The progress of social development in South Africa

Mel Gray

Professor of Social Work, University of Newcastle, New South Wales, Australia

Abstract

In 1998, James Midgley issued a challenge for scholars to provide a systematic description and examination of the South African experience in implementing social development. This paper attempts to meet this challenge by examining the progress of developmental welfare or social development in the first ten years of South Africa's transition to democracy under African National Congress (ANC) rule. In this paper it is argued that because social development marries social and economic goals, one cannot evaluate developmental welfare or social development without examining shifts in economic policy. Thus it also examines economic policy transitions from development, to growth, to black economic empowerment. It shows how social security has become the major poverty alleviation measure within the developmental welfare system. It acknowledges that it is tough for developmental welfare to succeed in an economic system which promotes gross income disparities and a widening gap between rich and poor. Social development needs widespread institutional support to succeed and this is unlikely to be forthcoming while there is high unemployment, low economic growth and insufficient foreign investment. However, this state of affairs is unlikely to change as long as the government intervenes in the economy, promotes black economic empowerment and centralizes decision-making.

How effective has social development theory been in shaping South Africa's welfare policy? How does one go about assessing the progress of social development and developmental welfare in South Africa? Are social development and developmental welfare one and the same thing? Has social development in South Africa been effective? This paper primarily concerns itself with assessing social development theory as it has been applied to welfare in South Africa. Certain key factors believed to be important in evaluating the progress of developmental welfare in South Africa are outlined and a tentative evaluation of progress thus far in implementing social development is offered. First, because the developmental welfare paradigm redefines welfare as social development, one cannot evaluate the progress of welfare without looking more broadly at the success of national reconstruction and development policies and initiatives. Secondly, policy makers within welfare clearly identified poverty alleviation as their main focus, reconstruing social security as a poverty alleviation measure which, along with people-centred development rather than social service provision, was seen as the main means of dealing with poverty. Thus when evaluating the progress of developmental social welfare one has to establish how effective it was in gaining people's participation in their own development and one cannot gauge this only in relation to narrowly defined welfare projects because *welfare is defined more broadly as social development* within the developmental welfare paradigm. Thirdly, because social development marries together social and economic goals, one cannot evaluate welfare or social development without examining shifts in economic policy.

At the outset let me clarify my conception of the distinctions between social development, developmental social welfare and developmental social work since these

are three related but different concepts. As I outline further below *social development* is a theory and approach to social welfare which posits a macro policy framework for poverty alleviation which combines social and economic goals. *Developmental social welfare* then is the name given to South Africa's new welfare system moulded by the theory of social development as embodied in the White Paper for Social Welfare (1997). *Developmental social work* is the type of social work said to be relevant to, and practised within, the new developmental social welfare system. There was a great deal of confusion as to the role of social work within the new developmental welfare framework and Gray (2000) posited that the coming of social development was a process which initially marginalised social workers. However, the main focus here is not on social work *per se* but on the broader context within which social workers now operate.

The question 'How effective has the social development approach been in shaping South Africa's welfare policy?' is a very different question from 'how effective has social development and developmental welfare in South Africa been?' If anything social development, as a theoretical approach any way, has been adopted wholeheartedly without thought to how this was supposed to work in practice. It has thus been very effective in reshaping welfare policy in South Africa. However, as to whether or not it has been effective in alleviating poverty and social problems, this is a very different matter. As I will argue the government has veered away from social development leaving the developmental welfare system floundering in uncertain and turbulent waters, in a shaky structure filled with holes – will it sink or swim or should it just be allowed to float about until someone works out where it is going?

To the best of my knowledge no-one has yet attempted an analysis of the progress of social development or developmental social welfare in South Africa despite Midgley's challenge. Since this is the first attempt, it would be wise to be mindful here of Nietzsche's words: 'There is *only* a perspective seeing, *only* a perspective 'knowing'; and the *more* affects we allow to speak about one thing, the *more* eyes, different eyes, we can use to observe one thing, the more complete will our 'concept' of this thing, our 'objectivity', be' (cited by Flyvbjerg, 2001, p. 139). It is in this spirit that I offer my perspective and entreat you, the reader, to test what I have to say against your own experience and to join the public discussion by offering interpretations similar to or different from mine that can then receive further attention . It is in this spirit of discussion and dialogue that I begin.

Laying the foundations for developmental welfare

South Africa achieved a peaceful transition to democracy despite forty years of racial discrimination and provided an example of reconciliatory politics to the rest of the world (Gray & Mazibuko, 2002). Once in office the new ANC government determinedly set about addressing the disparities inherited from the previous racially divided system while civil society organised itself to rally to the cause of social reconstruction and development which began in earnest with the Reconstruction and Development Programme (Parliament of the Republic of South Africa, 1994). The RDP provides an important backdrop to the evolution of the developmental welfare system because its principles and ethos were central to the processes for transforming social welfare. Also significant is the fact that, while welfare reform in many Western countries meant reduced government commitment to welfare, South Africa was carving

new ground in developing an inclusive new welfare system based on the theory of social development.

The process of transforming welfare began during the latter part of the 80s. Leila Patel, who became the first Director-General of Welfare (there were six between 1994 and 2000) when the ANC government came to power and whose PhD had examined *Social welfare options for South Africa* through an in-depth analysis of eight social service programs, was a key driver in modelling the new welfare system on the theory of social development. Here she was heavily influenced by James Midgley's work in this area. However, prior to the promulgation of the new White Paper for Social Welfare in 1997, there was a protracted process of consultation with key stakeholders and organisations (Letsebe, 1997) which led to this policy and to the development of the Social Welfare Action Plan in 1998. This paper describes this process in the context of broader events to reshape South Africa's social, political, economic, and cultural landscape as a new fully fledged representative democracy. In so doing, it becomes clear that *one cannot evaluate the progress of developmental social welfare without looking more broadly at the success of national reconstruction and development policies and initiatives.*

If one were to define welfare more narrowly as relating to social problems like child abuse, crime, alcohol abuse, rape and domestic violence or in terms of fields of service like child welfare, mental health, disability, or aging, one might quickly conclude that developmental welfare had been totally ineffective. For, all these problems have increased, if one takes the spiralling costs of social grants into account, especially disability grants together with statistics reporting increasing rates of child abuse, crime, violence, and rape, not to mention the spread of HIV and AIDS, in the

first decade of the new South Africa. Further one would not want to define welfare in these terms since it was clear that *development rather than social service provision was being regarded as the main key in dealing with poverty*, in improving people's quality of life, in reducing past inequalities, and in achieving a just and equitable welfare system. Also if one were to take a 'service approach' one would quickly become embroiled in the minefield of the poor infrastructure the ANC government inherited, especially in the homelands which comprised 50% of government land where most of the poor lived (Sparks, 2003).

