

Working Paper Series

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Governance



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of Southern Africa

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Editorial

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Commissioning Editor -
DBSA Working Paper Series

Welcome to the *DBSA Working Paper Series*. The Series is a product of the intellectual capital function of the Bank. It serves as a forum for the dissemination of policy-relevant and evidence-based think pieces and research not only from academics, but also from practitioners within the DBSA, policymakers, and other opinion-makers in the broader development sector on the wide array of African development issues. Conceived to broaden African voices on matters of development, it will target and is anticipated to encourage dialogue within the Bank and other development finance institutions, from universities, Non-governmental Organizations (NGOs), governments within the Southern African Development Community (SADC) region, African international institutions, and the private sector. To facilitate wider reach, these papers will be posted on the DBSA Intellectual Capital Portal.

The DBSA has the strategic advantage and resources to be the thought leader and premier institution in the articulation and dissemination cutting-edge research on current issues on the African development horizon. There are many universities and institutions doing research on diverse components on African development, particularly in southern Africa. Nonetheless, most of this research is largely confined to these institutions and hardly finds resonance beyond them.

The DBSA Working Paper Series would be important in strengthening South Africa's position as the leader in policy dialogue about Africa's future, specifically new ideas on the relations between states and markets, human capital formation, natural resource management, energy and environmental policies, and new approaches to enhance economic integration schemes. Equally significant, given the growing recognition of the institutional dimensions of institutions in the development process, the Paper Series could furnish a forum for academics and policymakers to reflect on the lessons of South African institutional trajectories for Africa as whole.

For southern Africa, the Paper Series would dovetail with the objectives of the Southern African Development Community (SADC) to foster the cross-fertilization of ideas and evidence-based research for deepening economic integration. Many scholars and institutions will take advantage of the opportunities provided by the Working Paper Series to debate questions that have regional relevance such as governance, local economic development, trade and investment patterns, labor and migration flows, harmonization of environmental and ecological regimes for sustainable development, and ways of building collective and compatible institutions for regional integration.

Africa as a whole would also benefit from the Working Paper Series that affords a wide range of voices on alternative approaches to economic development, crafting of continental institutions for self-management such as New Partnership for Africa's Development (NEPAD), and strengthening the new politico-security architecture around the African Union (AU). More important, the Working Paper Series would also allow African opinions on globalization and its associated challenges.

This first Working Paper Series focuses on Governance.

Our gratitude goes to our guest editor, Dr Francis Ikome of the Institute for Global Dialogue, who did a sterling job in editing the three excellent papers submitted for consideration in this series, and to the authors for contributing to this inaugural edition.

Guest Editor's Comments

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Ph.D¹

One of the major challenges that have faced the African state since the advent of political independence in the 1960s has been that of establishing and sustaining viable and dependable governance systems and institutions.

Poor governance has, for many years, been one of the hallmarks of the post-independent African state, epitomized by weak and dysfunctional institutions, constricted political spaces, various forms of social exclusions, and concomitant social strife. Governance deficit in its diverse forms and shades has been recognized not only as a key explanation for Africa's numerous conflicts, but also as being partly responsible for the continent's near-perennial under-development.

Understandably, the promotion of good governance has been an important focus and a key ingredient in development discourse and efforts that have been promoted over the years for Africa, both by Africans themselves and by the international community.

However, governance only rose to the top of Africa's political agenda in the 1990s (see Oluwu and Sako, 2002). This was as a result of the combined effects of three sources of pressure, namely: 1) the dashed expectations and hopes of independence as a result of the emergence of autocratic regimes across the continent, that did not only betray the promise of liberation, but

ultimately mortgaged African countries' development prospects, replacing hope with economic decline, fractionalization and civil wars; 2) The fall of the Berlin Wall and the subsequent demise of the Cold War that not only robbed African autocrats of a moral and material backer, but also removed the shield they had used over the years to protect their domestic politics from meaningful external scrutiny; and 3) The removal of this shield coincided with the diminished geopolitical significance of the continent amidst stiff competition for resources and attention from other regions of the developing world, particularly from the newly independent states of Eastern Europe. Armed with this new leverage, the Western dominated donor community, increasingly conditioned their lending and other engagements with African countries to improved governance without the fear of pushing them into any 'unholy embrace' of the former communist camp (Hamdok, 2003: 20). This was aided by the deepening forces of globalization that popularised the virtues of good governance across the globe (Mkandawire, 1993). But what exactly is good governance and how important is it to the African sub-system and the broader international community?

Although there is tacit agreement that governance is essentially about power relations between rulers and the ruled; governments and

1. Dr. Francis Nguendi Ikome is the Director of the Multilateral Programme at the South African-based Institute for Global Dialogue.

citizenry; and organizations and their members; the concept continues to suffer from definitional ambiguity and even confusion. It has been variously described as a process, an outcome and a combination of both. As a process, governance has been defined as the behavior and performance of government, including the exercise of economic, political and administrative authority to manage a country's affairs at all levels (Hamdok, 2003: 16); the manner in which power is exercised in the management of a country's economic and social development (Oluwu and Sako, 2002: 4). It has also been described as consisting of fundamental rules that regulate relationships between rulers and the ruled in all organizations, state and non-state organizations alike (Ibid.). Governance is also seen as a framework through which citizens and groups exercise their rights, meet their obligations and articulate their interests (Hamdok, 2003). Governance therefore, necessarily encompasses institutional arrangements that ensure the proper distribution of power and authority within an organization - a set of legitimate rules and procedures that govern conduct by the institutions or people within them, and their implications on the lives of the populations they are meant to serve. It is also about internal relationships between managers and the rank-and-file. Constitutions, laws, and other forms of rules regulate how this relationship is conducted. Policies and plans stipulate the expected outcomes and a set of steps to be undertaken to achieve the vision, missions, and goals set out in the organization's constitution.

Activities like management, planning, monitoring and evaluation, performance management as well as reporting form part of an institutional culture which helps determine the state of governance within an organization (see Mkandawire, 1993).

Overall, the exercise of power is adjudged as good when it promotes predictability, accountability, responsibility and transparency on the part of those who govern, while also simultaneously providing an enabling environment for participation and ownership for the governed, including a vibrant civil society and related non-state actors that have the ability to limit the excesses of wielders of power (see Dwevedi, 2002). It is noteworthy that good governance is not just about processes, structures, and rules. Rather, it is equally linked to outcomes in or effect on society. In other words, processes and institutional arrangements are not an end in themselves rather they are a means to the end (Dwevedi, 2002).

In spite of its attractiveness, the concept of good governance has remained very controversial, particularly because of its subjective character. Moreover, achieving the precepts of good governance, such as fairness, efficiency, decency and transparency, involves some trade-offs that sometimes tend to create winners and losers in society. Good governance is therefore, necessarily the product of some bargaining process among various interests in the society. Nevertheless, good governance is

underpinned by the assumption that the will of the majority, usually expressed through plural competitive elections, is paramount (Hamdok, 2003: 17). Even more crucially, good governance presupposes the existence of effective domestic institutions. Significantly also, good governance is closely related to the credibility that wielders of political authority (governors) can establish with the governed. Low government credibility exerts a heavy premium on policy implementation.

