

Consolidating South Africa's Emerging Democratic Developmental State from Below

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Abstract

The South African National Development Plan envisions a capable democratic developmental state as the only response to the country's deteriorating triple challenges of unemployment, poverty and inequality. A developmental state denotes a development theory that advocates for a state-led development model to accelerate economic growth and rapid industrialisation. However, most successful developmental states were led by authoritarian regimes. The rise of democracy within emerging and developing economies invokes a different kind of developmental state model, based on democratic development and the active role of subnational governments. Despite subnational governments playing a key role in democratic development, there is limited literature on the role of subnational institutions in building and consolidating democratic developmental states. This article analyses the role and contribution of subnational institutions in strengthening South Africa's emerging democratic developmental state through developmental local government. It argues that developmental local government is underpinned by the structural and developmental ideology of a (democratic) developmental state. The article further illustrates how critical features such as maximising social and economic development; promoting democratic development; integrating and coordinating development; and building social capital are used to consolidate South Africa's emerging democratic developmental states from below.

Keywords: Developmental state; democratic developmental states; developmental local government; local developmental state.

1. Introduction

The South African government has announced its commitment to the idea of becoming a developmental state, most recently through the country's National Development Plan (NDP), which is the blueprint of the country's development trajectory driven by the ruling African National Congress (ANC). The NDP highlights the need for the country to become a capable developmental state to address the deteriorating triple challenges of unemployment, poverty and inequality (ANC, 2017; National Planning Commission, 2012). South Africa's developmental state ambitions stimulate from the central role played by leading developmental states such as South Korea, China, Singapore and Mauritius in achieving unprecedented and equitable economic growth and industrialisation (De Wee, 2016; Penderis, 2012; Kwon and Kang, 2011; Edigheji, 2010). Successful developmental states have played a central role in directing economic development through dedicated policies and regulating markets to ensure fast-paced economic growth accompanied by redistribution (Sigh and Oyadia, 2018). For a country like South Africa, the developmental state is an appropriate mechanism for addressing the volatile economic growth, growing poverty rate (55%) and high unemployment rate (29%) (Statistics South Africa, 2019).

South Africa also harbours the most unequal society in the world, with a Gini-coefficient of 0.67 (World Bank, 2017). These statistics suggest a need to rethink and re-emphasise the role of the state in the economy to address the growing disparities between rich and poor. While Chapter 13 of the NDP envisages a capable developmental state, the ANC's documents go a step further by emphasising the need to create a capable democratic developmental state (ANC, 2017; 2007). Prominent developmental states such as South Korea, Taiwan, China and Singapore were led by authoritarian regimes, with Mathebula (2016) linking the strong performance of East Asian Tigers to the central role played by authoritarian regimes. Obasanjo and Mills (2017) demonstrated that developmental states do not succeed because of authoritarian rule, but because of their ability to create effective institutions and craft policies that attract investment. The firm belief that developmental states need to be authoritarian to succeed has been contested on the basis that Mauritius, Brazil and Botswana represent modern democratic developmental states (Penderis and Tapscott, 2018; Tapscott et al., 2018). South Africa is just one democratic African country that

has committed to becoming a democratic developmental state, in line with its constitutional democracy.

Apart from the association with authoritarian regimes, developmental states are known for centralised planning, strong relations with the markets (businesses), and minimal civil society involvement (Leftwich, 2002). However, the rise of the democratisation and decentralisation process led to an emphasis on the role of citizens and subnational institutions in influencing economic development policies (Schoburgh, 2016). Democratisation and decentralisation force the need to rethink the future of developmental states in a democratised world driven by mass participation in influencing policies and decision-making. Such tenets are contrary to authoritarian and centralised planning that neglects citizenship participation. In the absence of substantial literature on the role of subnational institutions in a developmental state, this article analyses the role and contribution of the developmental local government in consolidating South Africa's emerging democratic developmental state, thus challenging the conventional idea of developmental states that is associated with negative characteristics such as weak human rights, authoritarianism, a lack of legitimacy and weak civil society. This article analyses how South Africa uses the driving features of developmental local government to consolidate the emerging democratic developmental state from below. The driving features of a developmental local government are, namely: maximising social and economic development; promoting democratic development; integrating and coordinating development; and building social capital (Department of Provincial and Local Government, 1998). The article argues that these features reveal a democratic local developmental state that contributes to building and consolidating South Africa's emerging democratic developmental state from below.

