even, the more narrowly defined “biodiversity

conservation”. One hopes that in future iterations of the development indicators, Government will dedicate at least one theme to ecosystem services and will utilise an array of indicators to measure different dimensions of this variable.

Over and above the discussion on indicators, the NFSD contains a detailed section on “Institutional Framework for Implementation” (DEAT, 2006: 84 – 87). This lists possible functions that could be undertaken in rolling out the NFSD, and suggests an “appropriate route to follow in establishing the institutional framework for NFSD” with various steps. Despite this, it is not clearly stated who will undertake this work (or initiate it), and when. In fact, considerable attention is taken to explain the ideal process and phasing of rolling out the NSDF, but there is little to which one can attach any timelines and commitments. In talking about implementation, the tone of the NFSD turns from purposeful to abstract.

In the case of the NIPF, one of the 13 strategic programmes highlighted is ‘Coordination, organisation and capacity for implementation’ (the dti, 2007: 55). This contains major recommendations, including: “intra-governmental coordination at the national level; intra-governmental coordination between the three spheres of government; and strengthening of organisation and capacity within the DTI in particular” (the dti, 2007: 55 - 57).

The various Clusters are discussed with particular emphasis on the Economic Cluster as the central coordinating Cluster for the NIPF. A number of changes have been proposed to the operations of that cluster including the establishment of a permanent technical secretariat to undertake various strategic activities. It is further proposed that The Presidency must be responsible for bringing about change within the Cluster (the dti, 2007: 56). The need to improve intra-cluster coordination is also identified and the “linkages between industrial policy and spatial planning of social infrastructure; crime prevention and security programmes; improvements in government administration; and diplomatic relationships” are identified (the dti, 2007:56). Again, matters relating to the natural world are totally neglected.

The NIPF also suggests that improved coordination needs to take place between the various spheres of government. Amongst other proposals, provinces and local authorities are identified as partners to be involved in the “self-discovery” processes pertaining to industrial policy (the dti, 2007: 56).

A number of recommendations are made regarding the dti in particular, as the line department that is custodian of the industrial policy’s development. These include changing the organisational structure, building stronger relationships on sectoral issues with the Industrial Development Corporation, universities and research bodies, the recruitment of additional staff, the development of an Industrial policy think tank, and the establishment of Industrial Policy Centres of Excellence (IPCOEs) to train a cadre of young – predominantly black and female – economists (the dti, 2007:55-57).

As indicated above, the NFLED highlights the importance of coordination as an objective (DPLG, 2007: 7):

“To improve the coordination of economic development planning and implementation across government and between government and non-governmental actors”.

Of the four strategies contained within the NLEDF, the responsibilities for implementation are allocated to various departments of government. I have used italics to highlight the implementation structures (DPLG, 2007: 33-34):

Strategy 1: Improve good governance, service delivery, public and market confidence in municipalities through an alignment of national provincial and local programmes. This strategy will require the *LED unit* to focus on a range of existing dplg initiatives around the priority of improving local economies. A number of actions are underway and monitoring, reporting on these actions from a point of view of building public and investor confidence is the responsibility of the municipal finance section at dplg, working closely with National Treasury.

Strategy 2: Spatial development analysis and planning exploiting the comparative advantage and competitiveness of the 52 municipal regions. This strategy will be driven through the *IDP/PGDS/NSDP alignment task team that is led by the Presidency and of which dplg and dti is a part*. The team will oversee the development of strategic district and metropolitan IDPs working together with the relevant provinces and municipalities.

Strategy 3: Intensify enterprise support and business infrastructure development. Strategy 3 is largely a part of the *on-going responsibilities of dti*. There are also a number of additional sector-based enterprise support initiatives such as the *Department of Agriculture's* emerging farmer support programme that need to be localised more effectively through this framework.

Strategy 4: Introduce sustainable developmental community investment programming. This strategy will require a special programme to be established. The *LED unit will mobilise resources* for an appropriate institutional structure to develop concepts and proposals to pilot and replicate sustainable developmental community investment programming”.

Thus much of implementation of the NFLED will need to be enacted by other departments. Other players include the National Treasury, the Presidency, and the Department of Agriculture. This was discussed earlier in relation to LED being a function (albeit unfunded) of local government. Given the discussions with key policy entrepreneurs in the formulation of the document, it is clear that LED does not view its role as driving implementation. This also emerges from a reading of that framework where the language is very much of coordinator, facilitator and connector, rather than ‘implementer’.

10.8 THE NORMATIVE AGENDA OF GOVERNANCE

As pointed out above, the value of policy is not located only in its implementation, but also in the process of its development. It is worth noting that each of the frameworks has a distinct normative agenda that reflects the values that the policy elites involved in developing the frameworks seek to promote in order to achieve specific societal and political outcomes.

The NFLED (DPLG, 2007: 4-5), as discussed in a variety of places in this dissertation, talks about the normative agenda of New Institutionalism and the value of social interaction as a galvaniser for stronger, more prosperous communities. It thus explicitly identifies the value of social and cultural capital and interactions (DPLG, 2007:4):

“The normative agenda of the New Institutionalism is to develop shared meaning and values, and to strengthen the networks of social interaction. This has also been variously described as building *social capital*, or developing *social cohesion*.”

The NFLED also has a spatial agenda, which identifies district municipalities and metros as the ideal spatial scale for LED. As highlighted earlier, links this spatial agenda to the imperative of intergovernmental coordination.

The NFSD articulates the need for a change in societal values through educating and conscientising decision makers and technocrats regarding the role of the natural world and the interdependencies that exist between natural, social, and economic systems. In the Executive Strategy, sustainable development is described as (my emphasis):

“... an ongoing *process that describes a particular set of values and attitudes* in which economic, social and environmental assets that society has at its disposal, are managed in a manner that sustains consumption without compromising the ability of future generations to meet their own needs” (DEAT, 2006:10).

Later (DEAT, 2006:91), under “Communication and consultation”, the NFSD suggests (my italics):

“The main message of the national vision is the promotion of a sustainable lifestyle which requires changes in attitudes about resources and certain *practices and behaviours*”.

The NFSD and NFLED’s emphases on both process and values supports Sneddon et al’s (2005: 264) proposal that deliberative democracy must involve exchanges between people in order to develop richer understandings of the world. These

deliberative processes play a role in “constructing values”. Sneddon et al (2005:265) further suggest:

“The argument that the social sciences, and all academic enterprises for that matter, can and should embrace a normative viewpoint should no longer be surprising or even mildly inflammatory”.

This concept of deliberative democracy is returned to in the Conclusion.

The NIPF asserts that government has a role to play in determining the vision for the economy and putting in place certain activities to enable that vision to be realised. It states categorically that “there are virtually no examples of developing countries that have industrialised rapidly without a robust and well-implemented industrial policy” (the dti, 2007:14). In so doing the NIPF recognises that the state has a role to play in economic development. The Washington Consensus is critiqued with respect to its approach of embracing macroeconomic stabilisation and the liberalisation of trade as a development strategy for all countries “irrespective of their differing endowments, experiences and levels of development” (the dti, 2007: 33).

Thus the normative agenda of the NIPF is that the state has a decisive role to play in the economy beyond merely macro-economic and trade liberalisation policies. The NIPF makes certain choices about sectors that are to be prioritised for support and where the state will intervene with respect to the provision of industrial financing, skills, technologies etc. for those sectors in particular.

In Summary

It appears from the analysis above that each of the frameworks places substantial emphasis on governance, particularly coordination. In this regard, the NIPF places more emphasis on governmental coordination than coordination between the state and its social partners (despite references to ‘self-discovery’). This emphasis on government’s work is also reflected in the policy formulation process that was followed. As indicated in Chapter 6, this did not allow for public input and comment on that framework. The strong focus in the content of the NIPF on government coordination through the Economic Cluster is as a result of the influence brought to bear by the Presidency during that framework’s formulation.