Administrative systems should be accountable, through for example, enhanced administrative transparency. Moreover, the political and economic environments should minimise risk, thereby elongating the time-horizon of economic actors. One of the most important tasks of government is the provision of a stable and orderly macro-environment. There is also the imperative for domestic politics to encompass most interest groups and also that the political system is open to contestation. Ultimately, domestic politics will dictate the speed with which countries can move towards more transparency and accountability (Hamdok, 2003: 17). It is also noteworthy that involvement in public affairs need not be confined to elections or to membership of political parties. Rather, it should also take the form of engagement in voluntary organisations. But what are the dividends, potential or real of institutionalising good governance?

Scholars and policy analysts are agreed on the need for good economic governance

and basic political stability for meaningful development. The absence of peace and security, the shallowness of democracy, and the prevalence of poor economic and political governance in a majority of African countries have combined to deepen poverty and underdevelopment (Ikome, 2007).

Overall, guaranteeing the rule of law and the enforceability of contracts, establishing efficient institutions, bureaucracies, and judicial systems, avoiding corruption and being otherwise accountable and responsible to the citizenry constitute a set of government actions having substantial development benefits (Brautigam, 1991; Hyden and Bratton, 1992). Improved economic governance in an individual country provides substantial direct economic benefits in terms of more effective delivery of public goods and services, both to the poor and to firms (Sobhan, 1998). The nature and quality of governance institutions, and the types of policies that governments choose, have a huge impact in shaping how economies perform, and whether and how rapidly people will escape from mass poverty (Diamond, 2004: 268).

Growing comparative evidence suggests that good political governance impacts positively on development. For example, the promotion of democratic processes of political representation, such as well functioning electoral institutions, or the enabling of effective 'voice' in the policy formulation process for social groups, including the poor, produces

economic policy outcomes which are more 'elastic,' capable of absorbing external shocks more effectively, and hence contribute to sustainable growth (Ndulu and O'Connell, 1999; Rodrik, 1999). Institutional and bureaucratic quality in general favour economic growth by securing property rights, checking on corruption, promoting and protecting individual and group rights and freedoms; and generally restraining abusive government discretionary power. Conversely, the absence of transparent and predictable institutional frameworks allows the use of discretionary interpretation that could give rise to rent-seeking and corrupt practices. These diminish public confidence, distort the operation of economic activity, weaken political stability and thereby hamper economic growth and development. In the area of economic and corporate governance, weak African states' institutions have encouraged corruption, poor service delivery, the lack of integrity of monetary and financial systems and poor regulatory frameworks - including ineffective accounting and auditing systems (Ikome, 2008).

The Development Bank of Southern Africa's Working Paper Series therefore, aims at examining the subject of governance at various levels in society and how it affects development and social wellbeing. The papers investigate the various contours of the relationship between governance and development at different levels with the aim of identifying broad trends and dynamics, and establishing their implications for the future. The ultimate goal of

this policy-oriented paper series is to inform the agenda of the DBSA as a financier, advisor, and partner in regional development. This first volume captioned 'Governance' focuses on three very important and interrelated dimensions of the governance challenges in the southern African region and the broader African continent, namely: political governance; governance and social policy and university governance and the knowledge economy. Together, these three dimensions of the governance discourse in the region touch on the various dynamics of the relationship between the African state, politics and society, with regard to the legitimacy, trust and efficacy of leadership in resolving tangible and intangible societal problems, include the formulation and effective implementation of social policies. This volume is made up of very interesting and insightful contributions from three main authors.

Ebrahim Fakir sets the tone in his provocative piece captioned, 'Politics, State and Society: Between Leadership, Trust and Technocrats.' Using the threats thrust on states, markets and citizenry alike, by the ongoing global financial and economic meltdown, Fakir highlights the visible lack of global political, market and bureaucratic leadership to provide prompt and appropriate responses to the crisis, including the failure to avert it in the first place. He argues that the inability of leadership to provide the certainty and stability required to steer society through the global crisis has culminated in what appears to be a form of 'global citizenship self-reliance' and

direct action that has, in some instances, taking the form of insurrectional behavior. These emerging trends, he contends, have serious implications for governance and public institutions and seem to represent a new mood of state-citizens engagement, as well as mapping out what could constitute an appropriate relationship between states, markets and society. Against the backdrop of the crumbling structural edifice of the 'global market,' resulting largely from the irresponsible and avaricious behavior of individuals and corporate, the emerging insurrectional behavior of the global citizenry could be seen as an urgent call for action and direction by leadership. Paradoxically, the self-reliance mood of the global citizenry also reflects an increasing loss of trust and faith in leadership and an erosion of its legitimacy with attendant implications for both policy formulation and implementation.

Fakir's provocative analyses are followed by and well complimented by those of Siphamandla Zondi in his well documented and aptly captioned paper, 'Governance and Social Policy in the SADC Region: An Issues Analysis.' It touches on the very core of state-society relations - namely, governments' provision of social services to the citizenry through effective social policy. Using the Southern African Development Community (SADC) as case a study, the interface between governance and social policy in the functioning and agenda of the SADC are carefully unpacked. The paper establishes a

thread between progressive governance and the development of a sound social policy agenda. It demonstrates that social policy is usually overlooked or outrightly undermined under situations of poor governance, where institutional ineffectiveness is rife.

Last but not the least, is Thandwa Mthembu's rich and detailed paper on 'University governance and the knowledge economy,' which indisputably focuses on one of the most important institutions in society - the university. As Mthembu rightly puts it, the university is an engine of development in society. The paper appropriately addresses the very salient issues of university governance and the knowledge economy in South Africa, with very useful comparisons and references to global standards and experiences. Universities are recognized not only as knowledge production centers, but also, and probably more importantly, as breeding grounds for future national, regional and global leaders and managers. Understandably, university governance is of great importance for the future ability of the state to discharge its leadership role, and also on the direction of politics, including influencing state-society relations. The paper therefore, fits well into the broader governance matrix laid out by Fakir, with regards especially to the interface between politics, state and society.

Mthembu focuses on university governance in post-apartheid South Africa and demonstrates that the national debates on university governance have

since 1994 narrowly 'horned in' on the relationship between the university and government - with universities emphasizing the need for academic freedom and institutional autonomy, while on the other hand, government has continued to emphasize notions of public accountability.

Overall, this series makes for very interesting reading and is relevant to both practitioners and students of governance and state-society relations in African and southern Africa. It addresses issues that are both topical and intellectually challenging.

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Politics, State and Society in South Africa: Between Leadership, Trust and Technocrats.

Ebrahim Fakir¹

Abstract:

This article argues that leadership and trust are central to democratic and participatory governance, where governance is understood as a function and product of politics. Politics is seen as the contestation for power, and governance as executive administration and as a regulatory system. Effective governance, it is posited, derives from the consent of citizens through the inculcation of interpersonal trust, institutional trust and trust in societal as well as political leadership. The paper provides some comparative international data on levels of interpersonal and institutional trust, and trust in political leadership. However, it focuses largely on South Africa and argues that periods of social, economic and political crisis require high levels of institutional and interpersonal trust, alongside trust in leadership. Consistency, predictability and certainty are important elements of governance and integral to promoting the levels of trust required for sustainable governance and in inculcating the notion of public service. Public service itself, it is argued, needs to be re-conceptualised as a service to the public, both from within government, and from outside of it. The relationship between trust, leadership and public service is then explored and the notion of leadership is unpacked in its

different dimensions: leadership as vision setting on the one hand, and leadership as a management function on the other. The paper concludes by positing that a modern mandarin is required for societal leadership that will ensure the development of democracy and the democratization of development.