2. The Developmental State

The developmental state concept refers to a state-led economic development model driven by a developmental ideology premised on the need for the state to direct and accelerate economic development through interventionist policies (So, 2016). Developmental states are motivated by the need to attain economic growth, which should be accompanied by radical changes in socio-economic conditions. Gumede (2009) puts redistribution, particularly income redistribution

and access to services, at the epicentre of developmental states. Through state-led development, South Korea and Singapore achieved redistribution through equitable economic growth (Acemoglu and Robinson, 2013). The developmental state concept is also closely associated with the radical economic transformation experienced by states such as Botswana, Taiwan and China (Schoburgh, 2016; Mkandawire, 2010). This development approach is different from the neoliberal driven economic development approach based on the assumptions of trickle-down economics, which claim that economic growth with minimal state involvement will ultimately lead to better economic prospects for all (Picketty, 2014). This fallacy market-driven development approach has resulted in growing global social and economic inequalities, signalling the imperfections of the neoliberal system.

The developmental state is often associated with the rapid economic growth and industrialisation of the Asian developmental states, known as the Asian Tigers (Sigh and Ovidia, 2018; Mabasa and Mqoloba, 2016). Developmental states are also linked to the state-led development model of Scandinavian countries such as Norway, Sweden and Denmark (Tapscott et al., 2018). Postcolonial African and Latin American states in the 1960s and 1970s can also be characterised as a form of developmental states because of the (short-lived) state interventions that occurred in these countries. Mkandawire (2001: 303) observed that “if one takes a growth rate of 6 per cent over more than a decade as a measure of successful development performance, in the 1967-1980 periods, ten countries enjoying such growth were African”. The sustained positive economic performance of East Asian states (South Korea, Japan, Hong Kong, Taiwan and others in the 1980s and China more recently) notably led to emerging and developing nations, such as South Africa, Ethiopia and Rwanda, to unequivocally express their ambitions of becoming developmental states. The modern association of developmental states with the ability to acquire rapid and equitable economic growth, reduce poverty and industrialisation remains the central highlight of the East Asian countries (Menys and Musamba, 2010; Edigheji, 2010).

The ideological component of the state underpins the developmental state theory as the most crucial player attaining high and equitable economic growth (Berhane, 2012). Developmental states rely on the intimate involvement of the state in economic development through directing market activities steered by national development goals as opposed to unguided market-driven forces (Wade,

2018). While the various ideological shifts in the global political economy have led to the reconceptualisation of the role of the state over the past decades, state intervention remains the least utilised mechanism (Jessop, 2016). China's astounding state-led economic development, marked by rapid industrialisation and the ability to alleviate millions from poverty, justifies the need to rethink the role of the state in economic development. Despite these developments in the state-led development model, the more widespread neoliberal landscape has nonetheless contented itself with constraining the role of the state in development-related matters in favour of the market system. This development approach has invariably limited the role and ability of the state to respond to developmental challenges such as poverty, inequality and unemployment, as evident in the spiralling global inequality (Martens, 2016).

Neoliberal economists attribute the success of East Asian states to neoliberal values such as liberalisation, privatisation and the limited role of the state in the economy, thus claiming for neoliberalism the reasons for the success of developmental states. Over the last two decades, literature has attributed the success of East Asian countries to the interventionist role of the state and its ability to accelerate industrialisation (Wade 2018; So 2016; Kwon and Kang 2011; Chang 2003). Chang observed that:

The neo-liberal establishment would have us believe that, during its miracle years between the 1960s and the 1980s, Korea pursued a neo-liberal development strategy. The reality, though, was very different indeed. What Korea [and other East Asian economies] actually did during these decades was to nurture certain new industries, selected by government in consultation with the private sector, through tariff protection, subsidies, and other forms of government support...until "grew" enough to withstand international competition. The government-owned all the banks, so it could direct the life-blood of business-credit. (Chang, 2008: 14).