At the time that the ANC government came to power, there were two 'welfare systems' in place – one comprising largely urban based services, mainly voluntary welfare organisations and institutions working in partnership with the government welfare department and a second alternative welfare sector comprising non-governmental organisations or NGOs, many of which were part of the mass movement to unseat the apartheid government, catered mainly for blacks and were funded by external donors. However, once the ANC government was in place and the RDP had been launched, much of this external funding went directly to government coffers and many of the community leaders in the community-based NGOs moved to employment within the public sector. Hence *when time came to implement the RDP and developmental welfare programmes the government was faced with a much weakened civil or non-government sector as well as an inefficient public sector*, especially at the provincial and municipal levels (Lodge, 2002; Sparks, 2003).

Add to this the changes needed to reorient personnel within the government and private voluntary service sector towards a new, equitable system and one begins to understand the enormous challenge facing not only those charged with implementing

broader development policy but also those with the responsibility for implementing developmental social welfare. *Even though funds were earmarked for development initiatives, finding the infrastructure for their administration proved a huge challenge compounded by problems of corruption at all levels.* Hence large amounts of money earmarked for poverty alleviation through development projects went unspent. Many social commentators have documented the weaknesses in the system inherited by the ANC government and those interested in a fuller account of this pre-reconstruction and development scenario are referred to these sources (for example, Lodge, 2002; Johnson, 2004; Sparks, 2003; Terreblanche, 2002).

To summarise I have identified certain key factors which I believe are important in evaluating the progress of developmental welfare in South Africa. First, one cannot evaluate the progress of welfare without looking more broadly at the success of national reconstruction and development policies and initiatives. Secondly, policy makers within welfare clearly identified development rather than social service provision as being the main means of dealing with poverty. Thirdly, when time came to implement the RDP and developmental welfare programmes the government was faced with a much weakened civil or non-government sector as well as an inefficient public sector. Finally, even though funds were earmarked for development initiatives, finding the infrastructure for their administration proved a huge challenge compounded by problems of corruption at all levels. Given these enormous challenges this evaluation of the progress of developmental welfare addresses the following questions:

- How feasible was a policy based on social development?
- How was welfare defined by the White Paper for Social Welfare?
- What were the main issues identified by welfare planners and policy analysts?

- How did this relate to the economic side of the social development equation?
- Given the shifts in economic policy from development, to growth, to black empowerment, what was the response of the architects of developmental welfare?
- Given that over 90% of the welfare budget is spent on social transfers, is social security a strategy for social development?

How feasible was a policy based on social development?

To answer this question we need to examine the theory of social development and bear in mind that it was a theory without a practice, as yet untested on such a massive scale. As described by Midgley (2001) it was largely hortatory – meaning it had a lot to say about what ought to be done and how in theory things might pan out but it had little empirical grounding. One might say it was a theory in search of a practice (as most theories are).

The second point to bear in mind about social development theory was that, in postmodern terms, it was a grand scheme or, as Midgley (1997) said when acknowledging the critique of its detractors, it was pie-in-the-sky. In South Africa, Fitzgerald, McLennan and Munslow (1997) had written an excellent book on *sustainable social development* noting the sophisticated infrastructural network that was required for its successful implementation. They referred to vertical and horizontal coordination. Vertical coordination referred to well-planned cooperation between different levels of government (national, provincial, municipal, local, and community-based), between government and non-government services, and between government and the private sector. By horizontal coordination they meant well-planned cooperation between different areas of government or between different government departments. In

a sense the RDP had mapped out this scenario noting the need for integrated planning among departments dealing with housing, education, welfare, water and sanitation provision, health, land and agricultural reform, electrification, and so on. This required level of sophistication and integration needs to be seen against the formerly described infrastructure inherited by the ANC government in 1994.

Thirdly, social development required that the economic sector, including those making economic policy and generating the resources required for development, and the social sectors described above (housing, education, welfare, etc) work together so as to marry social and economic goals. In other words, the theory stated that the economy needed to work in such a way that it generated social gains for people and in the process protected the environment. The economy had to safeguard essential social and environmental resources and plan for growth in such a way that people could participate in the economy and thus generate their own means of livelihood.

Finally, social development required macro intervention meaning that it had to be supported by the government and its policies had to conform to a strategic plan for social improvement. One could see the RDP as the framework for this.

In examining social development theory, we find that it marries together social and economic goals thus requiring those involved in economic planning and policy making to work in tandem with those working towards social improvement. In this way, social development is said to be the most effective way of dealing with poverty. In Midgley's (1996) words social development meant linking 'social interventions to a dynamic process of economic development ... (and) integrating economic and social policies' (p. 2). The developmental model was not about transferring productive economic resources to finance welfare services but was rather about 'ensuring that

social policies contribute(d) to development' (p. 2). Social policy must 'demonstrate economic efficiency if it is to protect social budgets and welfare programmes' (p. 2). Its goal, therefore, was to ensure that economic development would result in tangible, positive gains through the establishment of empowering social programs and organisational structures. This was a positive step given the trend in the major Western nations to reduce social expenditure resulting in an abrogation of government responsibility for welfare. Social development offered an alternative to anti-statism and provided a 'new rationale for government involvement in social welfare ... compatible with the demands of globalisation and the need for policy measures that enhance(d) economic performance' (Midgley, 1998, p. 90). Thus it was essentially a macro-policy model (Gray, 1997; Gray, 1998a).

Against this backdrop, can we on the basis of this information, draw any conclusions as to the feasibility of social development as a policy model for South Africa? I think not for we have yet to establish the relationship between social welfare and social development. To do this we need to ascertain how welfare was defined by the White Paper for Social Welfare.

How is welfare defined by the White Paper for Social Welfare?