1. Introduction: The Citizen as Rational Actor

A global financial crisis, market instability and uncertainty and the attendant consequences of rising food, fuel and finance prices have introduced not only social instability and uncertainty, but revealed a global political, market and bureaucratic leadership that is unable to provide the certainty and stability required by a global citizenry to steer society through the turmoil. Increasingly, an uncertain global citizenry has in recent months turned increasingly to direct action as a mode of expressing their political agency. Large numbers of South Africans have been part of this insurrectionary behaviour for much longer than the onset of a global food, fuel and finance crisis. After all, since 2004, official statistics put social protests at 881 protests, of which at least 50 were violent (Wines, 2005). A year later the number had jumped to a total of 5 085 countrywide (Wines, 2005).

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These trends have important implications for governance and public institutions as well as for the mode in which citizens and states engage with each other. It implies a trend long evident in South Africa, that political participation will not be restricted to the episodic vote, or to formal processes of participation and decision making either through direct formal participation or through elected public representatives and other public or regulatory institutions. Direct action, community mobilisation and political action through protest and the resistance to decisions deemed to be unpopular, remain important modes of political expression. Thus, trends appear to suggest that political expression occurs on dual tracks, that is political participation through formal processes as well as political expression through direct action (Fakir, 2006). It equally appears that political expression is mediated through an instrumental calculus that is made by citizens, that where participation through formal political processes have the potential to yield tangible benefits, formal participation will be pursued. Where participation in formal processes are not expected, or fail to yield any tangible direct benefits, then direct action through strikes and protests will be pursued. This is a conclusion which could have been reached on an almost instinctive basis, with the evidence narrated thus far self evidently seeming to suggest bifurcated modes of political expression. The issue is nevertheless stated since the assumptive premise that this paper

adopts as a starting point is that of the standard rational choice, instrumental view of the citizen as a rational actor pursuing what is in his/her own rational interests.

With this in mind this paper attempts to situate the question of 'trust', trust in institutions and trust in people generally, within the frame of politics and governance. More specifically, the paper argues that effective governance derives from citizens' consent through inculcating interpersonal trust, institutional trust and trust in societal and political leaders and explores what the implications of a lack of such trust may be. The paper then dwells on the nature and type of leadership that it is argued, will be required to inculcate this seemingly rare commodity called trust, by exploring how in modern states, characterized by a necessary impersonal bureaucratic rationality, leadership, and trust in certain types of leadership are both central to promoting certainty, stability and predictability in governance. The paper concludes by arguing for a specific type of leadership, one which brings a focus to bear on a commitment to a set of values and principles, and which is animated by the idea of leadership as service, inside and outside of government.

2. Do something, but not just anything

The latter half of 2008 has seen increased calls globally, by citizens, for

their leaders to steer society through a period that appears to be one of instability and uncertainty. The dawning reality is that the systemic structural edifice of the 'global market' is about to fracture because of the accumulative and avaricious agency exercised by individuals and corporations in the tragic absence of strong political leadership, which regulates and tampers the irresponsible extension of credit on capital markets and the scandalous misuse of financial instruments that manipulated the structural designs (or lack thereof) of the imperfect market. Tragically, 'no one really knows what to do. It is impossible for politicians [and leaders] to do nothing in such a crisis. We may have to pray that the agreements crafted with the toxic mix of special interests, misguided economics and right-wing ideologies that produced the crisis can somehow produce a rescue plan that works' (Zizek, 2008).

On every occasion in which a global citizenry has been susceptible to a political or economic crisis (a burst DOTCOM bubble in 2001, the ENRON scandal in 2002, the twin towers bombing of 9/11 and the London bombings of 7/7, a failed state in Somalia, a failing state and collapsing society in Zimbabwe rescued in part by the loser of an election belatedly accommodating the winner in power, and a global crisis of confidence in political leaders, emergent democratic deficits, political leaders who are increasingly unaccountable), the usual leadership responses in each

of these crisis moments and places, has been an empty rhetoric about the necessity of fast and decisive action. Usually, this has implied the conundrum of either the partial suspension of values and civil liberties in order to save those same values and civil liberties - as in the United States and the United Kingdom where civil liberties and traditional values based on equality, rights and justice for all are suspended or under threat (Younge, 2007). Closer to home, in the developing world in moments of social and political crisis, leaders tend to make sub-rational appeals to culture and tradition, or whip up the impressively progressive sounding but increasingly recidivist rhetoric of an appeal to an imaginary radical nationalism, anti-colonialism and anti-imperialism - when in reality what their societies require is radical democracy in an environment of stable, sound and strong states. Market leaders, Bankers and Traders on the other hand have simply continued through these crises to play game of market competition with a 'business as usual' approach.

As a result of what appears to be amongst the worst political and economic crisis, at least in contemporary history, from mid 2008 (*The Guardian*, Editorial Comment 2008) an increasingly restive global citizenry has called upon its leaders - political and otherwise to 'do something', in the face of this perceptible crisis, to be more responsive and interventionist. Leadership has been challenged by the citizenry to provide some relief, to save

banks, protect jobs, to exercise more oversight on their behalf, and to be generally, more accountable.

2.1 Expectation and Disappointment

Curiously, the very people the citizenry call upon to come to their rescue, are the ones who appear to have repeatedly disappointed them and who are therefore, not the most trustworthy in their eyes. After all, across the world, 2005 data from a time at which the world economy and the South Africa economy were buoyant, suggest that 65 per cent (Gallup, 2005) of people don't believe that their countries are run by the will of the people. The lack of more recent worldwide data notwithstanding, if data from 2005 suggests a trend of declining levels of trust in political leaders and institutions, the reasonable expectation is that by 2009 there would be a growing lack of confidence in leadership. Using 2005 worldwide data, a combined 80 per cent of people would rather give more power to religious leaders, academics, intellectuals and journalists rather than business leaders and politicians (Gallup, 2005). Religious leaders are the most trusted group and politicians the least trusted, with just 13 per cent of people around the world expressing trust and confidence in politicians (Gallup, 2005). Religious leaders are the most trusted group in Africa, trusted by 74 per cent against 33 per cent globally (Gallup, 2005). There is low level of trust in all types of leaders throughout Europe. Almost a third of people did not trust any

of military, religious, business or political leaders (Gallup, 2005).

Faced with a disaster over which leaders appear to have no real influence with the attendant pressure 'to do something', leaders and the administrators of developed societies have uncharacteristically, but no doubt true to form, acted in reaction to tame the monster they helped to create. And they did so by implementing policies and governance instruments that they not long ago foreswore - that is government intervention in the market by allowing the public fiscus to correct market imperfections. In short the bank bailouts in Europe, the US, the UK and Russia are tantamount to the nationalisation and socialization of losses, and here is the caveat, the continued privatisation of profits. Is this perhaps another case of leaders reactively relenting to the pressure to do something without taking a moment to 'talk and think about them, like quickly throwing \$700 billion at a problem instead of reflecting on how it came about' (Zizek, 2008). Does this signal a politics devoid of ideas? If the bailout can be called a 'socialist' measure, it is a very peculiar one: a 'socialist' measure that does not aim to help the poor but to save the market. Socialism is OK, it seems, when it serves to save capitalism, but this does not ask what 'moral hazards' are inscribed in the fundamental structure of the current interventions decided on by leaders (Zizek, 2008), re-enforcing the image, not just of a politics devoid of ideas, but a leadership short of them.