Contrary to neoliberal revisionism on the success of East Asian states, it was the interventionist role of the state that resulted in the prioritisation of specific industries through strong industrial policies, investment in public infrastructure and a reciprocal recognition between the government and the private sector that

accelerated the countries' development (Andrews and Nwapi, 2018). East Asian states guided market activities through incentives and policies, intervened in the allocation of resources, and managed some state-owned enterprises based on public interests rather than private interests (Mabasa and Mqoloba, 2016). This developmental state narrative, therefore, emerged to challenge the orthodox neoliberal system that attributes the success of East Asian Tigers to neoliberal values of privatisation, deregulation and liberalisation through noting the decisive role of state intervention (So, 2016). As such, some "African states have begun shifting towards regaining control over aspects of their development, evident in certain institutional mechanisms in the energy sector...mostly oil and gas" (Andrews and Nwapi 2018: 1).

Evans (1995) highlighted the notion of embedded autonomy as the defining characteristic of a developmental state. The prospects of a developmental state rely heavily on how the state is organised through sound bureaucratic elements and the relationship it has with the interests of the society as a whole (Evans 2015; 1995). Bureaucratic autonomy must be maintained to effectively develop policies and implement programmes that will have a socio-economic development impact on the lives of citizens. One of the fundamental principles is that such a bureaucracy must pursue institutional goals and not be captured by rent-seekers (Evans, 1995). However, the history of some failed developmental state inspirations was caused by the capture of the bureaucracy and neopatrimonialism. These failures are widely documented in the shortcomings of state-led development in early post-independent African and Latin American states. Contrary to these failures, East Asian states were able to institutionalise the autonomy of the bureaucracy while also ensuring the pursuit of institutional goals (von Holdt 2010; Mkandawire 2010). This is evident in that resources and capacities were channelled towards the sole purpose of economic growth, putting immediate developmental needs such as addressing poverty, unemployment and inequality at the forefront of institutional goals.

3. From Authoritarian Developmental States to Democratic Developmental States

As per various leading developmental state authors, Leftwich (2002) observed that successful developmental states in East Asia had distinct characteristics. One

specific focus is on developmental states being driven by authoritarian regimes that can direct market activities (Edigheji 2010). For a country like China, which maintains a one-party system, the consolidation of the state as the primary regulator is traced back to the institutionalisation of the state as the centre of social and economic relations during the Confucian epoch.

Successful East Asian developmental states were led by authoritarian regimes, to their miraculous economic development and rapid industrialisation. South Korea is a typical example of an authoritarian developmental state (Kwon and Kang 2011). Kim (2010: 97) described it as follows:

South Korea's authoritarian and comprehensive developmental state produced remarkable results for economic development from the early 1960s–1980s (EM Kim 1997).¹ In less than three decades, South Korea was transformed from a war-stricken nation living under extreme poverty (GNP per capita in 1961 stood at US\$81) to a bustling industrial economy with exports reaching all corners of the world (GNP per capita in 2007 was US\$20 045; GDP was US\$969.9 billion and South Korea was the 13th largest economy in the world)...South Korea's rise from rag to riches in less than three decades, however, came with a big price tag in terms of suppression of democracy and curtailment of civil liberties.

Studies underline the importance of political leadership, and a powerful economic and political ideology focused on rapid development (Besson, 2003). The success of authoritarian developmental states was due to their ability to control and allocate resources efficiently, direct investment, regulate capital movement and control state finance (Naqvi 2018; Amsden 1989). The development-oriented political leadership is also credited with driving the goal of attaining economic development and inspiring confidence by directing the state's capacity towards developmental outcomes (Leftwich 2002). As such, Waldner (1999) noted that such political leadership played a significant role in helping create sound institutions, undertaking institutional reforms, and enabling the facilitation of political stability and sustainable economic development.