The NFLED also places a great deal of emphasis on the coordination and alignment of government initiatives. It also highlights the importance of partnerships with business and communities at the local area with respect to the articulation and implementation of LED. This is in recognition that LED must be driven locally.

The NFSD also emphasises coordination within the state, but includes greater emphasis on other parties’ actions than does the NIPF. Here linkages are made not just with respect to South African business and community interests, but also in

terms of international agreements, goals, and organisations. Neither the NIPF nor the NFLED make much reference to international bodies, or agreements.

For direction and coordination both the NIPF and NFSD appeal to clusters at a national level - the Economic cluster in the case of the NIPF and a proposed Sustainable Resource Use cluster for the NFSD. The NFLED places more attention on fora that organise implementation at the local level - such as the LED forum - than on the clusters of national government.

There is little emphasis on monitoring and evaluation, and indicators, within the NFLED and NIPF, whereas the NFSD places considerable attention on getting the government's system of planning, measuring, monitoring and evaluation to incorporate measures of sustainable development. The absence of substantive considerations of ecosystem services within government's Development Indicators Mid-term Review (The Presidency, 2007b) indicates the extent of the work that needs to be done in this regard.

Each framework has a distinct normative agenda. The NFSD advocates dematerialisation, the NFLED proposes both pro-market and pro-poor interventions linked to the space economy, and the NIPF asserts that the state must adopt a more interventionist role with respect to economic development choices and sectoral development in particular.

The distinct normative agendas indicate that different ideological positions exist within government itself. The effect of this is that certain of the resultant policy prescriptions of the three frameworks appear contradictory. This has implications for implementation. In conclusion, Chapter 11, which follows, explores these implications, as it does the causes of government's own ideational incoherence.

CHAPTER 11: CONCLUSION

It could be argued that with regard to the stated priorities of government and its social partners, there exists much agreement on the main challenges that our country faces and which must be resolved with urgency. These are, simply stated: unemployment and poverty. Without contesting this, the NFSD has suggested that the AsgiSA vision of achieving 6% average annual GDP growth between 2009 and 2014 in order to halve unemployment and poverty by 2014, should be qualified by an additional challenge: “How to decouple economic growth and poverty eradication from rising levels of natural resource use and waste per capita over time” (DEAT, 2006: 19). Without dematerialising the economy the NFSD believes the objectives of halving poverty and unemployment are unattainable.

It is precisely within the debate on how to address the challenges of poverty and development that disagreement exists. A joint reading of the frameworks through the cross-cutting content analysis confirms that the often implicit and underlying disagreement about the nature of and choices in the development path exists not only between Government, industry and other social partners, but within Government itself. In order to explain this lack of coherence, critical elements characterising the policy context, and the policy making processes followed in the formulation of the NIPF, NFSD and NFLED, are re-examined below.

11.1 WHAT THE POLICY MAKING ANALYSIS REVEALS

Chapters 4 to 6 outlined the policy context for the frameworks as well as other policy making elements that influenced their formulation. Pertinent findings in this regard include:

1. Despite achieving progress against certain economic fundamentals, deep development challenges persist in South Africa. Since 2002, as a result of the protracted nature of these challenges, ideological shifts have begun taking place within government. In simplistic terms, these shifts have been towards developmentalism, and away from neo-liberalism.
2. The shifts in the ideological position of the state have resulted in a certain degree of policy space ‘opening up’. This policy space afforded the opportunity to finalise the formulation of local economic development and industrial policies and to be more bold and explicit in the intention of these frameworks. The policy space also played a role in the production of the NFSD, although the development of that framework was also strongly motivated by the desire to meet the commitments made in international agreements.

3. Within this shifting policy environment, each of the frameworks had to find a balance between a radical departure from previous approaches, and maintenance of the status quo. This resulted in the NIPF being steadfast in articulating a role for the state beyond macro-economics and liberalisation, but less targeted than initially intended; the NFSD advocating dematerialisation, but not making hard and fast commitments to action and timeframes; and the NFLED accommodating aspects of both pro-market and pro-poor approaches within its strategic interventions.
4. Government bureaucratic action had a marked effect on the policy making processes followed in each of the frameworks. Much of the contestation over the content came from within government itself, rather than from advocacy coalitions outside of government.

The ideological shifts within government and the contestation between bureaucratic actors indicate that certain areas of fundamental disagreement exist. This lack of agreement has resulted in policy prescriptions that are contradictory in intention and approach. The content analysis highlighted particular areas within the three frameworks which lack coherence. These are revisited below.

11.2 WHAT THE CONTENT ANALYSIS REVEALS

Eco-system considerations

Neither the NFLED nor the NIPF recognises natural capital, critical or otherwise. Nor do they identify any environmental thresholds or limitations to our (human) action. This makes the attainment of the proposals contained with the NFSD unlikely. It signals that although pockets of environmental 'progress' might emerge in line with the principles and implementation of the NFSD, at a systemic level degradation of the natural environment is likely to continue.

A practical implication is that environmental battles will continue to be fought on the ground whenever a developmental decision is proposed that has environmental consequences. This has the effect of continually positioning the environment and economic development against each other, rather than allowing for a deeper understanding of human life existing within a biosphere. Increasingly discussions within the Economic Cluster indicate that Environmental Impact Assessments and water licenses are seen as unnecessary barriers to development, particularly in the context of AsgiSA where all efforts are concentrated on increasing economic activity. Examples were considered in Chapter 7.

Another example of the tension between 'development' and ecosystem services was the much-cited "butterfly" quotation of the Minister of Housing, Minister Sisulu, when she stated that housing delivery would no longer be "held hostage by butterfly eggs" (Macleod, 2006).

The problem with this divisive approach is that it does not recognise the linkages between society, the economy and the natural world. A paradigm which sees human development and the natural world as distinct realms is the cause of this dichotomy.

Jeremy Cronin (2007: 27) points to this in a recent article in the Mail & Guardian when he critiques the ANC discussion document 'Economic Transformation for a National Democratic Society':

"The ANC document nowhere analyses (or even recognises) the profoundly contradictory character of the world economy. It admires its breathtaking technological advances, but fails to notice its simultaneous destruction of the environment, the headlong depletion of critical non-renewable resources and the immiseration of huge parts of humanity" (Cronin, 2007: 27).

Social and human considerations

The NIPF's focus on human and social capital is centred on skills, as a factor of production (2007: 47). This provides little space for a holistic approach to people-centred and led development, which calls for the recognition of the value of social relations, and encourages self-reliance. In contrast, both the NFLED and NFSD embrace the opportunity that both human and social capital represent (DEAT, 2006: 78-79; NFLED, 2006: 4-6). There appears to be some fundamental agreement in the orientation of these two frameworks. Indeed the NFSD refers to the NFLED's approach as one that is core to addressing some of the economic challenges that play out at the local level (DEAT, 2006:79).

The implication is that there is likely to be some attention to community-led development, as this is an approach endorsed in both the NFLED and NFSD frameworks. The challenge here, however, will be pragmatic in nature in that local level officials might not be in a position to implement this progressive approach if they are not supported. Given that SDCIP is a new concept on South Africa's LED landscape, it might be a difficult task for municipal staff, already operating with limited resources, to operationalise. Also, if there are multiple priorities (as articulated in the NFLED), it is not certain that community investment will be given serious consideration.

Conflicting priorities are not uncommon in local economic development. In Canada, for example,

"an overlay of contextual issues – including the continued confusion, lack of coordination and contradictory policies that characterise senior government economic development policy-making – further complicates the local economic development environment" (Seasons, 1994:13).