3. The South African Conjuncture

In South Africa, in addition to a global fuel, food and finance crisis, South Africans are faced with an energy crisis in addition to the inherited social fractures and cleavages inherited from Apartheid, the 1994 Post-Apartheid context, characterised as it is by continuing social inequality and poverty lends greater force to feelings of gloom in a period of uncertainty. Using a variety of different statistical measures, a number of experts have suggested that the percentage of people living in poverty range from approximately 4.2 million to approximately 20.6 million. High levels of poverty are exacerbated by the high level of income inequality which has been rising since the advent of democracy in 1994. Like poverty, there is no consensus on the actual magnitude of inter and intra-racial inequality with some studies suggesting that the Gini coefficient² rose from 0.68 in 1994 to 0.73 in 2001 (Ndungu and Frye, 2008). Indicators released by the Presidency show that the Gini coefficient has dropped from a high of 0.686 in 2003 to 0.660 in 2007. Using the Theil Index, the same Indicators show that inequality has dropped between races (0.416 in 2006 to 0.342 in 2007) as well as within races (0.613 in 2006 to 0.574 in 2007 (Ndungu and Frye; 2008). However, the high indices of inequality mean that South Africa is still one of the most unequal societies in the world (Ndungu and Frye; 2008).

To exacerbate matters, the manifest fracturing of a manufactured political,

social and economic consensus in South Africa, that saw the transition period from 1990 onwards through to circa 2008 through with relative stability, has fractured. This was attributable to a stable policy domain in a democratic society in which it appeared that an unassailable governing party would continue to provide policy predictability - but which seems to have entered a period of crisis following a leadership battle for its helm and what appears to be a battle for the political, policy, organisational and ideological identity of the party. Because of the current ruling parties electoral majority and institutional and policy predominance, the battle for its leadership, and what is increasingly likely to become a contestation for its political/ideological approach and its organisational form in the future, have ramifications for wider societal development and modernisation, as well as for the project of democratic development.

3.1 The Politics of Policy

In theory, democracies provide intelligent institutional rules for periodic leadership succession, yet, in practice they may only appear to do so, as many leadership successions are not the product solely of electoral processes. Moreover, leader successions do not unfold particularly smoothly. They involve considerable risks for all involved and they may have ramifications beyond the personal well-being and political power of the individual protagonists.

2. The most widely used measure of income inequality in a country. A Gini coefficient of '0' means no inequality while a coefficient of '1' means complete inequality.

The parties, governments and polities involved may experience shocks, setbacks, boosts and turning points at the occasion of, if not due to, particular leadership succession dramas. Unlike the institutionalised nature of parliamentary elections resulting in the appointment of Representative institutions, heads of State, Executives and Cabinets, party leadership successions are rooted in either the incumbent's state of mind, dissatisfaction with the incumbent's performance within the party, and/or in interpersonal or factional power struggles. Given this, it is easy to grasp why comparative studies find that many leadership successions are more likely to generate much uncertainty, agony and even trauma, not only within parties, but within societies as a whole (t Hart, 2007: 273)

This may have serious consequences for the political and governance cultures in a society. It would not be untrue to suggest that the 2007 leadership contest in the ANC was discursively about two styles of leadership pitting itself against each other. The one is a leadership tradition that appears to grant agency to followers, thereby deriving its legitimacy. By appearing to be responsive, in touch, penetrated and permeated into societies grassroots. Its political appeal is a mode of political engagement with political structure and agency through the mode of rhetoric and the political spectacle. Its broader appeal is to tradition and culture (organisational and societal), sentiment and history.

The other is a leadership that also appears to be responsive, but which derives its responsive legitimacy by appealing to a modernising impulse and a modernist rationality in which an appeal is made to processes and institutions and by delivering to citizens and party members what it is assumed, is wanted. It is a type of leadership that grants agency by appropriation, but appropriating the structural elements of politics and society to its own control. In short it imposes a bureaucratic rationality to politics.

Ideologically drained (or heavily contested), historically evacuated, such compromised narratives perhaps announce that the contest here is not so much about politics minus memory and context, but the very battle for an appropriation within the ruling party, of memory, history, tradition and context, all of which have implications for wider society and the policy trajectories that may be emergent from whichever way in which the appropriation is resolved. The resolution may take the form of further organisational splits, as has been the case with the formation of the Congress of the People (COPE), or it may take the form of internal contestation for policy hegemony.

In the first tradition of politics and leadership, political agency vests in the people and in doing so eschews structure - whether it be principles, laws, bureaucracy or organisation, and it privileges insurrection over organisation. Here political agency is consigned to the people, but it is a

people who have no relation to structure, with a leadership which provides no direction rooted in principle. Without principle, the legitimacy that leadership can lend to progress is eroded.

The counter impulse to this is the type of leadership is one that pretends to be stoic.

It counters itself as rational and deliberative - something conducive to democracy, but in doing so, aggregates to itself the notion of the democratic. It works on the principle that because 'we know' better, we will decide what is best in establishing the ground-rules and the institutional edifice required to give effect to development. In doing, so it eclipses the democratic and substitutes for it the developmental. This type of leadership embraces the technical. Instead of fetishizing the individual it fetishizes the instrumental, where the focus is not the people, but the procedural and creates the impression through this process, not that the institutions serves the individual (and the person), but the individual is a tamed person, tamed to serve the institutional (Fakir, 2007: 10)

In this context, political citizenship within the party, and citizenship in society abrogates and appropriates agency, and posits unwittingly, that it is only principle and structure that matter. It becomes a domain of governance in which leadership stands for both agency and

structure, but since it has appropriated agency it is ultimately a leadership that lacks the legitimacy required to give content to structure. Both leadership traditions seem anachronistic in a time of uncertainty, simply because both seem to pursue a path to politics that excludes either one of; 'principle' or 'people'. It is the familiar conundrum of authority without power, or power without authority.

With the fracturing of the ruling party as we have come to know it, the relative stability, certainty and predictability with which the state managed society and the economy has become less certain. The international context, together with problems in South Africa's northern border, Zimbabwe and the internal strife within the ruling party have rendered South Africans' less certain with respect to governance. Despite challenges to and differences in political and policy approaches with that pursued by Government, stability and certainty were relative safeguards to most South Africans with respect to policy and governance, even though predictability was not always a strong feature of the governance system - particularly in the criminal justice system. Crime and the criminal justice system is a prime example that can be used to demonstrate the way in which citizens respond to a perceived social crisis and the manner in which they expect that leaders in public authority will respond to this social crisis. It is thus a good peg on which to hang the governance contours of the state-society relationship in the way

in which the State-Society-Leadership nexus unfolds. Crime is a widespread social problem that South Africans rate high as one their priority problems and there is widespread bemoaning of the fact that there is an absence of a guarantee that alleged criminals who may have committed a crime, will either not be apprehended, or if apprehended then not tried, and if tried and prosecuted that the punitive measures handed down may be perceived to be inappropriate (either too lax and lenient or on the other hand overly punitive).