As already indicated, the White Paper clearly identifies poverty as its major focus and in keeping with social development theory (as described above) sees development as the main means of poverty alleviation. This is not to say that social problems like child abuse, crime, alcohol abuse, rape and domestic violence or fields of service like child welfare, mental health, disability, or aging, are not part of the welfare brief. It merely says that its main focus is going to be developmental. It is going to work through local,

community processes to empower people. It is going to use people-centred development approaches. Thus *people's participation is central to developmental welfare*. To reiterate a key point: *Development through participation and partnership rather than social service provision was regarded as the main means of alleviating poverty*. One can conclusively argue that this change of paradigm was achieved when the name of the key government welfare department was changed to the Department of Social Development in 2000. Thus when evaluating the progress of developmental social welfare one has to establish how effective it was in gaining people's participation in their own development. But one cannot gauge this only in relation to narrowly defined welfare projects because, by definition, *welfare is now defined more broadly as social development* within the developmental welfare paradigm.

If one considers more conventional notions of welfare in most Western countries one finds that welfare systems comprise a system of income-support or social security measures and social services supported by an institutional structure for their delivery. South Africa veers away from this model not because it eschews social security or service provision but because it *recasts social security as a poverty alleviation measure along with social development*. It has long been the case in South Africa that the bulk of its welfare bill is spent on pensions and grants, that is, its social security payment system, while the balance of the welfare budget is spent on social welfare services, such as the administrative infrastructure for social security payments (Patel, 2003). One has therefore to bear in mind that *poverty alleviation would be achieved mainly through social security*. How, one wonders, does this fit with the theory of social development which posits people's empowerment through direct participation in the economy, and

how does this focus cohere with the main issues identified by the architects of the developmental welfare system?

What were the main issues identified by welfare planners and policy analysts?

To fulfill its newly formulated developmental welfare objectives the main priority was to change welfare policy, to make the welfare system more equitable, especially by extending social security coverage to all citizens, then to transform the administrative infrastructure, and to reorient the human resource system engaged in welfare service delivery. Thus we need to take a closer look at the processes that led to this policy change.

Process to change welfare policy and the evolution of the developmental welfare system

As already mentioned the transformation of the welfare system in South Africa began in the mid 80s with the emergence of the Concerned Social Workers Group and the Durban Welfare Policy Committee, both of which were committed to the development of a single unified and equal welfare system. At a National Social Welfare Policy Conference convened in Johannesburg in May 1989, the Concerned Social Workers Group, together with other social work groups, including the Society for Social Workers (Witwatersrand), Johannesburg Indian Welfare Association, South African Black Social Workers Association, Social Workers Forum (Cape Town), and the Welfare Policy Committee (Durban) resolved to contribute to the evolution of appropriate social welfare policy for South Africa (Patel, 1989). It set the scene for a future welfare system based on the vision of, and embodying core elements of, the ANC's Freedom Charter. It focused on three critical objectives, namely to mobilise social workers, community-

based service projects, progressive social service organisations, and trade unions to reject the state's apartheid welfare policy; to work towards building a united welfare movement; and to commence the process of evolving appropriate welfare policy for post-apartheid South Africa (Patel, 1989). These initiatives received the wide-scale support of community activists and social service organisations. The core elements of the new welfare system the Conference outlined and adopted were as follows:

- A non-racial, unitary welfare system for all South Africans based on the needs of the majority of the population.
- A future single state department of welfare where welfare was an instrument for building a national identity.
- A welfare system promoting human rights.
- Social welfare as a mechanism for the redistribution of wealth.

On the basis of these core elements, one could see a new form of welfare state evolving in a democratic South Africa with policies aimed at mediating the negative impact of market forces. Thus to achieve greater social equality, the state would assume responsibility for meeting basic needs and for promoting social services as a right of all citizens. Not only would there be mass participation in the process of policy development but the people would have greater control over the distribution of social resources. In this way, welfare would become the vehicle through which previously disenfranchised people could define their interests and rights (Patel, 1989).

Following the 1989 Conference, an action research program was launched, part of which was a consultative conference, the theme of which was *Social Welfare in National Reconstruction and Social Development*, held in Johannesburg in June 1991.

Here the foundations for the developmental welfare system in a non-racial, democratic South Africa were laid (Drower, 1992). So began the process of creating a unified welfare system (Patel, 1989; Patel & Tayback, 1989; Patel, 1991a & b; Patel, 1992) which culminated in the White Paper for Social Welfare (Ministry for Welfare and Population Development, 1997). By the time this policy was promulgated there were already changes in economic policy. How then did this policy relate to the economic side of the social development equation?

From reconstruction and development (the RDP) to growth, employment and redistribution (GEAR)

Despite the enormous challenge of implementing social development, Midgley (1997) believed that the desperate conditions of poverty and social deprivation that characterised people's lives could not be ignored. While he acknowledged that social development was not a magical solution it did, at least, 'provide a comprehensive, pragmatic and workable approach to social welfare that deserve(d) to be more widely adopted' (Midgley, 1997, p. 202). Thus South Africa took on the challenge and the RDP embodied the new ANC government's intent to find a 'comprehensive, pragmatic and workable approach' to social development. However, it soon became clear that the new welfare system could not be driven solely by social ideals or social development theory. Economic realities forced policy makers to take the market into account in welfare provision (McKendrick, 1998; van Eeden et al, 2000) and it became apparent that *welfare was being market (economically) rather than development (socially) driven*, especially once the RDP gave way to the more conventional Growth, Employment and

Redistribution (GEAR) strategy. Thus said the Joint Universities Committee (JUC)¹ (comprising members from the 20 or so schools of social work representing social work education interests in South Africa) in its presentation to Parliamentary Portfolio Committee on Social Development in 2001, ‘there is ... quite a contradiction between the participatory, democratic and person-centered approaches of the White Paper for Social Welfare and the macro-economic policy of growth, employment and redistribution (GEAR), favouring *inter alia* reduction in social expenditure and profits above people. This is inimical given that social development calls for an alignment of social and economic policies’. It was already becoming clear at this stage that the promises of social development were somewhat out of kilter with broader economic policy once the RDP gave way to a more conventional growth based economic strategy (Marais, 1998). This shift in policy from development to growth and efficiency had a substantial effect on the developmental welfare system. Among other things it led to cuts in state subsidies to private welfare organisations; a shift of responsibility from government to community; and increased reliance on self-help, *ubuntu* (or a sense of community) and partnership (Lombard, 2000; van Eeden et al, 2000).