Another challenge might present itself in resolving the inherent tensions between "progressive" and more "conventional" thinking, both of which the LED framework incorporates. The more conventional approach includes establishing and exploiting

competitive advantage, improving coordination and alignment between the offerings of the three spheres of the government to improve “market confidence” and improving enterprise support (DPLG, 2007: 25-27). One wonders what competition might arise in the simultaneous execution of the more conventional approaches and the SDCIP - a more progressive approach. The general tension between top-down orthodox growth strategies and bottom-up community-led approaches (like the one proposed in the SDCIP) is highlighted in Government’s *Macro-Social report* (The Presidency, 2006:94):

“How to mediate the tension between a market-based economic system premised on cut-throat competition, and the desire to build a caring society is one of the critical issues that identify themselves. This is not merely a matter of social values, but also one that impacts on public policy: as a tension firstly between encouraging individual self-advancement and collective development, and secondly between encouraging individual excellence and social equity”.

The policy making analysis indicated that other actors, such as donor agencies, are interested in supporting the SDCIP approach. This may provide some assistance to municipalities in the implementation of LED.

Economic considerations

Within the NIPF considerations of natural capital are not only absent in the sense of critical capital and thresholds, but, also, in terms of the opportunities for new industry development that ecosystems and renewable energies present. This is a missed opportunity. The same is true for the cultural and creative industries.

The policy content analysis also reveals that a tension exists between more conventional approaches to economics (as articulated in the NIPF and parts of the NFLED) and emerging pro-poor and dematerialisation approaches (as articulated in the NFSD and parts of the NLED). A clear example of this ongoing contestation, or ‘profanity’, is the conceptualisation and application of the ‘two economies’ approach as discussed in Chapter 9.

Institutional framework and governance considerations

All of the frameworks appeal to various governance mechanisms and processes. They all employ the language of capacity development, partnerships, and coordination. Certainly, one area in which there is strong agreement is that the state has an important role to play. In fact the NFLED (DPLG, 2007: 7) states this quite clearly:

“Through a developmental approach, Government has a decisive and unapologetic role to play in shaping the economic destiny of our country”.

On an operational level, however, it is likely that each of the frameworks will experience implementation challenges. The NFSD will be particularly challenged as

there is no cluster that currently gives sufficient considerations to issues of sustainable development. It is notable in this regard that environmental considerations are not evident anywhere in Government's PoA (RSA Government, 2007b and 2007c). So, on a practical note, there is little recognition of sustainable development - in terms of the integration of eco-system, social and economic considerations - within national government, although a "Sustainable Resource Use Cluster" has been proposed in the NFSD (DEAT, 2006:75). This proposal will be discussed further under 'Recommendations', later in this chapter.

As discussed earlier, the NFLED is also likely to face implementation challenges given that LED is an unbudgeted mandate and the approach of SDCIP is new and requires a break with the past. Much of the emphasis in that framework is on intergovernmental coordination. In this regard, in advocating coordinated implementation in the United Kingdom, in a survey conducted on public sector managers on new forms of policy making, all identified the need for more time to adopt these new collaborative cooperative approaches.

"In particular, it was considered that joined-up and inclusive approaches to policy-making take more time than traditional methods" (Bullock et al, 2001:9).

The NIPF, although enjoying some support and prioritisation from the Economic Cluster, is also likely to experience challenges in implementation as certain factors identified as necessary for industrialisation sit outside the ambit of the dti. This includes a competitive exchange rate, effective and aligned skills development, amongst other conditions.

Thus, overall, in terms of the content of the frameworks, it appears that in the area of eco-system considerations, there is little or no policy coherence; while in the arena of social capital, there is a level of similarity in the underlying ideological approaches that are espoused within both the NFLED and NFSD; but less in the skills and equity focus of the NIPF. With regard to economic development, differences exist between the industrial and top-down approach advocated in the NIPF; the schizophrenic community- and market-led approaches advocated in the NFLED; and the dematerialisation approach of the NFSD.

Given this lack of coherence, one must consider the relative political acceptability and support given to the frameworks. This was discussed in Chapter 6. The support for the frameworks – what Bouchard and Carrol (2003:3) call 'resonance' - is a critical consideration of the resources that will be muscled behind the implementation of the policies. This is also not coincidental. It is a product of and contingent upon the history and current dynamics within the South African political economy.

In this regard, Newman and Mckee (2005:658) see policy making as "shaped in the context of distinct political projects, and some take the form of hegemonic power, becoming self-evident truths about the best way of organising public services."

With the high-level recognition given to the NIPF by the President in his SONA address in February 2007 (Mbeki, 2007), and its prioritisation within Government's Programme of Action for the Economic Cluster (RSA Government, 2007c), it is likely that this framework will receive much support through the work of government. Its political acceptability – the extent to which it becomes a self-evident truth, to use Newman and McKee's (2005:638) contention – appears to be strong.

An important point here, and my supposition, is that because of its political resonance the NIPF is likely to dominate in those areas where there is a lack of agreement - where coherence does not exist in other words. This brings into play another element in the consideration of coherence. I suggest, then, that where coherence does not exist (where there are different views and/ or approaches) that the framework with the greatest political resonance will gain favour and have the greatest influence over implementation efforts.

Given the disagreement in ideologies, and the practical areas where this lack of coherence is evident in the three frameworks, the next section discusses the notion of policy coherence in more detail. It explores what needs to be in place for such coherence to exist, and the desirability of coherence. It aims to explain why coherence does not exist and to recommend ways of addressing this.

11.3 THE DESIRABILITY OF POLICY COHERENCE.

This paper started off by proposing that a certain degree of policy coherence is necessary in order to avoid fundamentally conflicting and competing policy directions. This in turn, it was proposed, should allow for an effective allocation of resources, clarity as to shared outcomes, and joint action. I suggested that a lack of coherence at policy level is a great challenge to implementers, and can result in unanticipated consequences.

Indeed, according to Cloete et al. (2006: 10), policy coherence and policy coordination have become a key focus for policy makers in recent years. Certain lessons, as identified by the Organisation of Economic Cooperation and Development, are pointed to in this regard. Particularly pertinent points in relation to the subject matter of this dissertation include the recognition that policy making occurs in a complex environment, and this results in a gap between the need for coherence and the ability to achieve it; and that democratic states necessarily have a level of incoherence because of divergent views – and that the emphasis should be on managing these diverse views, rather than ignoring them (Cloete et al., 2006:11).

Recognising the above two points, the OECD points out that coherence should rather be a guiding principle as it cannot be guaranteed (Cloete et al., 2006:11)– indeed policy making can never take on board all the complexities of the environment it seeks to impact upon. Further, that the tools of coherence should be pursued to include organisational structures, process and work methods, as well as good

information (Cloete et al., 2006:11). These points will be picked up on later in this chapter.

The content analysis provides real examples of areas where coherence exists in the three policies, and where it does not. In particular, it has highlighted eco-system services as an area in which there appears to be no agreement, but other areas of disagreement have also been identified. As suggested elsewhere, the local level is the arena where the divergent policy prescriptions often 'play out'. This is further exacerbated by many instances of poorly resourced local government. Policy coherence thus perhaps poses the greatest implementation challenge at the local level.

But it is not only local government that faces the challenges created by a lack of policy coherence. For representatives from labour and business constituencies, this has also created confusion and undermined joint action towards shared societal goals. As Laurraine Lotter, representing the Business constituency at the National Economic Development and Labour Council (NEDLAC) put it at a dti workshop in Pretoria in 2005: "Lack of policy coherence is the most disconcerting thing for business" (Lotter, 2005).

In discussing situations in which a lack of policy coherence might exist, May et al (2005:39) suggest that when different components lack a common organising idea, or "policy glue", the broader policy area is little more than an artificial agglomeration. For May et al (2005: 37) coherence implies that the various components of policies correspond because they share a set of ideas or objectives.

Mazmanian and Sabatier (in May et al, 2005:39) are quoted as suggesting that coherence is an important condition for successful policy implementation, following the logic that clear signals from policy principals are essential for implementers to know what is desired. Schneider and Ingram (in May et al, 2005:39) suggest furthermore that the design of policies sends messages about the value of the policy targets. So coherent policies provide clarity about which targets are most important or valuable to the state.