The issue for most South African's then is both the fear of crime itself, and the absence of three key factors - predictability, certainty and consistency in the apprehension of criminals and the application of the law. Predictability refers to the relative chances of being caught, then tried (adjudicated) and if necessary, punished when a crime is committed. This is dependent on intended perpetrators being dissuaded from committing crimes if they know that the chance of getting caught is high. Equally, it is dependent on wider societal confidence that should such acts be committed- authorities will with a degree of certainty apprehend the criminal and let other processes take their course. It is then that certainty will matter. Certainty is in part dependent on predictability, the certainty that if one should do something wrong one will be caught, predictability, that if one is caught, one can be confident that one will be treated fairly, and that the appropriate law will take its course, that it will be diligently applied, and that there will be fair and impartial administrative action, and if found to

be guilty of an alleged offence, that the punitive measures will be commensurate both with the legal prescriptions and the societal expectation with respect to punitive action. This is the same as the expectation of an offended citizenry. Consistency, on the other hand refers to the fact that in every instance of a contravention of the law the same standards of certainty and predictability will apply, and that they would be administratively fair, just, efficient and equally applicable in all such instances of contravention. In the absence of predictability, certainty and consistency citizens lose trust in government and governance processes and institutions, and the ability of government to effectively govern and regulate society, in short enforce the relevant rules, laws and regulations will come at the cost of governing through coercion rather than consent, since those who believe that predictability, certainty and consistency are absent will believe that they can get away with not abiding by rules, and others might be tempted to think that if others can get away with not obeying rules, the likelihood is that others can too.

3.2 The Policy of Politics

Because government is ultimately the product of political contestation, what is considered political, matters for governance, and it follows from this that when a party in government with a large unthreatened majority determines the governance trajectory, what transpires in that party is a matter of interest in itself, but also in relation to expectations and anticipations in governance.

Thus, what is negatively perceived as political machinations in the ruling party, renders South Africans in general more susceptible to negative overall perceptions of government. Fourteen years after political liberation, South Africa, at least politically, seems to be entering a post-transition phase, where the manufactured political, social and economic consensus is fracturing to reflect an approach to politics as the pursuit of power based on both principle and instrumentality, self interest and public interest, in which people and interest groups are beginning to coalesce and associate on the basis of pursuing what is in their own rational interests. This seems anachronistic to South Africans, who post 1994, grew accustomed to a more consensus seeking approach to politics and governance, rather than the contestation and occasional conflict that appears to be increasingly fractious and tendentious. This apparent anachronism has consequently led to a greater degree of uncertainty than was hitherto the case, with the uncertainty serving as a fertile base for possible instability - should the terms of the political debate and contestation not remain responsibly discursive. Already the ruling party has had to face a series of rather serious incidences of violence at party meetings and congresses. Perceptions of governance and stability are never immunised from these broader political currents as there is an inextricable link between politics and governance. Public Governance is both a product, and function of Politics. The first task then of political leaders turned protagonists and antagonists in this period is to display

responsibility and care in the nature of the political discourse and rhetoric. The second is to ensure that the political contestation does not spill over into the governance and administration of society. The third is to endeavour to understand the nature, character, cultures and practices of the society that it seeks to govern - which requires a presence and penetration in society which is dependent on legitimacy and credibility. A policy platform and political programme that seems to accord with the values, wishes and aspirations of a large middle ground in society are key to promoting certainty and stability - and these are ultimately dependent on policy being instrumentalized through the State. State capacity thus matters. Undergirding of all of these is the question of trust - trust in institutions of government, trust in other people and trust in political leaders.

4. Trust: Inter-Personal and Institutional

4.1. Familiarity breeds contempt! Or does it?

In South Africa there are moderate (though in decline) levels of institutional trust, and while much lower, at least significant degrees of interpersonal trust. People, in South Africa, on the whole, do not trust the general community around them to the same extent that they might trust their neighbours. This provides at least some indication that a degree of acquaintance, familiarity and intimacy breeds higher levels of trust. Thus, at least for social and inter personal trust

to flourish in order to promote a level of social capital and social cohesion, the fluidity of social interaction is necessary. In general however, trust in institutions generally, has exceeded trust in other people, whether it be people in the wider community, or the people that staff public institutions - indicating that on the whole, levels of state legitimacy and credibility are relatively high, which has important implications for the way in which the state may extract compliance to rules that it creates, and in the sanction of its use of coercive power in instances of the breach of those rules. It points also to the greater degree that institutions may have taken root in society, greater at least to the extent than social interaction has taken place across races and other social cleavages. But this is changing as the tables below demonstrate, as levels of trust in Institutions have declined over the past two years. At the same time, South Africans do not know each other very well. This is most markedly felt in the manner in which social cleavage and the enduring separation (and suspicions) spawned as a culture derived from Apartheid has been more enduring than anticipated. In comparison to other countries however, South Africans trust each other more than people in other countries do. Of people surveyed on this matter, on average, 40,7 per cent of South Africans believe that most people can be trusted while 58.7 per cent of people believe that one cannot be too careful of other people, suggesting a degree of mistrust. In comparison to levels of inter-personal trust in other societies, as

the data in table 1 below suggests, trust amongst people in South Africa is higher than in Britain but less than that of social democratic Sweden. Much higher than it is in Russia and Poland, both societies of which underwent social and political transitions from authoritarianism to some form of democracy. In a society characterised by levels of conflict similar to that experienced in South Africa, that is, Northern Ireland, levels of trust are similar. In pure capitalist societies or those breeding the culture of new capitalism (as in Russia and Poland) levels of distrust are extremely high, whilst in social democratic Sweden distrust is lower than in all other societies.

Table 1: Levels of social and interpersonal trust in selected countries

Country	Most people can be trusted	Cannot be too careful
Britain	29,8%	70,2%
N Ireland	39,5%	60,5%
Sweden	66,3%	33,7%
Poland	18,9%	81,1%
Russia	23,7%	76,3%

Source: Table compiled by author aggregating data from a study conducted by the Centre for Policy Studies for the National Prosecuting Authority of the Republic of South Africa. Ebrahim Fakir and Shaun Mackay, 'Civic Morality, A conceptual exploration and data analysis', Centre for Policy Studies and National Prosecuting Authority, 18 May 2005.

At base, it seems as if in most societies people are cynical and uninterested in cooperating with each other suggesting

that the problem now, is less about how to build democratic, regulatory, economic and cultural public institutions, but how to strengthen the belief that they actually have a role. If trust is not given to them and to other people in society, the risk of social disintegration becomes real.

But why should this matter?

A major component of building social capital is engagement in social relations or involvement in social networks. The more socially involved people are, the greater the opportunity to build reciprocal relationships and to generate interpersonal trust. Trust is not only necessary to get involved in networks of social engagement, but is also necessary to continue social relationships. Social relations die out if not maintained, expectations and obligations wither over time. The creation of social norms and codes depend on regular communication and interaction. Social relations constitute the capital asset of an individual that is a resource that once accumulated, can be drawn upon or accessed as needed. In other words social networks are regarded as a kind of prerequisite to build social capital. The basic notion of social capital is that people spend their resources on others and that people invest in each other so that the resources of others can be mobilised for a greater social good. Therefore, there is an expectation amongst people that others will behave in reciprocal ways, leading to a network of reciprocal relationships that provide stability in society. But is this the case in

a country such as South Africa?, in which Apartheids most parochial elements, that of the separation of races, appears to be its most enduring legacy, with new and surprising contours of division and cleavage emergent between people of the same race, but also between the rich and the poor, people of different ages and so on. Whilst data on levels of inter personal trust between people of different races or demographics is scant, some focus group work from 2003, though tangentially related, and may prove of use and interest here.