Due to the authoritarian rule behind successful developmental states such as China, Taiwan, Singapore and South Korea, these states were associated with poor human and political rights, and a weak civil society (Meyns and Musamba

2010; Kim 2010; Edigeji 2010). For these countries, economic development came before political rights. Characteristics such as having poor human rights, a lack of outright legitimacy and a weak civil society are the antithesis to the creation of democratic developmental states. Kim (2010) noted that there are certain limits to authoritarian developmental states, for example, South Korea's suppression of civil liberties resulted in uprisings and a subsequent transition to a democratic developmental state. Literature suggests that in these cases, legitimacy is derived from the ability to deliver developmental outcomes (Meyns and Musamba 2010; Leftwich 2002). The case of South Korea suggests that as nations progress economically, the appetite for democracy among citizens increases.

Tapscott et al. (2018: 12) noted that the "challenge has been to create a state that retains the state-led features of the original East Asian model but yet one that is underpinned by democratic principles. The quest for this hybrid model gave rise to the idea of a democratic developmental state". Democratic principles underpin democratic developmental states in their pursuit of economic development and industrialisation, as opposed to the authoritarian tactics observed in successful East Asian economies. Democratic developmental states are projected on inclusive institutions which are fundamental to the economic prosperity of emerging democratic developmental states. Inclusive institutions are defined as institutions "that allow and encourage participation by the great mass of people in economic activities that make the best use of their talents and skills" (Acemoglu and Robinson 2013: 144). Evidence of such democratic developmental states driven by inclusive institutions is emerging from countries such as Botswana, Brazil, South Africa, Ethiopia and Mauritius (Sigh and Ovadia 2018; Tapscott et al. 2018). These states have created democracies that pursue democratic development with an emphasis on the role of the state in delivering developmental outcomes such as public infrastructure and human development.

Kwon and Kang (2011) observe that human capital investment was a prominent driving feature of East Asian developmental states. In the South African context, the NDP (NPC, 2012) stipulates that education, training and innovation are central to the country's developmental needs and alleviate poverty and inequality. In this regard, the role of democratic developmental states is to harness the fourth industrial revolution to create an inclusive, socially sustainable and human development-oriented future. The quest for African states to become developmental has been weakened by reforms that emphasised the centrality of

the markets rather than the state (Mkandawire 2010). Mkandawire (2010: 69) argued that “Both the social demands for improved welfare and the material exigencies of such demands need something more than what the regulatory state can provide, and therefore require the state to play a more developmental role”. For Hsu (2018), the ability of the modern state to deliver welfare goods and services is essential.

4. The Developmental State and the Local Developmental State

While the developmental state is associated with centralised planning (De Wee, 2016; Poon, 2009), recent literature shows an emerging trend of an active role played by subnational governments. In China, the central and local states are increasingly working with stakeholders such as non-governmental organisations to deliver welfare goods and services, giving new meaning to the developmental state (Hsu 2018). While the developmental state theory emphasises the central role of the state in the economy, the decentralised version of the developmental state advocates for subnational governments to play an important role in meeting national developmental goals. The “Chinese state has involved not just the central state in development but also that of the local state, where regional development saw the active participation of local authorities” (Hsu 2018: 1105). This type of developmental model links the developmental state with the emerging local developmental state championed by the local government sphere.

The South African government system is based on the relationship between the developmental state and the local developmental state through its developmental local government ideology. Schoburgh (2016) traced the origins of the developmental local government concept to South Africa’s democratic dispensation. The White Paper on Local Government introduced the idea of a developmental local government as the key feature of the South African local government-led development landscape (Department of Provincial and Local Government, 1998). Section 152(1) of the South African Constitution mandated the establishment of democratic and accountable local governments, responsible for the provision of service delivery to communities while promoting social, economic development and a safe and healthy environment (RSA Constitution, 1996). In line with constitutional obligations, the developmental local government is thus defined as a local government that is “committed to working

with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives” (DPLG 1998: 8). This definition denotes the important role that the state, local government and civil society have to play in improving the country’s development conditions. The developmental local government links national developmental goals with the local state by using local government as a developmental agent at the subnational level in line with decentralised governments (Schoburgh, Martin and Gatchair 2016).