In discussing the conditions for coherence, May suggests:

"The basic tenet of policy making is that policies cohere because of organising ideas (or policy images), supportive policy publics or clients, and institutional arrangements that support the policies." (May et al, 2005: 57).

In the case of South Africa, and the analysis of the three policy frameworks under consideration, the usefulness of coherence from an implementation perspective has been clearly established. As already discussed, there are certain challenges faced in attempting to achieve policy coherence (Cloete et al., 2006: 11). In addition to the challenges experienced in pursuing coherence, a review of policy making literature reveals that certain theorists (for example, Parsons in Colebatch, 2006: 317) are

sceptical of the desire for a “single” or “sacred” account that policy coherence entails. (The notion of the ‘sacred’ versus the ‘profane’ accounts in policy-making was raised in Chapter 3).

Parsons (in Colebatch, 2006:317) sees the policy process as inherently complex and ambiguous. He questions the achievability and usefulness of policy coherence. In a sense his scepticism of the desire for coherence – a single account – reflects the same concern that Post-Modernists have with Modernism’s meta-narrative (see for example Nicolescu, 2002, for more on this). Within the Modernist paradigm, rationalism and determinism seek to explain the world we live in, by elevating one reading (scientific knowledge) above all others (Nicolescu, 2002: 11). In this regard, Nicolescu (2002: 12,13) accuses Modernism of subjugating history, spirituality and nature – he goes so far as to talk about the Death of Nature – in favour of science. He sees this as a result of the Modernist belief that the object and the subject are separate and distinct.

In hoping to move beyond the dichotomy of the perceived instrumental value of coherence versus the intellectual value of diverse accounts, I propose that it might be useful to distinguish between policy coherence at the level of a developmental vision and policy coherence at the level of actual policy prescriptions (which may be subordinated to the developmental vision in terms of the hierarchy of ideas). This vision would then fulfil what has been referred to above as ‘policy glue’ or a central ‘organising idea’.

It appears to me that the lack of policy coherence in the principles, objectives, assumptions, ideologies and priorities of the three frameworks considered in this dissertation results from the lack of a sufficiently robust developmental vision for the country as a whole. In support of this the analysis contained within Chapters 4 to 10 pointed to the recent ideological shifts in the policy making environment, as well as the ongoing contestation around ideology.

Government’s 2014 Vision, stemming from the 2004 Election Manifesto (ANC, 2004) provides a number of targets, best known of which are halving unemployment, halving poverty and achieving a 6% growth rate. These have been discussed throughout this document. And all three of the frameworks would purport to seek to achieve this. But their methods are different. These methods have been discussed in some detail throughout this dissertation.

Maxwell (2003:12) suggests that one of the problems with targets is that they can both oversimplify and overgeneralise complex problems and may misrepresent the complexity of life. This rings true to me in the Vision 2014 targets in the absence of a super policy.

It appears to me therefore, that there is a weakness (in the sense of Government’s inadequacy in articulating a coherent developmental vision) in the *ideational* capacity and framework of Government. The State is quick to point out that

AsgiSA is not a macro development strategy. It is also clear that neither the NIPF nor the NFSD are to be “super policies”. This begs the question: “what is the super policy for development? Is there one?” The evidence is clear: there is no such thing. And it is in this area that greater ideational clarity is required in order for coherent policies to be formulated and implemented.

11.4 STATE CAPACITY AND COHERENCE

Weighing up progress against some of the protracted challenges facing the country, Southall (2007:20) proposes that the ANC state is in fact more dysfunctional than developmental. He discusses the notion of state capacity as comprising four components that are required for a developmental state to succeed. Southall (2007:2,3) quotes Cummings and Norgaard in this regard and proposes that the four elements necessary for state capacity include: ideational, political, implementation and technical capacity.

AsgiSA (the dti, 2007: 4) also identifies capacity in its criticism of the current performance of the state:

“Certain weaknesses in the way government is organised, in the capacity of key institutions, including some of those providing economic services, and insufficiently decisive leadership in policy development and implementation all negatively impact on the country’s growth potential”.

Swilling et al (2005: 3) suggest that part of the reason for this is that “economistic and reductionist analyses fail to address ... the complex and challenging task of institutionalising developmental state institutions”.

Other commentators are however hesitant to overemphasise institutionalisation as the only area that is lacking, at the expense of other critical capacity considerations. Adam Habib (2004: 2,3) suggests that although Government acknowledges, at least to a certain extent, that there are challenges that continue to face the state, these are seen as challenges of implementation and not a matter of policy direction per se. He refers here to:

“The issue that raised eyebrows, however, was the president’s claim that he did not see the necessity for any policy shifts. The failure of poverty alleviation and development, and the inadequacy of service delivery, was in his view, a result of poor implementation rather than policy failures as such...” (Habib, 2004:2-3).

It appears that Mbeki, through what Southall (2007:3-6) terms his ‘modernisation project’, places much emphasis on the technical and implementation aspects of all three spheres of the state, and, in addition, its agencies. Indeed, in considering the emphasis on capacity that Mbeki places in his State of the Nation 2007 speech, and

in previous years (Mbeki, 2005; Mbeki, 2006), it is apparent that he focuses largely on the ability to implement and deliver. Emphasis falls on building the State's technical and implementation capacity, as this is seen as the greatest stumbling block in the roll-out and delivery of services.

COSATU (2006: 23), as with Southall and Habib above, is concerned about this obsession with technical capacity – this managerialist approach to development – which Buakomisa describes as a 'technocratic vanguardism' (2006: 23) at the expense of what could be called ideational capacity. This concern supports the view that the national developmental vision – Vision 2014 – is not sufficiently ideationally robust to provide a coherent framework within which policy making and implementation can occur (or to resolve some of the ideological contestation that exists with respect to development approaches highlighted in this dissertation).

Clayton and Radcliffe (1996:5) term the crisis that faces our planet a global 'problematique' (what Edgar Morin (1992: 371 – 385) calls a 'polycrisis'), characterised by a set of interacting complex problems. It is critical, therefore, to employ an analytical perspective that recognises the world in its complexity. Later in this chapter, I discuss some of the ways that a complexity perspective can be applied to policy making theory, and make some proposals in this regard.

My assertion that there are fundamental areas (in particular around ecosystem services) in which policy coherence does not exist in South Africa, and that this may in part be explained by the lack of a sufficiently robust national development vision for the country, is thus ascribed to the state's ideational capacity. It is clear that a stronger ideational role for the state must also involve the facilitation of a process of engagement and dialogue in the hope that this will 'keep in check' the desire for a dominant "sacred account", that Parsons (in Colebatch, 2006:317) warns of. Thus the development of improved ideational coherence and clarity should not put an end to contestation. The challenge here is to achieve a unifying vision without whole-hearted adoption of an impoverishing centrist approach to a developmental state.

It might appear anecdotally that the view taken by the Presidency is that strong and centralised leadership is required from the top, despite the commitments to a decentralised state and the existence of three spheres of government. Perhaps the language of central control has returned because of some of the challenges that decentralisation has thrown up. In this regard, Swilling et al (2005:28) highlight the following excerpt from Government's Ten Year Review:

"From an assessment of the various themes, it can be seen that the Government's successes occur more often in areas where it has significant control and its lack of immediate success occurs more often in those areas where it may only have indirect influence".

Swilling et al (2005:28) then propose that this desire for control captures an underlying mind-set in the Presidency. A question in a similar vein to the one I pose above is then raised:

“Although there is nothing wrong with this in and of itself (and is by no means unusual for state systems across the world, especially in fast growing developing countries like South Africa), much depends on whether this impoverishes or enriches the intellectual and strategic content of policy making” (Swilling et al, 2005: 28,29).

This tension is not a uniquely South African phenomenon. Commenting on the contradictions in the practice of public administration in the United Kingdom at the moment, Radcliffe and Dent (2005: 622) have the following to say:

“... the new governance structures are emerging and operating within the context of an agenda set by central government, even though the rhetoric emphasizes local autonomy for the delivering of services. In cases of perceived failure, enforced self-regulation can be overthrown in favour of the more directed NPM approach of control, management of risk and intervention”.