4.2. The Riddle of Race and Redress, South Africa's curse

Whilst it is true that both white and black South Africans of all income groups conform to the rational choice model that posits that people are motivated entirely by economic welfare, personal benefit or incremental advantage, on some issues of public policy, it appears that racial solidarities are important not just in the way economic and welfare benefits are distributed, but also in the degree to which people trust people of other races. This was evident from focus group research conducted on compliance behaviour in 2003. Post-transition South African governments introduced certain measures to provide stability in the labour market and address the vulnerability of (largely) black workers. In addition, certain measures were introduced in order to achieve necessary redistributive justice goals in service sectors where large numbers of black workers are located. In the focus

groups in question, the focus was on the registration of domestic workers and the creation of an unemployment insurance fund and minimum wage regulatory regime for domestic workers, who previously enjoyed no such social protections. This example is cited here since the introduction of a minimum wage together with regulations that required the registration of domestic workers for Unemployment Insurance, shares many features with the overall governance system. For one it requires compliance with a set of regulations which involve dealing with an administrative process and a government bureaucracy (by registering a domestic worker with the department of labour and regularising a contract of employment). It further requires that employers contribute a portion of funds together with a deduction from an employee's salary towards an unemployment insurance fund. The most significant feature of these regulations is that it contributes to the construction of elements of a redistributive regime to achieve social equity for otherwise marginalised (mainly black) workers, and therefore forms a part of the governments broader redistribution and economic justice agenda. Compliance to this kind of obligation features deliberative calculations entered into by citizens as demonstrated in the focus group narrative reproduced below. That is, tendencies towards compliance to this regulatory framework were hinged on the following factors (especially in the case of white citizens):

- That compliance must be personally or commonly beneficial to all in that social group (or for society generally for the black and upper income white group)
- That compliance must be easy and convenient. This implies that that the regulatory authority acts in ways that are perceived to be certain, fair and equal, that its behaviour is not arbitrary and that its administration is perceived to be efficient, reliable, consistent and predictable.
- Where the risk of being caught for non-compliance is perceived as actual and real threat, and when deterrence in the form of the threat of punishment is high. Implicit here would be the perception that the public authority in question has the capacity to detect non-compliance, and are sufficiently able to apprehend non compliers, prosecute them and punish them for wrong doing
- When the overall burden of compliance (financial or otherwise) is low.

4.3 Of Victims and Villains

It emerged that for middle income white South Africans compliance to this obligation was seen as overly onerous as the procedural requirements proved too burdensome for them. In addition the facilitation and administration of the process of registering domestic workers was seen to be far too clumsily, ineffectively and inefficiently handled by the authority responsible, in this case the Department of Labour in the

executive arm of Government. It also emerges from the focus group narrative that underlying these complaints, was a deeper structural dissatisfaction with the introduction of these regulations. Not only were they perceived to be burdensome, they seemed to be of benefit to other people and people in another social group, not themselves personally, nor their immediate or proximate social group. White middle and lower income groups simply ignored the issues of redistribution, equity gains or economic justice, implied in the newly introduced regulatory framework, and so far as it may have been accounted for, was either perceived as unfair on employers or was deemed inappropriate as an instrument to ensure economic security for others, which could be better sought they argued through market mechanisms, and certainly through less state regulation and intervention. Some White South African employers in the respondent group did indeed register their workers in compliance to this regulation, though even in those instances, complaints were evident. Altogether, it points to the fact that the principle of reciprocity towards people of a different race based on a policy of redress of an historical injustice, and arresting a trend of continuing marginalisation in a particular social group, is a long way from being an accepted norm, amongst white South Africans.

Black South Africans, on the other hand were unanimously in favour of these regulations, across all income groups,

despite perceived levels of inefficiency in the bureaucratic system, which black respondents ascribed to the teething problems of newly incepted policy in an arena where reliable data and statistics are hard to come by.

On the next page are excerpts from the focus groups, each clearly identified on the basis on which they were stratified:

4.4 Trust in Institutions... but just a little bit

Trust in institutions is the second major component of overall social stability in times of uncertainty. This is related to the fact that if people perceive institutions to be trustworthy, then they will abide by the rules established by those institutions. In South Africa trust and confidence in public institutions have ebbed and flowed. There is a marked decline of trust in the past two years 'beyond what would be expected as an effect of the cycle of electoral politics. This decline in trust affects national and provincial government, local government, political parties, The Presidency and Parliament. Particularly troubling are pointers to reduced public confidence in the judicial system.' (GCIS, 2008: 12) Research conducted by the Human Sciences Research Council bears out these assertions.

SOME TIME AGO WE WERE TOLD THAT OUR DOMESTIC WORKERS SHOULD BE REGISTERED FOR UIF, PLEASE TELL ME MORE ABOUT THIS?

That makes me very angry.

I think it is a total waste of time. The maid that works for me has worked for me since 1986 and she is about to go on pension. So if she goes on pension she cannot claim any money, so what is the point of paying in?

DID YOU REGISTER HER?

No, I'd rather pay her extra and put the money in to a special fund.

PHILIP TELL ME ABOUT YOUR MAID.

Actually my gardener is from Malawi but he is here legally but I still didn't register him, even though he is legal, because he only comes twice a month only in Summer. I don't owe it to him to register him. I pay him for what he does.

AND THE REST OF YOU HOW DO YOU FEEL ABOUT THE RULE?

I also thought on the one hand it was a pity, but I thought I'd do it. When I tried to do it was a complete disaster. They gave me the wrong number and I had endless problems but I did register my domestic because I felt she is young and she works for three people myself and three others and she is very good and I thought well, why not. It is not a lot of money and it was one transfer every month, so I didn't really have a problem with it. Although I did find in trying to register on the web was a problem. Then I realised that it was just a huge disaster. They don't number it that properly. They are disorganised and that is all and that becomes another place for corruption.

a. [Focus Group: White - Middle Income - Johannesburg]

REGISTRATION OF THE DOMESTIC WORKERS UIF HAVE YOU COMPLIED WITH THAT?

It is a shambles. I went to register and every month I deposited the money in the account I never received a receipt or anything. It is like throwing money into a pit.

b. [Focus Group: White - High Income: - Johannesburg, Northern Suburbs]

IF WE GET BACK TO THE RULES ISSUE, THE UIF FOR YOUR DOMESTICS?

*That is ridiculous it is not going to work.
And a minimum salary. I think more unemployment was caused by that than anything else.
She would rather want to work for R300 than getting nothing.*

I have a domestic that have been working for us for years and I wanted to have a contract with her and she said no she doesn't want it. We decided to pay the unemployment for her she doesn't pay her portion and she is very happy with the arrangement.

DID YOU KNOW THAT THEY HAVE TO REGISTER? DID YOU DO IT OR NOT?

No I haven't yet. We didn't have a problem with our arrangement. If I registered her I would have had to pay her a minimum wage. So she just goes on working as it always was. Suites me fine, Suites her fine. I said to mine I couldn't afford her anymore because of the minimum wage. I told her government wanted the minimum wage, guess what, she didn't want it. She said she rather work for what I pay her than be out of a job.

I fired mine, so where is she going to work now?

c. [Focus Group : White - Middle Income:- Polokwane, Limpopo Province]

WHAT IS THE FEELING TOWARDS THE REGISTRATION OF DOMESTIC WORKERS?

It is positive. It is about time that they get a recognition they deserve.

DO WE ALL AGREE?

Yes

WE HAD SOME PEOPLE WHO WERE SAYING WHAT THEN WHEN IT IS A TEMP WHO COMES TWICE A WEEK?

The law has a criterion. The law also says that if the person is working at my place say Monday, Wednesday and Friday I will have to club together with her other employer for her UIF.

d. [Focus Group : Black -Low Income - Johannesburg, Soweto]

WHAT ABOUT THE REGISTRATION OF DOMESTIC UIF?

It is the kind of rule I would obey.

HOW DO YOU FEEL ABOUT THAT RULE?