Thus social and political commentators began to speculate on the reasons for the rapid policy shift from an ambitious social development plan (RDP) to a more conventional economic growth model (GEAR). Sparks (2003) pointed to the weaknesses of the RDP as the ANC’s ‘hastily crafted’ (p. 191) election manifesto. Much has been written about the RDP, its benefits and demise, suffice to say that despite its numerous gains in *inter alia* housing, electrification and water provision, it

¹ In 2003, the JUC became the Association of South African Social Work Education Institutions (ASASWEI) in keeping with the transformation of social work education in South Africa.

proved in time to be ‘an inadequate and problematic document’ (p. 191) which was incredibly difficult to translate into practice. Thus said the RDP Minister Mac Maharaj in 1996, ‘we had to dump our blueprints and start from the beginning’ (cited in Sparks, 2003, p. 16).

The more conventional macro-economic policy of GEAR was a strategy formulated by the Reserve Bank and academic economists. Unlike the RDP, with its comprehensive development thrust, GEAR provided ‘a familiar package of global economic orthodoxy’ (Munslow & Fitzgerald, 1997, p. 42). It recommended financial discipline, strategies to increase public and private investment and to pursue a stable exchange rate, such as reduced tariffs and export-led growth. GEAR was not acceptable to the trade unions who favoured Black Economic Empowerment (BEE). Thus it never truly got off the ground leading Terreblanche (2002) to describe it as the best example of neo-liberal ‘naive optimism’ (p. 431). Its aim was to redress imbalances in job creation for the unemployed since, despite a growing workforce of between two and three hundred thousand workers a year, rather than increasing job opportunities, more than one million jobs had been lost such that by 2000 only 13% of the black South African population was employed in the formal economy and an estimated 55% of the potential black South African labour force could not find jobs in the formal economic sector (Terreblanche, 2002, p. 433).

So to Black Economic Empowerment (BEE)

Within the developmental welfare system, there was a major ideological shift from Afrikaner Nationalism concerned with white poverty to Black Nationalism concerned with equal opportunity, affirmative action and the upliftment of black communities

(Johnson, 2004; van Eeden et al, 2000). Some would say that it has gone too far pointing to the rapid 'rise of a black elite' while the poor have become worse off (Terreblanche, 2002, p. 398; see also Johnson, 2004; Lodge, 2004; South African Institute of Race Relation, 2004; Sparks, 2003). There is some agreement that despite the gains achieved in reconstruction and development, rather than improving the quality of life of the poor, post-apartheid society has seen the income of the poorest 80% of black South African households decline substantially while the income of the top 20% has increased sharply (Terreblanche, 2002, p. 414). The interplay of decreasing incomes resulting from rising unemployment 'and rising incomes of upwardly mobile, professionals, skilled workers and entrepreneurs ... has resulted in a vast increase in the level of inequality of African household income' (McGrath & Whiteford, 1994, p. 18).

Since 1994 there have been a growing number of institutionalised incentives for members of the black elite either to move into the public sector or to align themselves with it in some way. By 1997, 60% of NGO staff with specialised skills in community empowerment was lost to state institutions (Lodge, 2002, p. 68). More broadly, empowerment policies have allowed the 'most affluent 10% of black households to take home more than 50% of total income accruing to blacks, while the poorest 10% obtain less than 1%' (Emerick, 2004). Kane-Berman (2004) cited three sources reporting on benefits to black economic empowerment initiatives in the last few years, namely, the BusinessMap Foundation's estimate of deals worth R21.2bn in 2003; the Competition Commission's reported deals worth R30bn; and Ernst and Young's calculation of the value of empowerment deals being R42.2bn, more than three times the figure of R12,4bn for 2002. Johnson (2004) points out that 'BEE deals announced in 2003 ... amounted to R30-bn – but two thirds of these derived from companies owned by just

two men – Patrice Matsepe and Tokyo Sexwale’ (p. 224). Kane-Berman voiced concerns about the extent to which empowerment criteria discouraged foreign investment and were damaging to the poor and jobless when the central issue for most people was job creation (see also Johnson, 2004; Lodge, 2002; Sparks, 2003; Terreblanche, 2002). This was a serious concern given the extent to which economic planners had stressed the importance of foreign investment to economic growth in South Africa (see Johnson, 2004, p. 225).

Rather than through job creation, black economic empowerment (referred to as BEE) has largely been achieved through the provision of business incentives in terms of the Broad-Based Black Economic Empowerment Bill [South African Institute of Race Relations (SAIRR), 2004, p. 210-213]. As a consequence, there has been a large amount of political intervention in the business environment, creating incentives for industry to lobby for favours, rather than to look for ways to build businesses and satisfy customers. The African National Congress (ANC) has continued the Nationalist’s policy of licensing, regulating and politicising the economy, such that more attention is focused on lobbying for protection and subsidies than on becoming more competitive. Emerick (2004) reported on attempts by big business to alter the environment politically rather than to confront challenges directly: ‘From the union-supported, import-restricting “Proudly South African” campaign to the export subsidies of the Motor Industry Development Plan, distortions and uneven playing fields abound ... The Financial Advisory and Intermediary Services Act helps larger players regulate little guys out of business’. This trend is discouraging foreign investment as reported by the USA’s Heritage Foundation’s annual Index of Economic Freedom (Rose, 2005). Not only wary of BEE and consequent government discrimination against foreign

companies, obstacles to long-term growth and stability, such as a 40% unemployment rate, violent crime and an HIV and AIDS infection rate of 29.5% (Collett van Rooyen, 2005), as well as regional instability as a result of the situation in Zimbabwe, were reported as deterrents to foreign investment in South Africa.