The developmental local government has to be understood in line with the role of local government in a developmental state because it represents a new type of governance. This type of governance represents an alternative trajectory in the development landscape accompanied by a shift from traditional developmental states to democratic developmental states that include the role of the local state. As such, the local developmental state is conceptually and directly linked to the developmental state because it is underpinned by the increasing recognition of the role of subnational institutions/governments (provincial, regional and local authorities) in achieving developmental goals (Schoburgh 2016). Accordingly, the local developmental state model is underpinned by the notion that subnational governments are key in building the institutional and organisational infrastructure needed to facilitate the emergence and prospects of territorial development (Green 2011). In the South African context, this link is established by the country’s constitution which recognises the interconnectedness of all spheres of government and compels these spheres to work together to address the poverty and unemployment that affects millions of South Africans.

To illustrate the link between the developmental state and the developmental local government (or rather what we should refer to as a local developmental state), attention needs to be paid to the features of a developmental local government. According to the White Paper, the developmental local government has to have the following distinctive features:

- Maximise social development and economic growth;
- Integrate and coordinate development planning;
- Promote democratic development; and
- Build social capital at the local level to enable local solutions to development challenges (DPLG 1998).

While developmental states are fundamentally driven by the need to attain high

economic growth through directing economic development activities, local developmental states are driven by the need to coordinate local economies and local economic development based on a participatory approach. This task is fulfilled through the active role of the local state in promoting and supporting lead sectors of district economies, administering land, providing tax subsidies, delivering public infrastructure and goods, and providing market information and enterprise support (Schoburgh 2016). All of these activities constitute means of consolidating the emerging democratic developmental state in South Africa from below.

The promotion of the local developmental state is not limited to the South African context as it is implemented in countries such as China, India and Colombia. In China, the central state has offloaded many responsibilities to the local state, which Oi (1995) identified as significantly contributing to China's growth. Colombia has similarly seen an increasing role of the state at the national and local levels as delivering developmental outcomes. Schoburgh (2016) identified the local state in Medellin, Colombia, as a great example of a local developmental state based on a developmental local government ideology that promotes local state activism.

Figure 1: The Local Developmental State in Medellin, Colombia

Geographic areas such as cities and regions have strengthened the unity of the concept of the LDS. The city of Medellin in Colombia has been cited as an example of an emergent LDS model since its economic and social progress in the late 1990s, which has continued after a protracted period of publicised narco-industry and parliamentary driven violence and chaos. The success in Medellin is attributed to adoption of a local economic policy model that features 'renewed appetite for local state activism' (Bateman, Ortiz and Maclean, 2011). The policies have been referred to as social urbanism, which is geared towards arresting the marginalisation of geographic areas through infrastructural development that facilitate mobility between areas and by interventions that transformed the 'the skin of the city'. The imperative of these policies in Medellin are 'responsible political participation and socio-economic development from below' (Maclean, 2015:45). In China's industrial policy for economic growth, cities are presumed to have significant sources of capital in local state ownership of key enterprises, local taxes and use of local powers (Green, 2011; Bateman, Ortiz and Maclean, 2011).

Source: Schoburgh (2016: 20).

In the local developmental state model, the “state creates an environment that enables the mobilisation of local, national and global human, economic, socio-cultural, political, and natural resources for the improvement and transformation of livelihoods, communities and territories at the local sphere” (Commonwealth Local Government Forum 2013: 8). The mobilisation of resources for local development denotes the building of social capital to enable the prospects of local economies to flourish and the subsequent improvement of people’s socio-economic conditions. Using the case of South Africa, Van der Waldt (2015) made a direct link between the developmental state and the developmental local government by noting that the essential task of the local developmental state is to contribute to government’s capacity to respond to national developmental challenges. Through local activism and broad-based participation in development issues, the local developmental state facilitates a democratic local developmental state that seeks to consolidate the emerging democratic developmental state. As Figure 1 shows, the democratic developmental state can be better consolidated from a bottom-up approach rather than a top-down approach. The role of subnational state institutions remains largely understudied within the developmental state literature, particularly due to successful East Asian developmental states being centralised, yet evidence shows that the local state is playing a critical role in developmental statehood (Hsu 2018; Schoburgh 2016; Green 2011; Bateman et al. 2011).