It is good.

It still needs to be looked at and explored and expanded even more

e. [Focus Group: Black - Middle Income - Khatlehong]

WHAT ABOUT REGISTRATION OF YOUR DOMESTIC WORKER?

These are the people I was talking about .It just shows that government intervention can make a difference in some individuals' lives. See how much difference the contribution is making in their lives. It helps that Government creates a minimum wage for domestic workers as well. It must be frustrating for the government not to know how many labourers there are in a particular industry. Now when they plan they can cater for everybody as well

f. [Focus Group: Black - High Income - Johannesburg]

Table Two: Trust in Institutions,* 1998-2007 (ranked in descending order by levels of trust in 2006)

Trust in	1998	1999	2000	2001	2003	2004	2005	2006	2007
Churches	82	81	74	81	84	81	81	82	82
The SABC	..	..	..	..	75	73	71	75	..
The Independent Electoral Commission (IEC)	..	54	49	63	63	69	65	68	..
National Government	47	60	43	52	57	69	64	59	52
Big Business	56	55	39	43	57	55	53	56	..
Parliament	..	..	..	..	57	65	59	55	46
Your provincial government	41	50	34	..	52	63	59	54	..
Courts	42	45	37	45	50	58	56	52	49
Defence Force	48	..	45	49	62	56	59	49	..
Your local government	37	48	32	38	45	55	48	44	34
The police	42	47	39	40	42	46	45	39	39
Political parties	30	39	29	27	..	..	42	37	27
Average (all items)	47	53	42	49	53	63	59	56	47
Sample size	2 182	2 672	2 611	2 530	4 980	5 580	5 733	5 843	3 163

Sources: HSRC EPOP SURVEY 1996-2001; HSRC SASAS 2003-2007

Table Three: Changes in institutional trust between 1998 and 2007 (percentage point differences)

Institution	Percentage point change		
	2004- 2006	2004- 2007	1998-2007
Your local government	-11	-20	-3
National Government	-11	-18	+11
Parliament	-10	-19	n.a.
Political parties	-6**	-16**	-4
Courts	-6	-9	+10
Your provincial government	-9	n.a.	+14*
Defence Force	-8	n.a.	0*
The police	-7	-6	-3
The Independent Electoral Commission (IEC)	-1	n.a.	+14
The SABC	-1	n.a.	n.a.
Churches	+1	+1	0
Big Business	+2	n.a.	0*
Average (all items)	-5	-13	+4

Sources: HSRC EPOP survey 1998; HSRC SASAS 2006. 2007

Note: n.a = not applicable, due to lack of available data

• Reflects changes between 1998 and 2006

• ** Reflects change since 2005

* Percentage saying that they 'strongly trust' or 'trust' in each of the following institutions in South Africa at present. Figures shaded in green indicate year-on-year improvements in trust, while figures in orange represent year-on-year declines in trust.

5. The Trust Nexus: The Interpersonal, The Political, The Institutional

What then are we to make of low levels of trust in politicians as opposed to moderate levels of trust (though in decline) in public institutions and relatively high levels of inter-personal trust within communities of the same race, together with lower levels of trust in people of a different one ?

Declining levels of public trust in institutions it goes without saying, is dangerous for both democracy and development, and may in fact indict societal leaders both, political and in the public service for their leadership, or lack thereof, of institutions. It also suggests that institutions are perceived not to deliver on the mandate that they have, or at least suggests a mismatch between the mandates of institutions and the mismatched and/or (un)realistic expectations of citizens. One way or the other, it is a matter of concern. In the context of declining levels of trust in public institutions, and the lowest ever recorded levels of trust in Politicians, interpersonal trust, social capital and cohesion become important glues for society and social stability. Other than promoting levels of inter-dependence and social solidarity, levels of trust among people supplements the perceived deficits of public institutions, representative and executive. But if interpersonal trust levels (especially across social cleavages) are lower and levels of trust in institutions are declining,

our assumptions regarding state penetration and institutions rootedness in society may be overestimated. The same would be true with respect to constructing a more equal and equitable cosmopolitan, non racial society. The data and focus group attitudes suggest eroding levels of trust and confidence in institutions and amongst people, and therefore, potentially decreasing levels legitimacy and credibility for institutions and the policies they promote, imperilling in the long run the project of mutuality and a diverse but united society.

More generalised evidence from the focus group research reported earlier is instructive in this regard.

'Its a huge disaster. They are just disorganised. That is all.'

a. [Focus Group: White - Middle Income - Johannesburg]

The 'they' is a reference to the post apartheid public service, and the discourse belies the sense of alienation felt from the post apartheid government and the post apartheid public service in general. This sense of alienation is most tellingly spelt out in the following phrase, which incidentally also captures the suspicion and distrust white South Africans have of their black counter parts and clearly demonstrates the sense of grievance at being unequally treated by government, who they argue, allow a lawless and free-riding black population get away with not playing by the rules:

'we are not in a position where you can just move onto a piece of ground and move into a house that you get given by the government and you just stay without paying. There again a black person can refuse to pay and he can get away with it

WHAT WILL HAPPEN IF BLACK PEOPLE DECIDE NOT TO PAY?

They will get away with it.

a. [Focus Group: White - Middle Income - Johannesburg]

HOW DO YOU FEEL ABOUT PEOPLE THAT DON'T PAY FOR THEIR SERVICES?

Claim their houses and sell it.

Absolutely

Why must others benefit even though they're not paying and you just have to pay more? That is discrimination.

They are very quick to cut your water if you are 3 days late.

And what about the other people? Their lights and water does not get cut. They steal.

If you drive in the black areas, and there is a big thing going on in the Mbombela City Council there are thousands of people who are not paying their bills, you will see how many of the supposedly poor have a DSTV dish and each one in the house has a cell phone but they don't want to pay R30 or R50 for water or electricity. But he has enough money for a DSTV, M-net and a cell phone.

g. [Focus Group: White - Middle Income - Mpumalanga]

These phrases become an indicator of two things, firstly levels of trust that this group have, that other people will abide by the same rules that they have to, is low. The other people in this case, refer not only to other people in general, but explicitly to blacks, Africans in particular. This has a bearing only on how included or excluded one feels from government, and from other races or communities in society, not on whether white South Africans feel more or less inclined to comply to the rules established by them. But this does point to a more serious concern. That is that middle income white

South Africans perceive themselves to be treated differently and unequally by Government. Most seriously yet, is that the perception and concern raised is that the enforcement of the law or of rules in a society are arbitrarily and unequally applied, with white South Africans bearing the brunt of the unequal application of the rules. This is further exacerbated by perceptions that the re-distributive effects arising from the question of cross subsidisation for services, particularly from wealthy previous white areas to poorer neighbouring black townships, leads to an acute sense of unfairness:

'Someone has to pay for it, and we are paying for it. People who do pay their rates and taxes are the ones who have to pay for those who are not paying, that's why the rates and taxes are going up. Sandton pays for all Alexandra's debts including their electricity and water'

a. [Focus Group: White - Middle Income - Johannesburg]

Much of what has been reported here with regard to behavioural propensities that are compliance specific has valuable lessons for other areas of public life in which the co-operation of citizens with each other and the consent of citizens to being regulated is required, where trust between citizens and trust in institutions can be fostered. After all, why an institution's rules and regulations are obeyed or disobeyed is an extremely important question for regulatory agencies. Understanding this is critical to implementing responsive regulation.