Thus it seems that in the broader economic sector, economic policy quickly lost its developmental thrust with an eye to redistributing wealth to the poor instead opting for an economic growth and empowerment strategy which favoured better-off blacks, especially those in the public and business sectors. Further, 'the state's commitment to people-driven development seems to have been fluctuating and ambivalent. In many areas the trend has run against popular participation' due, among other things, to 'the collapse of the development forums in many neighbourhoods and the evident weakness of community-based organisations' making it 'all the more difficult to engage citizens in development projects' (Lodge, 2002, p. 68). To add to this, 'government bureaucrats may have become more hostile to popular participation as a consequence of increasing pressure on departments to meet quantitative delivery goals ... The tone of government ... changed (such that) officials operate(d) less as programme partners (with civil society representatives) and more as programme managers' (p. 69). At the same time, welfare resources became increasingly concentrated in direct cash transfers to the poor through the social security system rather than empowering, people-driven social development programs marrying social and economic goals (which the theory behind the White Paper promoted). What chances of success were there for a developmental welfare system within an economy no longer focused on reconstruction and development, benefiting a rising elite, promoting gross income disparities, and a widening gap between rich and poor? Furthermore, the bulk of South Africa's poor

lived in the former homelands and rural areas while most developmental programmes targeted urban areas and many would 'use scarce state resources to benefit a small group of better-off people' (Lodge, 2002, p. 81). Finally, in the face of promises of what the RDP and developmental welfare would deliver in terms of people-centred development, in reality welfare problems escalated to alarming proportions with crime, especially rape and child abuse, a major concern next to the spread of AIDS and HIV. Johnson (2004) goes so far as to say that President Mbeki's record in the AIDS debacle as well as his support of black economic empowerment is clear evidence of his lack of concern for the poor.

Given the shifts in economic policy from development, to growth, to black empowerment, what was the response of the architects of developmental welfare?

In the face of these broader shifts in economic policy and the failure of the RDP, those involved in developmental welfare stuck to their course of implementing the White Paper for Social Welfare, attempting to meet the enormous challenge of establishing an efficient developmental welfare infrastructure capable of implementing developmental welfare projects and developing an equitable social security system staffed by competent social service professionals (Lombard, 1997). With regard to the latter there has been a complete overhaul of human resources in broadening welfare from social work to child and youth care work, community development, and probation work (Gray, 2000). This involved the transformation of the Council for Social Work to the Council of Social Service Professions, an umbrella body for boards of the various occupational groups each with their own standards for education (Mazibuko & Gray, 2004). This was important since, as noted earlier, the successful implementation of the highly ambitious

developmental social welfare policy required an efficient government bureaucracy able to co-ordinate multi-sectoral and multi-disciplinary development projects at the national, provincial and local levels.

Further, it required an enabling socio-economic and political environment, one in which the goals of social development were taken seriously and where all social sectors worked together to achieve this end. The demise of the RDP was, in part, due to the lack of a service-delivery infrastructure both within government and in the broader non-government service sector. Thus it was necessary not only to strengthen the civil service and to rebuild civil society but also to engage the private business sector in a tripartite socio-economic development partnership (Fitzgerald, McLennan & Munslow, 1997). 'For South Africa's new rulers, the creation of (an) accountable ... administration has constituted one of the most difficult challenges they have encountered (Lodge, 2002, p. 99). The disorganisation and mismanagement of the country's financial resources, not least in the provinces, was evidence of the need for capacity building in the civil service and became a major focus of the ANC's 2000 manifesto titled 'Speeding up change' (Lodge, 2002, p. 100). Its main emphasis was on finding ways to make local government more accountable and less corrupt (see Lodge, 2002, Chapter 5 on 'local government reform'). Clearly there is much still to be done in this area and while developmental welfare prioritised the restructuring of the administrative infrastructure and the reorganisation of human resources within it, social problems continued to escalate despite the implementation of several pilot developmental programmes and consequent piecemeal gains at a community level (see Patel, 2005).

Following the failure of the RDP, Gray (1998b) wondered whether the developmental welfare system, given that it was based on RDP principles and goals, would have any chance of success. Midgley (1998) expressed similar concern that its demise weakened the possibility of developing a comprehensive institutional service framework for social development. Besides which, by 2002 there had been five Directors-General of Welfare and the White Paper for Social Welfare, which provided the broad brush strokes of developmental welfare, was proving difficult to implement due to severe staffing problems within the Department of Welfare (renamed the Department of Social Development in 2000).

Both internal problems within the Department for Social Development and the demise of the RDP weakened the broader institutional framework within which developmental social welfare programs were to be implemented and further hampered the implementation of the White Paper which had clearly stated that ‘welfare would be achieved through development’ (van Eeden et al, 2000, p. 17) on the strength that ‘developmental programmes should increase the capacities of individuals to meet their own needs’ (p. 18). This development through participation thrust did not match subsequent developments where social security became the main vehicle of poverty alleviation and redistribution to the poor.

Social transfers: A strategy for social development?

In his budget speech on 15 February 2006, South Africa’s Finance Minister, Mr Trevor Manuel, while announcing increases in income transfers through social pensions and grants reiterated the need for a better balance between social security payments and spending on health, education and infrastructural development. He said it was a core

priority for provincial governments to ‘strengthen education, public health services and social welfare services’ (RSA National Treasury, 2006). However, there are concerns about South Africa’s status as the developing world's biggest welfare economy and the average 30% per annum growth in social security spending which is both unsustainable and out of line with policy directions towards job creation and social development (Joffe, 2004). In attempting to provide a social safety net for the poor, welfare spending became one of the fastest growing categories in the budget exacerbated by the phasing in (between 2004 and 2006) of the extension of the child support grant (currently R190 a month) to cover children up to the age of 14 years. Disability grant payments (currently R820 a month) had also increased considerably when eligibility criteria were relaxed to accommodate people living with or dying as a result of AIDS causing significant budget over expenditure in the provinces. With grant applications increasing by 15% per annum, over two million recipients had been added to the welfare payroll by April 2004 (Joffe, 2004).