5. The Contribution of the Developmental Local Government

Under the auspices of decentralising for growth based on the Chinese economic reforms, Xu (2011) notes that subnational state institutions play an important role in promoting decentralised growth. Special Economic Zones (SEZs) as key components of decentralised and place-based policies have been one of the attributing factors to China’s ability to attract massive foreign direct investment (FDI). In South Africa, Mathebula (2016) argued that that the local government sphere is a deterrent to the country’s developmental state ambition because of the inherent capacity problems facing South African local government. Based on this line of thinking, increasing local government capacity might materialise the

developmental state ambition.

There is limited literature available to analyse the role and contribution of the developmental local government in consolidating South Africa as an emerging democratic developmental state. This paper used the following features of a developmental local government: maximising social and economic development; promoting democratic development; integrating and coordinating development; and building social capital as drivers of the local developmental state. The developmental local government is used interchangeably with the local developmental state. Schoborgh (2016) identifies the local developmental state as the micro-institutional developmental state.

The first feature of the local developmental state in South Africa is the maximisation of social development and economic growth, signifying the developmental role of the South African local government sphere. The constitutional obligation for local government to deliver welfare services such as water, electricity, housing and infrastructure denotes the developmental role of the local developmental state. This kind of local developmental state is linked to Hsu's (2018: 1098) observation that new developmental states should concede that "development is no longer simply conceived of as economic growth or industrialisation, but also as encapsulating human development". The emphasis on human development in South Africa is underpinned by the socio-economic backlogs inherited from the apartheid government's spatial delivery model. The role of South Africa's developmental state is evident in the 4.7 million housing opportunities the government has provided its citizens since 1994 (Department of Human Settlement, 2019). These houses have been delivered through the strategic intergovernmental relations and coordination of the three spheres of government: national, provincial and local. The local state has been the driving force in administering and monitoring the implementation of these developmental programmes, thereby consolidating a strong role in the country's developmental state ambition.

The role of the local developmental state in maximising economic growth needs to be linked to the ideological component of the developmental state, which invokes the need for the state to be the main economic development coordinator (Berhane, 2012; Mkandawire, 2001). South Africa articulated a new developmental state framework that invokes the intimate role of the local state in providing welfare services, coordinating development and attaining local

economic development. For Heberer and Trappel (2013), the local developmental state is oriented towards strategically working with merging local enterprises to harness private sector development. This experience is enhanced through South Africa's Local Economic Development Agencies (LEDAs), which were established to place an impetus on local economies by harnessing the entrepreneurial and economic potential of various regions throughout the country (Industrial Development Corporation 2008). This move signifies South Africa's local state activism as the state uses its structural and ideological components to accelerate its pursuit for economic growth and development to respond to developmental challenges through subnational institutions.

A significant contribution of South Africa's developmental local government is its ability to promote democratic development, a feature mainly absent in the East Asian developmental states. The developmental local government enables the local developmental state to integrate and coordinate its development planning in consultation with local stakeholders (Municipal Systems Act, 2000). Promoting democratic development as a feature of the developmental local government in South Africa introduces the "democratic" to the developmental state. It is through such an approach that a democratic developmental state is consolidated from below because democracy is based on grassroots active citizenship and introduces new relations between the state, society and development. This approach is linked to Evans and Heller's (2015) understanding of modern developmental states being embedded in state-society relations. The structure of the South African local developmental state, in relation to promoting democratic development, presents itself as a novel model that contributes to the consolidation of the emerging democratic developmental state from below. This model is also embedded in the country's constitution as it mandates Integrated Development Plans (IDPs) to be participatory by law.