A recent ANC economic policy discussion paper (2007: 1-22) mentions the need for strategic capacity in the state, but most of the emphasis revolves around technical and implementation capacity. It also makes quite clear that a paradigm shift in thinking is not required. The wording appears distinctively defensive in this regard:

“The ANC’s economic policy stances are both comprehensive and correct, and have remained consistent throughout the era of liberation. The critical challenge we now face is not the elaboration of an entirely new policy paradigm, but the identification of critical interventions that will enable us to accelerate implementation” (ANC, 2007: 6).

Given the bold assertions above (ANC, 2007:6), it does not appear that the ANC recognises a lack of coherence in its policy prescriptions (as highlighted in this dissertation), nor does it appear to welcome debate.

Habib (2004:6) believes that viable political opposition to the ANC is the only way to create “substantive uncertainty” - a form of political uncertainty, which requires the incumbent government to effectively address societal challenges. Habib (2004:6) views this kind of competition as healthy for a democracy as it holds political power in check. He (Habib, 2004:7) believes “substantive uncertainty” is necessary if we are to overcome the inherent contradictions within certain of the policy prescriptions that the state maintains (the lack of ideational coherence, in other words).

So while the Presidency seeks greater authority and control in order to lead centralised implementation effectively, and the ANC maintains its ideational/ strategic

approach is “correct” and “consistent”, Habib (2004:7) proposes stronger political opposition in order to make the incumbent party more responsive to society’s needs:

“The solution to this state of affairs is the reintroduction of substantive uncertainty into the political system. This will allow the vote to be enhanced as leverage and thereby re-establish the accountability equation between political elites and citizens in South Africa. It won’t resolve the problem. But it would complicate President Mbeki’s life. Given that he can no longer take his position and ANC rule for granted, he will inevitably be compelled to take the interests and wishes of voters as seriously as he does more privileged stakeholders in society. Every time he is thus confronted with competing interests between the business community and the broader citizenry, he will be forced to make concessions both ways. As Margaret Legum cheekily put it in an intervention from the floor at a recent public meeting of the Institute for Democratic Alternatives in South Africa (IDASA), “the president must be forced to look over his left shoulder as much as he does over his right””.

In seeking political accountability, Sneddon et al’s (2006:264) call for ‘deliberative democracy,’ like Habib’s ‘substantive uncertainty’, aims to create conditions for vibrant debate within society. In creating a robust developmental state, Sneddon et al (2006:264) talk about the need for ‘deliberative democracy’ to allow for the processes - which he lists as: open discussion, transparency of decision-making, forcing policy-makers to be accountable, reasoned and respectful debate – through which political and social change occur. Thus contestation is important and mechanisms need to be put in place to allow for this debate.

Evans (2004:36-37) has the following to say about deliberative democracy:

““Deliberative democracy” (or, as Fung and Wright (2003:20) call it, “empowered participatory governance”), is a process of “joint planning, problem-solving, and strategising”, involving ordinary citizens, in which “strategies and so-called solutions will be articulated and forged through deliberation and planning with other participants”, such that “participants will often form or transform their preferences in light of that undertaking,” thus allowing solutions that would be impossible given initial preferences”.

Given that Evans sees ‘deliberative democracy’ as culminating in solutions that would be impossible given initial preferences, it appears that ‘deliberative democracy’ is non-linear, thus appealing to the characteristics of complex systems (see Cilliers,1998 for more on the characteristics of complex systems). The complexity of policy-making and the manner in which this could provide new insights into and approaches to public administration will be explored later.

Evans (2004:31) also places great emphasis on institutions in this process. The critical measure of success with respect to institutions for him is that they empower citizens’ decision-making. So his view is perhaps different from some of the more

conventional discussions around institution-building that would seek to have technically effective bureaucracies that deliver on the targets that are set for them (what critics of the South African state would call an overemphasis on managerialism).

“A number of economists, including Dani Rodrik and Amartya Sen, have argued that, instead of imposing a “one best way” based on the supposed experience of now-developed countries, we should be seeking ways of fostering institutions that improve citizens’ ability to make their own choices” (Evans, 2004:31) .

Evans (2004:36) also quotes both Rodrik and Sen as proposing that the *process* (my italics) of building the institutions in the developing world is where part of the value lies. He (Evans, 2004: 36) quotes Rodrik’s assertion that societies need to develop the capacity to “build better institutions” of various kinds. He (Evans, 2004: 36) also quotes Sen’s arguments for the “fundamental priority of participatory political institutions” which begins with the premise that “thickly democratic” decision-making institutions, built on public discussion and exchange of ideas, information and opinions offers the only way to adequately define desirable development goals”.

So the process of clarifying a developmental vision for the state should involve “thickly democratic decision-making institutions” (Evans, 2004:36) in order to define (broadly) desirable developmental goals. This is a tall order. Summing up the immense challenges that exist in creating this form of democratic developmental state, White (1998:42) asserts that “Democratic developmental states may turn out to be the exception rather than the rule”. Here he lists historical, contextual and systemic reasons and goes on to say (my emphasis): “This is partly because it is defined in terms which are potentially contradictory and difficult to achieve: autonomy *and* accountability, growth *and* redistribution, consensus *and* inclusiveness” (White, 1998:44). Some of these difficulties were clearly demonstrated in the analysis of the policy-making processes adopted for the three frameworks.

11.5 MOVING TOWARDS PLURALISM

Trying to reconcile the seemingly contradictory sacred account (which could amount to a coherent national development vision in this instance) with the profane account (evident in contestation of ideology and opinions) requires a new paradigm. What is called for is an approach that allows us to begin to bridge some of the (artificial) divides in our thinking, policy making and implementation.

Sneddon et al (2006: 261) refer to the move beyond disciplinary boundaries as “embracing pluralism” and calls for a paradigm that combines ecological economics, political ecology and freedom-oriented development. Each of these three areas already bridges disciplines. Taken together they provide an analytical perspective

that provides more than bridges, it moves towards a systemic view of development that transcends disciplinarity (Sneddon et al, 2006: 261-263).

A new approach to policy-making should allow space for a measure of policy coherence but deliberately develop processes so that the (temporary) hegemony of this coherence does not take away from debate and reflection. It should also allow for alternative views to emerge within a landscape of choices. We need to view the world in terms of a complex web of interrelated and interconnected systems. The complexity perspective can provide some assistance in this regard.

In *Complexity theory and New Public Management*, Blackman (2001: 2) is interested in understanding how complexity perspective concepts can be applied in public policy. Having considered the case of 3 British universities, he suggests that:

“Policy landscapes of boundaries, limits and constraints create the conditions for self-organisation within institutions and differentiation of structure between them as they compete for resources” (Cilliers in Blackman, 2001:2)

I have interpreted this in the context of this discussion of policy coherence to indicate that a sufficiently robust developmental vision must be projected by the political leadership to indicate a policy landscape of *ideational* boundaries, limits and constraints. Ideational boundaries, limits and constraints can, within our particular context, provide a frame for acknowledging the complexities involved in policy-making and implementation. But this framing must be recognised and must recognise itself to be contextual, contingent and time-bound. Such ideational parameters provide a tool to allow for improved and increasingly coherent self-organisation of policy-making sub-systems.

The vision and the markers provided by the ‘policy landscape’ will be temporal and imperfect in the sense that they will be an interpretation of a complex reality, which, by definition (Cilliers, 1998: 112-140) cannot (yet) be understood in its totality. The hope, none the less, is that the self-organisation of the system (in this case, the policy making system) will be enabled to occur in a more coherent fashion than at present.

And this, ironically enough, is not out of keeping with the thinking of Government in *Towards a Ten Year Review*:

“..., for development to be successful, the state needs to be sufficiently strong to commit to encompassing long-term developmental objectives, in other words, for the state to assert its leadership role beyond the realm of areas under its direct control.