In terms of the Social Assistance Act (No. 13 of 2004), other social payments include: *Old Age Pensions* of R820 monthly paid to women once they reach sixty and men at sixty five; *Fostercare Grant* of R590 per child per month provided for children who are placed in the care of a person who is not their parent, such as the grandparent or any other responsible adult; *War Veteran’s Pensions* payable to war veterans unable to support themselves because of a mental or physical disability, who served in the South African army during the Anglo-Boer War (1899-1902), the Zulu uprising (1906), the First World War (1914-1918), the Second World War (1939-1945), or the Korean War (1950-1953), and the Liberation Struggle; and small *Grants-in-Aid* payable to a person who already receives a grant but is in need of full-time care from someone else. In 2003

there were almost two million recipients of old age pensions, slightly more receiving child support grants and just over 840,000 receiving disability grants. The total number of welfare grant recipients was over five million, an increase of 1.5 million recipients from 2001 (SAIRR, 2004). By 2005 the figure was close to ten million. In his budget speech on 15 February 2006, the Minister of Finance, Trevor Manuel, said:

... the growth in income support to vulnerable households through social security and social assistance grants ... has been the fastest growing category of government expenditure since 2001, and now amounts to R70 billion a year, 3,4 per cent of GDP, and reaches more than 10 million beneficiaries. Social grants contribute more than half of the income of the poorest 20 per cent of households, and have doubled in real terms over the past five years ... Income transfers to households, mainly through our social assistance grant programmes, have increased from R42,9 billion in 2002/03 to R74,2 billion last year – an increase of 20 per cent a year. The 2006 Budget provides for continuing growth in eligible beneficiary numbers, and social grants will increase in real terms on 1 April. The maximum old age and disability grant and the care dependency grant will increase by R40 to R820 a month, the foster care grant by R30 to R590 and the child support grant by R10 to R190 a month. We are mindful that these amounts are modest in relation to household needs, although alongside education this is the largest programme of expenditure on the budget. The challenge remains, to balance these income support commitments with continued strengthening of expenditure on infrastructure and service delivery (RSA, 2006).

Consequently, South Africa has one of the world's largest noncontributory social security systems with 17% of the population dependant on state welfare. At 3.4% of the GDP, South Africa's social grant expenditure was high compared not only with most other developing countries but even with some high-income countries. This needs to be seen against the backdrop of just less than seven million taxpayers, with the most affluent 20% paying 94% of personal income tax. The adult (and voting) population numbers about 27-million (of South Africa's population of 46-m) which means approximately four voters to each taxpayer. While the ANC has built an expectation that the state will deliver and the people are calling for it to do so, questions are being raised about the sustainability of this level of redistribution without a consequent negative impact on wealth creation. Thus the government has taken concerted steps to address this issue. In April 2005 it commissioned research to investigate the spiraling costs of welfare and the factors contributing to this with a view to streamlining social grant payments through the introduction of a national social security agency. As a consequence in 2006 welfare grants would be removed from the budget of the Department of Social Development into a division of the Department of Finance.

While one could make a strong case for the effectiveness of social grants as a tool for redistribution and poverty alleviation since they bring significant income into poor households, how does this trend in South Africa cohere with social development theory which advocates the marrying of social and economic goals? Surely one would expect that within a social development policy framework, welfare policy would be geared to broadening opportunities for people's participation in the economy rather than in making them dependent upon it. One could argue that social grants are a cheaper way

to reach the poor than complex schemes to create jobs, such as an expanded public works programme which requires a lot more infrastructure and administration, but is this social development given that diverting money to social grants means diverting it away from sustainable development through education, health and job creation?

What then is the verdict?

Has developmental welfare succeeded? If welfare expenditure is anything to go by then it certainly has not unless one includes social security as developmental welfare. Given that social security was equally the largest part of the welfare budget in the prior welfare system this hardly can be claimed as a change resulting from developmental welfare. Within this, however, is noted an increase in pensions and grants as social security became more inclusive and accessible to the whole population such that the total number of welfare grant beneficiaries increased by 124% from 2.5m to 5.6m between 1997 and 2003 (SAIRR, 2004, p. 322) and the National Treasury (18 February 2004) reported 7.4m in 2004. Thus of the total R37.7 bn (23% of the national budget) spent on welfare in the 2003-2004 financial year, 90.7% went to social security (pensions and grants), 7.7% to services and 1.5% to social development or poverty relief projects which the Institute for Democracy in South Africa (IDASA) says is 'part of the shift towards a more developmental focus for social welfare (which) aims to lessen dependence on the grant system' (in SAIRR 2003/04 *Survey*, p. 314). 'Despite a welfare and social development (developmental welfare) budget of R28bn in 2002/2003, 57% of all South African children lived on less than R200 per month, and 75% lived on less than R400 per month' (IDASA, cited by SAIRR, 2004, p. 323). The under-five mortality rate increased by 63.9% between 1998 and 2002; an estimated 14.2% of the population was

living with HIV and AIDS as of July 2002; and beneficiaries of child support grants increased by 45% between 2002 and 2003 (SAIRR, 2004, p. 281). Given the number of children in South Africa without the birth certificates needed to apply for the child support grant, this figure should be much higher (IDASA, cited by SAIRR, 2004, p. 323).

As already noted, a pivotal point in the progress of social development was the abandonment of the RDP and its replacement with GEAR since this meant a step away from 'people centred development' and 'people driven change' to manipulation of the macro-economic environment and later to redistribution through social security and BEE. Thus the 'biggest beneficiaries of democracy have been the black middle and upper classes, who constitute only a very small percentage of the total population. The majority of the black population still lives in poverty' (SAIRR, 2004, p. 37). This coupled with the slow progress of direct foreign investment, always crucial to growth in South Africa, has severely hampered wide scale social development and the sustainability of the social security system.

South Africa has always been a mixture of systems – a mix of first and third world economies, a developing nation, which differs markedly from both the USA and Europe where aging populations are the main burden. By way of contrast, in South Africa there is a rapidly growing young population, HIV and AIDS notwithstanding. In Europe public pensions stand at 5% of GDP (10.3% in Germany) (NY Times, 1/6/2005); in South Africa they have reached 3% but are increasing at an unsustainable level with 17% of the population dependant on state welfare. This means that South Africa is moving towards higher taxes, lower growth and higher unemployment leading to further increased public spending and taxes and even lower growth. In short, the

working population is moving toward an unsustainable dependency ratio with 7-million taxpayers supporting nearly 10-million social grant recipients.

Given this larger socio-economic and political scenario, crucial to macro social development policy, one can conclude that social development in South Africa as Midgley (1995) conceived it was somewhat idealistic but what alternative was there? Midgley (1997) was right in believing that the desperate conditions of poverty and social deprivation that characterised people's lives could not be ignored. Though not a magical solution, social development had its origins in developing countries emerging out of African community development and thus constituted a uniquely Third World approach to social welfare (Midgley, 1995). However, nowhere in Africa has it succeeded in eliminating poverty. South Africa has bravely attempted to implement social development with patchy results as herein described. But, developmental welfare cannot succeed without widespread institutional support. For social development on a grand scale foreign investment and economic growth is needed along with external, foreign aid of the kind Tony Blair's government is proposing. As we have seen, instead government has intervened in the economy and the result has been high unemployment, 'low investment and low growth' (Johnson, 2004, p. 230). Rather than social development, we have an unsustainable social security system with 10-m dependent grant recipients supported by 7-m taxpayers. What then are the solutions?