IDPs are important because they illuminate the NDP's vision for a capable developmental state at the subnational level, as municipalities need to show how they intend to meet the goals set out in the NDP (Penderis and Tapscott 2018). This relationship is testament to the link between the developmental state and the local developmental state, as demonstrated through the Provincial Growth Development Plans (PGDP), District Growth Development Plans (DGDP), and LED strategies. This denotes that local institutions have some degree of flexibility and are allowed to use their innovations to meet the developmental

outcomes as per the NDP. The main contribution of the developmental local government's planning to South Africa's emerging democratic developmental state is, therefore, the created space for local state activism in the policy arena. The local developmental state has not vigorously penetrated this space as there are only a few policies related to local ownership, but some notable successes, such as ensuring mass participation in the development landscape, are evident. The developmental local government's tenet of promoting democratic development eliminates the association of developmental states with weak civil society and creates space for the emergence and consolidation of democratic participation and democratic developmental states.

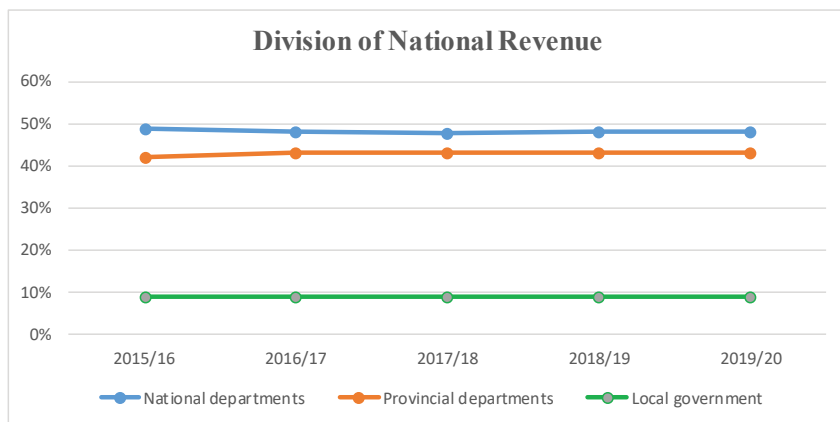
The consolidation of the emerging democratic developmental state in South Africa is further promoted through local economic development, which is closely linked to IDPs. The World Bank (2005) defined local economic development as a participatory process whereby the public sector, private sector, businesses and non-governmental sector collaborate to create a conducive environment for economic development and job creation. Such a participatory approach involves the local developmental state facilitating economic development, as the state at the national level would necessarily facilitate economic development in a developmental state. In South Africa, this approach is used to cement the relationship between the various actors as a means of ensuring an intimate relationship between the state, society and business. Notably, this move creates a framework for a developmental state based on reciprocal recognition between the various actors in development. The shortfall has, however, been the lack of capacity and leadership to facilitate LED due to factors such as funding challenges, a lack of understanding LED, implementation challenges and planning incapacities. While South Africa aims to address such issues through LEDAs, Hsu (2018) noted that the Chinese government attempts to overcome local state incapacities by incorporating NGOs to assist in delivering social services.

Penderis and Tapscott (2018) observed consensus in the literature that democratic developmental states need to pursue state-driven economic growth underpinned by democratic principles. Using the example of Cape Town, Penderis and Tapscott (2018) criticised the use of the developmental local government as a cornerstone of South Africa's developmental state. They argued that municipal officials do not understand the developmental state, and fail to promote participatory and democratic development. This criticism does not

consider the notable success in democratizing South Africa, however, as can be seen in the successful local, provincial and national elections from 1994 to 2019. As such, the argument should rather be that the developmental local government is struggling to emulate being a developmental state, although I argue that it has somewhat made strides in relation to delivering developmental outcomes.

While the local state has made notable improvements in delivering basic services to the majority of South Africans, the country faces thousands of services delivery protests annually. The service delivery challenges are mainly related to a lack of access to electricity, water and housing (South African Local Government Association, 2015), due to the institutional problems that face the majority of municipalities in South Africa. Statistics suggest that up to 80% of municipalities are unable to perform all of their 12 mandated functions, and more than 50% execute less than half of their constitutional mandates (Presidency 2015). In addition, Penderis and Tapscott (2018) argued that the democratic developmental state ambition is weakened by local government's inability to stimulate local economies, its failure to stimulate growth, and a lack of effective citizen participation.