In the course of the Ten Year Review, it was evident that apart from the RDP, there was no such encompassing framework or broad vision.” (The Presidency, 2003:103)

Later,

...”there is evidence from the review process that unless such an unambiguous framework is articulated, it will be difficult to achieve coordinated action, both within government, and between government and its social partners...Internal to government, such an encompassing framework would provide the basis through which policy coordination and performance management could be established. Without a clearly articulated hierarchy of outcomes, it is unlikely government will achieve the externalities or integrated and coordinated action across society” (The Presidency, 2003:104).

Part of the value of establishing a broader development vision with a ‘clearly articulated hierarchy of outcomes’, is that, once identified as such, the boundary making limit-setting ideas it contains may more readily be challenged. This recognises and upholds the value of ‘profanity’ in policy-making. Put more cogently, the hegemony of the ideas that constitute the vision can be challenged if they are exposed as explicit choices.

It becomes critical, however, to support the ‘profane’ through purposely putting in place, empowering and valuing the processes of deliberative democracy. These processes should aim to achieve what White (1998:31) calls ‘inclusive embeddedness, in which:

“the social basis and range of accountability of democratic politicians goes beyond a narrow band of elites to embrace broader sections of society”.

In this way hegemonic ideas are able to be challenged. In the case of what is essentially a one-party state in South Africa (albeit democratic) the lack of “strategic uncertainty” must be recognised, and the development of alternative forms of political accountability, through deliberatively democratic decision-making ensured. This is, however, easier said, than done.

Medd (2001: 7-8) provides some suggestions on how to address this. He suggests that discourses on inclusion and exclusion should be recognised for their co-relationship and that policy making needs to describe as much what it includes as what it does not. Medd (2001:7-8) relates this exclusion to ‘ignorance’ which he explains as entirely inevitable for policy as “policy cannot have one to one temporal correspondence with its environment”. He then goes on to propose (Medd, 2001:8):

“All this requires recognition of the limits of temporalities for there would appear to be an ethics as to what temporalities are drawn into these processes of inclusion-exclusion.... The ‘ecology of ignorance’ is one in which

we need to recognise that our solutions will cause problems and different ignorance leads to different possibilities”.

This recognition of the ‘ecology of ignorance’ (Medd, 2001: 7-8) within policy-making is echoed by Potoski (2001: 2- 5), who recognises the role of ‘uncertainty’ in policy-making. He claims this ‘uncertainty’ has not received adequate attention in the policy-making sciences and he proposes that different types of ‘uncertainty’ exist in policy making. His conception of ‘uncertainty’ includes technical uncertainty, political uncertainty, collective decision uncertainty, and principal agent uncertainty (Potoski, 2001: 2-5).

In applying these notions of ‘ignorance’ and ‘uncertainty’ to policy making in the South African context, we are required to recognise what we have included in our frame (developmental vision) as well as what we have not (as far as this is ex-ante knowable), *as well* as the ethics of this, and to recognise that there will be consequences – varying consequences – depending on how we construct this frame.

And this is how I believe we should approach the challenge that is presented by the lack of coherence in the three national frameworks: as products of a political frame of our country which has not been sufficiently articulated into an encompassing view, and which has not attempted to “own its frame” in the sense that it acknowledges both what it is as well as what is not, and the ethics (and possible implications) of this.

Although the state espouses cooperative governance, political accountability and participatory processes, the opportunities for ‘profanity’ from these quarters do not appear to present a serious challenge. The policy making processes discussed in Chapter 6 indicated that most of the contestation came from within Government itself. The ideological debate was thus fairly exclusive and not broadly participatory.

Speaking of participatory decision-making, O’Malley (in Maasen and Lieven, 2006: 408) in reflecting on the value of transdisciplinarity for society proposes that:

“While the emergence of inclusive forms of knowledge-based decision making certainly advances democratic values of participation in societal decisions under uncertainty, it also advances responsabilisation (O’Malley, 1996), that is, a generalised individualisation of societal risk-taking (Lemke et al, 2000). However, by demanding of all individuals a re-orientation towards the Common Good, society re-emerges instead of disappears. Our society is therefore neo-liberal and “neo-social” (Lessenich, 2003:81) in that the radical individualism of the former concept fosters new forms of becoming social by, amongst other things, going transdisciplinary. Transdisciplinarity thus reflects and relates to the wider processes of science, politics and governance in modern societies”.

From within this complexity perspective Kiel (Medd, 2001:1) calls for “a new worldview, a new intellectual framework, a new paradigm for creating government organizations capable of qualitative and transformational change in performance and service delivery.”

So, then, what might public policy informed by a complexity perspective involve in action? Newman and McKee (2005:658-660) recognise the different conceptions of public management in the United Kingdom over time – from bureaucracy as the ideal organisational form during the social democratic state, to the New Public Management (NPM) during the era of ‘rolling back’ the state. They discuss the notion of “public leadership for social investment” as an emerging paradigm, although they recognise that NPM is still the dominant institutionalised force.

Parsons (2002:1) highlights this dominance in his comparison of the UK’s government’s view of policy making and that of some of the policy science theorists. He (Parsons, 2002: 2) sees the UK government’s call for ‘evidence-based public management (EBPM)’ as a managerialist approach to the relationship between knowledge, power and society:

“In its belief in the existence of ‘firm ground’ (in what Shön termed the policy ‘swamp’), EBPM must be understood as a project focussed on enhancing the techniques of managing and controlling the policy making process as opposed to either improving the capacities of the social sciences to influence the ‘practices of democracy’ as envisaged by Lasswell, or facilitating the kind of systems thinking advocated by Schön in the 1970s and by the more recent students of ‘complexity’”.

How ‘public leadership for social investment’ compares to the style of the Evidence-Based New Public Management is shown in Table 1 below. I have added a third column in which I attempt to capture what a public administration tradition which combines the complexity perspective and deliberative democracy might involve. I have drawn heavily on Blackman’s article: Complexity theory and the New Public Management (2001), and Parsons (2002: 1- 16) where he discusses differences between these approaches to public policy, as well as Cilliers (1998:112-140), Capra (1996), Max-Neef (1991), Nicolescu (2002a), Evans (2004) and Sneddon et al (2006).

Table 8: Beyond NPM (Newman and McKee, 2005: 657-74), adapted.

New Public Management	Public Leadership for social investment	'Deliberative democracy' in complex systems
Control of inputs/ outputs as criterion of success	Delivery of policy outcomes as a criterion of success	Success results when self-organisation and self-transformation of the system enables emergence and addresses systemic challenges.
Information as a management resource	Information as a public resource	Information and learning as the core function of and feedback into the system. Information is recognised as non-linear and contingent on the system's history, relationships and asymmetrical power relations. It is also seen as having an ethical dimension.
Managing financial risk	Managing social risk	Recognising and addressing systemic risk through facilitating learning, self-organisation and emergence.
Organisational focus	Focus on cross-cutting issues	Focus on characteristics and dynamics of complex systems to address systemic challenges. Framing is recognised as a deliberate and reductive tool in this regard.
Short-term transactions	Capacity-building relationships	Decentralised learning and adaptation. Ensure conditions are ripe for this by encouraging the processes of deliberative democracy.
Standard service packages to secure cost reduction	Targeted service to deliver effective use of resource	Understanding challenges to be complex and, at times, systemic, and looking for responses that are able to address many needs simultaneously ¹ . Valuing diversity and contestation.
Intervention	Prevention	Learning, self- and collective responsabilisation to bring 'profanity' into the system. Deliberate framing, recognition of 'ignorance' and 'uncertainty', and ethics thereof, and the stimulation of the conditions for emergence within the system.
Public manager as business entrepreneur	Public manager as social entrepreneur	Public manager exists as part of a fabric of relations within the system, and deliberately enters into the 'agonistics of the network' through the exercise of conscious framing for policy-making and establishing the conditions for deliberative democracy

¹ An example of this would be the Sustainable Resource Use industries advocated by the NFSD. In this instance economic development and environmental benefits accrue together.