Johnson (2004) believes that South Africa needs 'a ruling elite which thinks and feels for the whole ... country ... Nelson Mandela ... for a brief and precious moment seemed to promise at least the possibility of a common South Africanism' (p. 232). He, like Lodge (2002), Spark (2003) and Terreblanche (2002), is critical of Mbeki's presidency which converted Mandela's 'rainbow nation' into 'two nations' – the poor

black and rich white, though ‘this is less true with every passing year’ (Johnson, 2004, p. 232). Lodge (2002) writes

Mbeki’s apparent pragmatism as well as his obvious commitment to social reform or ‘transformation’ helped prompt the expectation that his presidency would initiate a technocratic ‘politics of management and governance’. This would be a business-like era of ‘service delivery’, a time for the nation to ‘get back to work’. The time-consuming procedures of consensual constitutional deliberation and consultative policy formation were complete (p. 251).

Lodge (2002) has several concerns, among them the increasing centralization of power and decision-making in Mbeki’s government (see p. 252-255) and his challenge to ‘put behind us the notions of democracy and human rights as peculiarly Western’ (p. 240). Terreblanche (2002) believes job creation and redistribution to the poor is needed. Sparks (2003) suggests state-led public works programs and the need to build vital infrastructure. Clearly more than people participation is needed and social development has to be driven by those in power. If this is not happening in the way conceived by the White Paper what chances are there for developmental social welfare?

Since much of the literature on developmental social welfare emanates from social work academics, a concluding note on social work seems in order. With respect to social work we are mainly concerned with developmental social welfare, that is, the application of social development theory to welfare. From the outset developmental welfare was not a policy that favoured social work and one might wonder whether the

concept was ever properly understood by social workers. Its impact on social work education and practice needs further study. Conceptual clarity is needed: One might speculate whether developmental social work is different from developmental social welfare which might survive without wider commitment to social development. However, this would be something different from Midgley's (1995) conception of social development as a policy which marries social and economic goals. How might social workers respond? Is professionalisation and standard setting the answer? (see Sewpaul & Lombard, 2004). What of social work advocacy and policy critique? Social work is again allowing the government to determine its agenda as it did under Afrikaner nationalism. What is different about African nationalism? Is Johnson (2004) right in seeing the commonalities between these two forms of nationalism? 'The tragedy of South Africa', says Johnson (2004), 'is that it has always been ruled ... by elites which seek their own group interest rather than that of the country as a whole' (p. 232). Social workers work with marginalised and oppressed groups in society, with poor people and those beset by social problems. Essentially this makes developmental social work structural social work (Mullaly, 2003). The causes of poverty are structural and social workers need to practice with an eye to the structural (social, political, economic, and cultural) determinants of inequalities. This was the focus of the White Paper for Social Welfare as it set out to restructure welfare towards social development. Surely the time has come for social workers to speak out against the injustices of structurally induced poverty and the widening gap between rich and poor. Advocacy and policy intervention, as well as service provision, are the forte of social work. Community-based, people centred development was the catch cry of welfare transformation but more is needed

since focusing on community responsibility draws attention away from government responsibility for social development.

Conclusion

In this paper I have tried to focus on the complexities facing those engaged in developmental welfare and the enormous challenge they took on to transform the welfare system to a social development model. Statistical measurements, on every level, demonstrate that social problems have increased and that the poor are worse off than before. However, statistics sometimes hide more than they reveal. To be sure, there are people across South Africa engaged in projects to empower the poor in local communities and to help those afflicted by and dealing with AIDS and HIV. This requires the joint effort of all involved in social service provision. I would argue that South Africa had no choice but to opt for a developmental model and to use the social grant system as the means to transfer income to the poor immediately and swiftly. However, in doing so, it has not remained true to social development theory built on marrying social and economic goals, opting instead for an unsustainable social security system. A return to the drawing board to examine more sustainable ways for social improvement is needed.

This then is my attempt to meet James Midgley's challenge. It would take a book to provide a systematic description and examination of the South African experience in implementing social development. I have chosen to focus on the progress of developmental welfare or social development in the first ten years of South Africa's new democracy under ANC rule. I have argued that, because social development marries social and economic goals, one cannot evaluate developmental welfare or social

development without examining shifts in economic policy. Thus I have also examined economic policy transitions from development, to growth, to black economic empowerment. I have shown that social security became the major poverty alleviation measure within the developmental welfare system and proposed that that was possibly inevitable given that social transfers of this nature offer the quickest way to redistribute money to the poor. It will be hard for developmental welfare to succeed within an economic system which promotes gross income disparities and a widening gap between rich and poor. While small gains might be made, other sustainable ways of uplifting the country's poor need to be found.

Acknowledgment: I would like to acknowledge the input of Professor Bill Mitchell of the University of Johannesburg who commented on earlier drafts of this paper.

References

- Collett van Rooyen, C. (2005). HIV and AIDS: Oxfam Australia's work in Southern and South Africa. Paper presented at *Engineers without Borders Conference*, University of Melbourne, 2 December 2005.
- Drower, S. J. (1992). Report on the Regional Consultative Conference, 'Social Welfare in National Reconstruction and Social Development'. Johannesburg, 21-22 June 1991. *Social Work/Maatskaplike Werk*, 28(2), 54-62.
- Emerick, N. (2004). Entitlement bubble about to burst, *Business Day*, 15 November 2004.
- Fitzgerald, P; McLennan, A & Munslow, B. (1997). (Eds.). (2nd edition). *Managing sustainable development*. Cape Town: Oxford University Press.