Figure 2: Distribution of Revenue in South Africa 2015 – 2020



Source: Adapted from National Treasury (2019)

The problems that face the local government sphere can be traced back to the uneven distribution of revenues in the country. As per Figure 2, the local government sphere receives the tiniest share of the division of revenue (9%), whereas the provincial governments (43%) and national government (48%) continue to receive the largest share. These factors result in uneven capacities and resources between the three spheres of government, with the national and provincial governments having enough resources to attract the most skilled personnel. Local government's failure to attract skilled personnel is exacerbated by the fact that municipalities only manage to raise 50% to 75% of necessary revenue due to a smaller tax base and large indigent populations (National Treasury 2019; Presidency 2015). These factors, in conjunction with cadre deployment, thus impede on the ability of the local developmental state to attract a local bureaucracy capable of designing and implementing policies. As such, the NDP has proposed to professionalise local government to ensure the existence of a capable bureaucracy (NPC, 2012).

Building social capital to enable local solutions to local developmental challenges requires the existence of a development-oriented political leadership, with the ability to inspire confidence and direct the state's capacity towards developmental outcomes (Leftwich 2000; Amsden 1989). Riddled with corruption and bad governance, the South African local government has not developed this capacity enough to fully developed a local developmental statehood. The Presidency (2015) indicated that poor governance has been a leading factor in many dysfunctional municipalities. In 2018 alone, roughly 31% of municipalities in South Africa were dysfunctional, with corruption and maladministration being the leading reasons for dysfunctionalities. These factors impact negatively on building social capital for development due to mistrust between the government and the private sector, which hampers investment opportunities. To address this, the government has given the Auditor General (AG) more powers to deal with local state transgressions.

The role expected of local government requires a structure and financial means that it does not have (Penderis and Tapscott 2018; Mathebula 2016), i.e. the national government is the main architect of the developmental state, and local government plays a meaningful role as a supporting structure. Yet, in South Africa, local government allows space for the strong participation of local stakeholders, which contributes to consolidating the emerging democratic development state

in two ways. Firstly, by empowering citizens with the necessary space to bring about sustainable solutions to developmental challenges, thereby consolidating democracy at the grassroots level. Secondly, it creates local ownership in the development process, cultivating space for democratic development. Local participation ensures that developmental goals are aligned to the real needs of the people, thereby promoting a framework for a developmental state that is embedded in state-society relationships.

6. Conclusion

This article shows that the contribution of the developmental local government to South Africa's emerging democratic developmental state is based on understanding two elements: the provision of local governments with the necessary space and capacity to champion local social and economic development, and the involvement of local citizens in state-led development and local solutions. The inclusion of stakeholders in the local developmental state is underpinned by the need to consolidate the emerging democratic developmental state rather than developmental states that fail to prioritise state-society relations. The developmental local government thus contributes immensely to the emerging democratic developmental state by providing the ideological underpinning of democratic developmental states. South Africa's emerging democratic developmental state is novel because it seeks to marry social development and economic growth as noted in that accelerating economic growth is an essential feature of the developmental local government. South Africa's emerging democratic developmental state is novel because it seeks to marry social development and economic growth as noted in that accelerating economic growth is an essential feature of the developmental local government.

The contribution creates space for local developmental state activism as opposed to the traditional centralised states. It also presents a democratic element that was absent in successful developmental states of East Asia in that it allows citizen participation in development planning and oversight, thereby creating a new developmental state framework that emphasises state-society relations. In short, the South African developmental local government landscape has the potential to consolidate the country's emerging democratic developmental state, because its founding features are based on democratic principle linked to the

components of the developmental state. But it must first overcome weaknesses such as the institutional incapacity of the local government system, a lack of coordination in developmental efforts and fiscal incapacity that makes it impossible for municipalities to deliver developmental outcomes.

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