Adopting a complexity perspective must recognize that broadening the frame and being explicit about the “framing exercise” is not necessarily a comfortable task. Owens et al (2006: 638) highlight how broadening the frame “...may be seen as unhelpful to those charged with delivering short-term objectives in fragmented and compartmentalised areas of policy responsibility” (Owens et al, 2006: 638).

Indeed,

“The overthrow of beliefs is not immediately followed by the overthrow of institutions; rather the new beliefs live for a long time in the now desolate and eerie house of their predecessors, which they themselves preserve, because of the housing shortage” (Nietzsche in Connick and Innes, 2001:5).

Writing about the pragmatic developmental state, Swilling et al (2005: 53) suggest that prescriptions for how to accomplish this new kind of state-craft have not yet been written: “they get written as policy-makers and leaders “muddle through” highly complex non-linear dynamics”.

Despite this inevitable muddling through, the value of embracing a transdisciplinary and complexity perspective to policy-making must stem from the recognition that:

“if the world is complex, or if the evidence is uncertain, or if legitimate differences in perspective and framework explain differences in conclusions, analysis must take these on board. And the policy messaging that comes from such analysis must reflect the nature of those complexities. Inappropriate simplifying and hardening of policy messages... will only serve to polarise the debate further and will not be conducive to broad based dialogue” (Kanbur, 2001: 16).

11.6 RECOMMENDATIONS

The analysis in this dissertation has attempted to show that the policy making system in South Africa is constrained by the lack of an adequately robust and encompassing developmental vision. This is the single greatest challenge to the creation of coherent policy ‘products’ – such as the three frameworks under consideration. In turn it is likely to have a negative impact upon implementation and the achievement of the targets and objectives that have been set in the three frameworks.

Dror (in Cloete et al., 2006: 48), writes about improving policy development and points to the need for ‘grand policies’. In the instance of this dissertation, a ‘developmental vision’ for the country would be an example of such a grand policy.

“... improved grand policies ... guide the substance of discrete policies, which in turn involves the application of policy analysis to grand policies as well as process and organisational upgrading which serves policy development as a whole” (Dror in Cloete et al., 2006: 48).

This dissertation has considered both the policy making context (the priorities and performance of the state described in Chapter 4, the contestations around ‘development’ described in Chapter 5), as well as the particular policy making processes (Chapter 6) that were followed in the development of each of the frameworks. A lack of policy coherence has been demonstrated through a comparison of the policy prescriptions of the three frameworks through a content analysis. This was undertaken through a consideration of cross-cutting themes (Chapters 7 to 10).

The content analysis identified that each of the frameworks attaches different values and meanings to concepts, and advocates different approaches to achieve its own desired form of ‘development’. The cross-cutting theme that demonstrated the greatest divergence in policy prescriptions across the frameworks was that of eco-system considerations (as discussed in some detail in Chapter 7). It established that eco-system considerations are totally absent from the NIPF. In the NFLED, although natural resources are recognised as important elements, no recognition of critical natural capital exists. The NFSD calls for dematerialisation, in particular the decoupling of economic growth from rising levels of natural resource use and waste per capita. The NFSD suggests that without this dematerialisation, the economic and social objectives of the state will be comprised.

Given the above, this chapter – the Conclusion – has discussed what is required to put in place a coherent policy making system in South Africa. It has also proposed that the accommodation of this policy coherence should not come at the expense of diversity and the expression of ‘profanity’ or contestation. The value of deliberative democracy, pluralism and complexity were highlighted in this regard.

Beyond this general reflection and discussion, a number of specific recommendations can be made in order to improve the policy making system in South Africa. These relate both to the policy making system at large, as well as the short-term challenge of overcoming the lack of coherence in the NFLED, NIPF and NFSD:

1. In order to change the overall policy making system, a first step will be for Government to lead the process of arriving at a broad developmental vision for the country. A development vision for the country must be arrived at through a robust participatory process that recognises the existence and legitimacy of ‘profanity’ and dissonance. The ultimate vision will not be able to accommodate all interest groups’ desires and values. Choices will have to be made in this regard. But these choices should be recognised as having an ethical dimension

and as (necessarily) reductive. The development of the vision should also take into account the ecologies of 'ignorance' and 'uncertainty'. The vision's validity must be recognised as temporary and context bound, and as only legitimised through widespread societal endorsement.

The objective of this broad developmental vision is to provide the overarching context for policy making in the country. (It is also likely that other positive effects will result, to include the mobilisation of various interest groups behind the vision, which will assist with implementation). This will help contextualise the individual policy making processes and will allow for the achievement of a greater degree of coherence in the ensuing policy 'products' and prescriptions.

2. In order for government to embark on the process of developing a robust vision, a first step must be to acknowledge that improved ideational capacity is needed in order to address the global and local problematiques that face our country. This relates to the ideational capacity in government as well as its social partners in order to enrich dialogue.

The pursuit of this ideational capacity should occur in a manner that builds better institutions and relationships through embedding, embracing and extending the processes and mechanisms of deliberative democracy. This must result in movement away from the current situation where mechanisms exist but are not truly deliberative and participatory.

3. Future policy making processes should be conducted in the same spirit and manner in which the national developmental vision is constructed. That is, they should be broadly participatory, open to scrutiny, contestation and criticism, and recognised as a set of necessary, yet imperfect choices, in the sense that full knowledge is not possible in complex, open systems.
4. Public managers should be encouraged to develop the flexibility, creativity, intuition and experience that Parsons and Tembelsen (in Colebatch, 2006: 317) call for. These characteristics must be valued by the culture of public administration. They should also, in time, inform the structure, norms, practices and choices of this administration. This will allow for a move towards pluralism and complexity. It is recognised in this regard that a public administration tradition based on these sorts of values and practices will only unfold over time. This dissertation has indicated that in the United Kingdom, with its established institutions and bureaucracies, the move towards a public administration approach of 'Leadership for social investment' is fraught with challenges.
5. In the immediate case of the lack of eco-system considerations within the NFLED and NIPF, a number of recommendations may be made.

- As indicated in this dissertation, and by the NFSD, the current work of government does not consider and incorporate eco-system services within economic (and many other) policies. In order to address the situation, the NFSD proposes that a Sustainable Resource Use cluster be established. What is unclear, and needs further investigation before this proposal of the NFSD is implemented, is whether this will increase the 'silo mentality' in government. It is important that the introduction of an additional cluster does not further dichotomise and entrench the division in thinking and planning between economic and ecosystem considerations.
- Furthermore, and linked to the above point, it appears that although DEAT currently reports into the Economic Cluster, it was unable to significantly influence the content of the NIPF and NFLED with respect to incorporating eco-system considerations. Both of these frameworks were taken to the Economic Cluster on a number of occasions prior to being finalised. It is thus unclear whether this lack of eco-system considerations within the NFLED and NIPF is a function of the structural exclusion of the environment from the cluster system, or the lack of bureaucratic action and influence on the part of the DEAT, or both.
- This also relates in part to the political resonance of the NIPF in relation to the apparent lack of political resonance of the NFSD. This resonance must, at least in part, be determined by bureaucratic action and power. Thus it may make more sense for ecosystem considerations to be considered within the Economic Cluster, rather than through the creation of another forum, and for the bureaucratic capacity of DEAT to be strengthened in order for that department to be able to champion these considerations with more success.
- The main-streaming of sustainable development considerations within the Cluster system will pave the way for debate and reflection on the lack of alignment between the various policy prescriptions. In turn this will assist in raising the discussion at a senior and political level. It is likely to highlight the need for a robust development vision that is able to more fully articulate the country's desired development path and what trade offs this might entail. This will assist in creating the conditions necessary for the adoption of the recommendations contained in points 1 to 4.