- Flyvbjerg, B. (2001). *Making social science matter*. Cambridge: Cambridge University Press.
- Gray, M. (2000). Social work and the 'social service professions'. *Social Work/Maatskaplike Werk*, 36(1), 99-109.
- Gray, M. (1998a). (Ed.). *Developmental social work: Theory and Practice*. Cape Town: David Philip.
- Gray, M. (1998b). The RDP, welfare and social development. Paper presented at the *Joint World Congress of the International Federation of Social Workers and the International Association of Schools of Social Work*, Jerusalem, Israel, 5-9 July 1998.
- Gray, M. (1997). A pragmatic approach to social development: Part 1. *Social Work/Maatskaplike Werk*, 33(3), 210-222.
- Gray, M. & Mazibuko, F. (2002). Social work in South Africa at the dawn of the new millennium. *International Journal of Social Welfare*, 11(3), 191-200.
- Joffe, B. (2004). Spending on social security rises fast, but what about jobs? *Business Day 1st Edition*, 26 October 2004.
- Johnson, R. W. (2004). *South Africa: The First Man, the Last Nation*. London: Orion Books.
- Joint Universities Committee for Social Work (2001). The Transformation of Social Work Education and Training since 1994. Presentation to Parliamentary Portfolio Committee on Social Development: 13 June 2001. *Social Work/Maatskaplike Werk*, 37(2), xii-xix.
- Kane-Berman, J. (2004). Empowerment is a chase for the wrong numbers, *Business Day 1st Edition*, 1 June 2004.

- Letsebe, M.A. (1997). Social welfare in transition in South Africa: Structures and processes, *International Social Work*, 40(1), 75-78.
- Lodge, T. (2002). *Politics in South Africa: From Mandela to Mbeki*. Cape Town: David Philip.
- Lombard, A. (1997). Social work educators and practitioners: Partners in social development. *Social Work/Maatskaplike Werk*, 33(1), 11-23.
- Marais, H. (1998). *South Africa limits to change: The political economy of transformation*. Cape Town: University of Cape Town Press.
- Mazibuko, F.N.M. & Gray, M. (2004). Social work professional associations in South Africa, *International Social Work*, 47(1), 129-142.
- McGrath, M. & Whiteford, A. (1994). *Inequality in the size distribution of income in South Africa*. Stellenbosch: University of Stellenbosch, Stellenbosch Economic Project.
- McKendrick, B.W. (1998). Social work education and training: From preparing for apartheid to training for a developing democracy. *Social Work/Maatskaplike Werk*, 34(1), 99-111).
- Midgley, J. (2001). The critical perspective in social development. *Social Development Issues*, 23(1), 42-50.
- Midgley, J. (1998). Social development and social welfare: South Africa in an international context. *Social Work/Maatskaplike Werk*, 34(1), 90-98.
- Midgley, J. (1997). *Social welfare in global context*. London: Sage Publications.
- Midgley, J. (1996). Promoting a developmental perspective in social welfare: The contribution of South African schools of social work. *Social Work/Maatskaplike Werk*, 32(1), 1-7).

- Midgley, J. (1995). *Social Development: The developmental perspective in social welfare*. London: Sage.
- Mullaly, R.P. (2003). *Structural social work: Ideology, theory and practice* (2nd edn). Ontario: Oxford University Press.
- Munslow, B. & Fitzgerald, P. (1997). Search for a development strategy: The RDP and beyond. In P. Fitzgerald, McLennan, A. & Munslow, B. (1997). (Eds.). (2nd edition). *Managing sustainable development*. Cape Town: Oxford University Press.
- National Treasury Report (2004). *2004 Budget Review*, 18 February 2004.
- Patel, L. (2005). *Social welfare and development in South Africa*. Cape Town: Oxford University Press Southern Africa.
- Patel, L. (2003). Social development in a society in transition, *Social Development Issues*, 25(1/2), 150-161.
- Patel, L. (1992). *Restructuring social welfare: Options and strategies*. Johannesburg: Ravan Press.
- Patel, L. (1991a). *Principles, guidelines and recommendations for developmental policies and programmes in a democratic South Africa*. Johannesburg: Concerned Social Workers and School of Social Work, University of the Witwatersrand.
- Patel (1991b). *Social welfare options for South Africa*. Unpublished doctoral dissertation. Johannesburg: University of the Witwatersrand.
- Patel, L. (Ed.). (1989). *Towards a democratic welfare system: Options and strategies*. Proceedings of the National Welfare Policy Conference, May 1989. Johannesburg: Coordinating Committee Against the Welfare Policy.

- Patel, L. & Taback, R. (1989). A survey of progressive social services. *In Touch*, Occasional Paper 2. Johannesburg: Concerned Social Workers.
- Rose, R. (2005). Foreign investors wary of BEE, *Business Day*, 6 January 2005.
- R.S.A. Ministry for Social Development (2004). *The Social Assistance Act (No. 13 of 2004)*. Government Gazette, Vol. 468 No. 26446. Pretoria, South Africa: Government Printer. <http://www.info.gov.za/documents/acts/2004.htm> (Accessed 6 January 2005).
- R.S.A. Ministry for Welfare and Population Development (1998). *Department of Welfare: Social Welfare Action Plan (Draft Document)*. Pretoria: Government Printer.
- R.S.A. Ministry for Welfare and Population Development (1997). *White Paper for Social Welfare, Notice 1108 of 1997*. Government Gazette, Vol. 386, No. 18166. Pretoria, South Africa: Government Printer.
- R.S.A. Parliament of the Republic of South Africa (1994). *White Paper on Reconstruction and Development Notice No. 1954*. Government Gazette Vol. 353 No. 16085. Pretoria, South Africa: Government Printer.
- R.S.A. National Treasury (2006). *Budget Speech* Minister of Finance, Trevor A. Manuel, 15 February 2006. Accessed on 4 April 2006.
<http://www.info.go.za/speeches/2006/0602155501001.htm>
- Sewpaul, V. & Lombard, A. (2004). Social work education, training and standards in Africa, *Journal of Social Work Education*, 23(5), 537-554.
- South African Institute of Race Relations (2004). *South Africa Survey 2003/2004*. Johannesburg: South African Institute of Race Relations.
- Sparks, A. (2003). *Beyond the miracle*. Johannesburg: Jonathan Ball Publishers.

Terreblanche, S. (2002). *A history of inequality in South Africa 1652-2002*.

Pietermaritzburg: University of Natal Press.

van Eeden, E.S., Ryke, E.H. & De Necker, I.C.M. (2000). The welfare function of the South African government before and after apartheid. *Social Work/Maatskaplike Werk*, 36(1), 1-24.