These are the conditions that need to be put in place in South Africa to create a policy making system that produces coherent and socially validated policy. If the above proposals are adopted, it is likely that they will lead to a greater clarity about the developmental vision for the country, more effective implementation, improvements to South Africans' quality of life and the state of our ecosystems, as well as increased support and enhanced legitimacy for the government.

Given the rapid depletion of eco-system resources, as well as the increasing gap between the rich and poor, it becomes a matter of great urgency that the recommendations above are taken on board. Based on the current situation, without the implementation of the recommendations made above, it is unlikely that any of the three frameworks will achieve their vision for South Africa's development path. It is equally unlikely that Vision 2014 will be achieved.

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Appendix 1: Local Government Interventions in Programme of Action: Governance and Administration Cluster

2	CAPACITY OF THE STATE			
2.1	Local Government			
2.1.1	National and provincial government departments to provide concrete support to municipalities in their Strategic and Business Plans including support to District and Metropolitan Municipalities to prepare IDPs	DPLG, All National Sector Departments & Provincial Departments	Apr-07	6 national government departments (DWAf, DME, DEAT, DTI, Housing & DPLG) submitted progress reports on their local government support programmes in May-07. All provinces have support programmes in place and have submitted reports
2.1.2	Implementation of institutional and operational systems to monitor, evaluate and report on local government service delivery	DPLG, All National Sector Departments & Provincial Departments	Jul-07	A project to develop monitoring, evaluation and reporting capacity in Offices of the Premier & Provincial departments of Local Government has made good progress. Eight Premier's Offices have established M&E units and 6 out of 9 provinces have M&E units
2.1.3	Implementation of the Local Government Competency Framework to ensure that every District and Metro municipality has capacity to discharge its responsibility	DPLG, DPSA, NT	Dec-07	A managerial competency framework and occupational competency profiles have been developed for senior managers in municipalities and incorporated into the Municipal Regulations. Competency guidelines are gazetted for public comment in Jun-07
2.1.4	Implementation of the National Local Government Skills Audit	DPLG,	Dec-07	Preparations for the local government skills audit have been finalised. The audit commenced in Jun-07, and collaboration between DPLG and DPSA is ongoing to establish linkages between the respective skills audit processes
2.1.5	Implementation of Local Government Performance Management Framework	DPLG, Provinces, Municipalities	May-07	181 of 283 municipalities responded to the audit. 141 have adopted performance management frameworks, 12 of them published performance related information on their website, and 84 have aligned their KPAs with Municipal Performance Excellence Award thus far

2.1.6	Develop a structured programme for capacity building and training in the local government sphere	DPLG, SALGA	Jul-07	Piloted two training programmes of the Municipal Leadership Development Programme in 14 municipalities. 255 councillors and officials were trained, and the programmes have been extended to five additional municipalities
2.1.7	Ongoing deployment of technical capacity to local government	All Depts, DPLG,DPSA	Dec-07	The Draft Deployment Management Framework still needs to be finalised. Additional skills and resources have been mobilised for deployment to municipalities from Old Mutual, the SA Planning Institute and LED professionals
2.1.8	Report on Implementation of IGR Framework Act submitted to Parliament	DPLG, All three spheres of government	Dec-07	IGR fora have been established in all district municipalities and all 9 provinces, while 15 MinMecs have been established at national level. IGR toolkits were launched at the National Council of Provinces in May-07, and are available from the DPLG website
2.1.9	Implementation of the National Support Programme for Institution of Traditional Leaders	DPLG, National Departments,SALGA, NHTL,Houses of Traditional Leaders	Dec-07	Consultation on establishment of a National Programme of Support for Traditional Leaders is to be finalised in Jun-07. All provinces have adopted guideline regulations to drafting of provincial regulations for transforming TAs into TCs & establish LCs
2.1.10	Development of additional Municipal Property Rates Act Regulations	DPLG, NT	Dec-07	Policy proposals that will inform municipal differential rating of various property categories in relation to the residential property sector have been developed. A formal engagement between National Treasury and dplg commenced in Jun-07
2.1.11	Introduction of the Local Government Laws Amendment Bill .	DLA, DPLG,NT,Presidency, Provinces,Municipalities	Jul-07	Further consultations on the Local Government Laws Amendment Bill were held during Apr-May-07. Cabinet approved the Bill for publication for public comments on 30 May-07

As at 8 May 2007, accessed 21 June 2007, from <http://www.info.gov.za/aboutgovt/poa/report/index.html>

Appendix 2: Industrial Policy Interventions in the Programme of Action: Economic Cluster

Actions		Departments	Time frame	Progress update - 8 May 2007
2	BUILDING A COMPETITIVE AND LABOUR-ABSORBING ECONOMY THROUGH INDUSTRIAL POLICY			
2.1	Begin implementation of Export Strategy within context of National Industrial Policy Framework	DTI, DFA, Presidency	Apr-07	Strategy being implemented. It includes determining priority markets and projects, finalising market access programme, implementing trade information system, supporting 70 emerging exporters and strengthening export finance
2.2	Increase usage of ICTs by addressing pricing and other access-related issues	DoC, DPE, DTI, NT	May-07	An intensive engagement within a DG's task team of DOE, DOC, DPE and NT is underway.
2.3	Implement R&D measures	All Clusters,		
	2.3.1 Implement R&D tax incentives and other measures to raise R&D spending to 1% of GDP.	DST, DTI, NT	Mar-08	Drafting of the Ten Year Plan that is targeted at increasing public sector R&D still in progress. SARS/DST to make changes to the Income Tax Return forms to accommodate R&D tax incentives. Capacity development plans in progress
	2.3.2 Develop mechanisms to support cutting-edge industries	DST, DTI, NT	Mar-08	Draft concept on institutional instrument, Foundation for Technological Innovation is under preparation.
2.4	Implement Cabinet decision on IPP including review of competition policy	DTI,	Dec-07	The competition policy review is being finalised and will be presented to Cabinet in the next two months. A study into pricing in Chemicals sector is being conducted
2.5	Implement agreed-on sector KAPs (Key Action Plans)	All Clusters,		
	2.5.1 BPO	DTI, DoC, Presidency	Ongoing	Govt assistance and support programme and skills support grant launched in Mar-07. Business plan for BPO2SA finalised. Piloting Monyetla work readiness programme and Telecoms pricing negotiations underway.

2.5.2	Tourism	DEAT,		Broad National Tourism Skills Development Forum constituted. Tourism Skills Audit under finalisation. Baseline study on BEE for the sector completed. Work underway to develop national safety and security plan.
2.5.3	Chemicals	DTI, Presidency		Sector Summit Agreement to be signed by stakeholders later this month
2.6	Finalise KAPs (Key Action Plans)	All Clusters,		
2.6.1	Biofuels	DME, Presidency	Jul-07	Undertaken national stakeholder consultation in all provinces on the draft biofuels strategy. The refined strategy to be submitted to Cabinet in Jun-07.
2.6.2	Forestry	DWAF, Presidency	Jul-07	Eastern Cape Strategic Environmental Assessment completed and draft protocols for afforestation implementation is in place. Identifying forestry potential in other provinces.
2.6.3	Clothing and textiles	DTI,	Jul-07	China quotas implemented. Liaison with SARS on illegal and underinvoiced imports completed. Development of alternative incentive scheme initiated with SACU. Consultation with Gauteng fashion designers to establish a national fashion design council started
2.6.4	Metals and engineering	DTI,	Jul-07	SOEs beginning with supplier development plans to maximise local content on CAPEX projects. DTI reviewing incentive to support local industries undertaking CAPEX. National Foundry Technology Network business plan completed.
2.7	Develop a framework for overarching strategies for the following sectors as basis for prioritising interventions: mining/beneficiation, agriculture/agro processing, white goods sector, retail, creative industries, community & social services, pharmaceuticals, capital goods	DTI, DAC, DME, DoE, DOH, DPE, DST, NDA, Presidency	Jul-07	The Industrial Strategy Focus Group held a workshop on the sectors in May-07. A report is being written up for further consideration within the cluster

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