5.1 Do unto others as you would have them do unto you

In the absence of trust in institutions, increased interpersonal trust however, may be one part of an approach to increasing overall trust in society by promoting associational power to hold leaders to account. The density of interpersonal trust can serve to promote the connectivity between people to forge a consensus about the role they envisage where in the sharing of similar expectations they can come together to act as democratic check on leaders and

institutions which are perceived to be unresponsive. Interpersonal trust also matters in times of crisis, and matters more, when there is a perceived crisis of leadership or at least ambiguity in relation to leadership. Interpersonal trust matters for leadership, because in part, the quality of leadership that a society enjoys is dependent on the quality of followers available to that leadership. So, far from being peripheral to democratic leadership and institutional saliency to society, levels of interpersonal trust may be part of a society's arsenal in saving its institutions. In times of uncertainty and instability - reliance on each other - when institutions seem to be failing, or at least when trust in them is in decline, is critical. Interpersonal trust is also crucial to make up for perceived leadership deficits and if not for that, then at least to promote a strong sense of associational life, social resources and interdependent intellectual and social capital that together, is willing and able to engage with its purported leadership, and serve to act as a democratic check on leaders when they are unresponsive, or who refuse to subject themselves to the democratic choices of a society that may not want them in leadership anymore. Interpersonal trust is thus necessary to promote, inculcate, nurture, and if necessary, change leadership. Far from being peripheral to leadership, interpersonal social trust is a critical contributor to the making (or unmaking) of it. In the case of constructing trust across different races and identities, a clear and unequivocal commitment

from white South Africans regarding the acceptance of positive discrimination is required. At the same time a more acute understanding of the process of colonial dispossession and apartheid oppression and marginalisation and the effect this has on society as a whole is equally required. Most importantly though, a clear commitment may be required from white South Africans (and wealthier black South Africans) about what it is they are prepared to do in order to ensure that the society is transformed to being a more equal, equitable and socially just.

Given that it is discernable from the focus group narrative and data presented, that black South Africans are prepared to tackle the question of social transformation through structural designs and policy dispensations in the governance system, a cautionary word may be in order, and that is to guard against a reliance on policy and structural interventions alone for redress and transformation. This may de-emphasise the fact that despite higher levels of interpersonal trust amongst blacks, its erosion over time may prove detrimental not just to interpersonal trust, but to the store of social capital whose density serves society well in periods of crisis. In any event, declining levels of trust in institutions already clearly suggest why the enhancement of interpersonal trust within groups and between groups, matters.

At the same time, Representative institutions and elected Politicians need

to hold up their end of a bargain with society, to be seen to be working in the public interest, rather than solely for incremental advantage.

6. Conceptual Conundrums: A Few Preliminary Conclusions

Current levels of Institutional trust are a matter of concern, as they relate to government and the State. The state is an entity in perpetuity, which outlasts the longevity of politicians, and given the inextricable link between politics and governance, governance and institutions may it may be assumed, require some insulation from the broader political currents that may render institutions susceptible to the fortunes of changing political winds. One way out of this dilemma may be to insulate governance and administration processes from politics. In a vigorous democracy, and a society in the making, this is neither possible nor desirable. To do so, would be to de-politicise what is essentially 'political' and would detract from the notion that politics is in the end, about a combination of consensus seeking, co-operation, competition, contestation and conflict, and about the mediation of policy choices within these forms of politics. Governance on the other hand, is about the establishment of the regulatory framework and the rational logic of systematising, institutionalising and providing for the organising principles by which consensus seeking, co-operation, competition, contestation and conflict operate. Governance in addition is also about the executive

mandate for the administration, execution and instrumentalisation of policy in order to deliver development. To allow for consensus seeking, co-operation, competition, contestation and conflict and to systematise, institutionalise and organise them, a society requires a State that has the regulatory capacity to manage and enforce the laws and contracts that protect property rights and citizen socio-economic rights through the presence of a well functioning and effective judiciary whose functions and decisions are respected and enforced. In the absence of this function, the collusion of particularist special interests that conducts politics on the basis of self-interest through consensus and co-operation amongst only themselves takes root. For instance cartels [and monopolies] involved in bread and medicine price fixing at the cost of the poor, as has been the case in South Africa. The absence of state regulatory and oversight capacity allows for these predatory interests to take root. Coercion and enforcement is also required in instances when citizens do not voluntarily give their consent to be governed. The legitimate use of state power to extract citizen compliance and to enforce rules and laws in society is necessary when the conduct of politics occurs through competition and contestation which may have the potential to set off conflict and thus cause instability in society. It is the responsibility, primarily of leaders, to strike the delicate balance between deriving the consent of citizens to be governed and deploying the coercive power of the state. For leadership, both

legitimacy and credibility is required. In the absence of legitimacy, voluntary consent may be hard to come by, and in the long run, the use of coercive mechanisms in order to govern may come at too high a cost for society - both in terms of resources as an opportunity cost taking away development spend, and in terms of the societal goodwill that democracies strive for.

Society and the State is at stake when leadership is absent in troubled times. The logic is that if leaders behave in ways which are suggestive purely and simply, of rational actors pursuing their own advantage, then social trust and the trust between citizens will erode very soon after the erosion of trust in the political and governmental leadership. Societal actors start to think in ways that is suggestive of the well known prisoner's dilemma - that if you cannot trust your fellow prisoner, not to betray you then betray them first. This dilemma gets to the centrality of the question of trust in modern society.

Leaders are required to understand and demonstrate that freedom rooted in historical liberties (the freedoms enshrined in the Bill of Rights, in South Africa's Constitution and protected by Law) is what generates the excitement of social protection, mobility and opportunity - in short progress. At the same time, this is dependent on the notion of 'public service'. The language of these obligations, from the supply side (liberties as rights in law supplied and guaranteed by the State) and the

supply and demand side (public service as supplied and expected by a citizenry in the sense of being in service to the public through associational life) appears to be expressed in a language that is outdated - but it is in the end, what makes for viable societies. It implies Leadership's rediscovery of society and community, 'community' located in society - blurring therefore the artificial distinction between political society, civil society and economic society. It also implies the injection, or at least the impression - that the pursuit of politics is about public service rather than simply, about the pursuit of power and interest, and at the very least requires the impression, that the pursuit of power and interest is a legitimate political expectation, but that its pursuit does not come at the cost of service to the public.

Given that the social and political conditions that pertain in South Africa are characterised by internal cleavages and stratifications on the divides of race, economic and employment status [or a form of class], ethnicity, sexual orientation and ability (health status regarding HIV status has now entered this discourse leaders need to understanding the increasing diversity of society and the dynamics of the diversity on the basis of a multi-ethnic, multi-racial, multi-class society characterised by poverty, inequality and informality, it requires that leaders be sensitive to the re-imagining of a new South African, post transition social contract.

The past few years have focused very much on cutting back the supply of 'government' in a time when society is faced with fractured families and a weakening civil society, people inevitably turn increasingly to a government, and so even a government that may wish to do less will in fact be faced with an increased demand to do more. Leadership in Government can't be passive when there is manifestly so much to do. There is a way out of these dilemmas. Government leadership needs to show that it understands the notion of community, and the public service as a civil service, not a political service racked in the factional battles of power politics. Government also has in these times to demonstrate that it will act and behave in ways that are predictable, certain consistent and responsive. With any of these elements missing - confidence in government and in the leadership of society declines, trust erodes and the resort to short term measures driven by rational actor behaviour that seeks to maximise its own utility and advantage at any cost, may culturalise and institutionalise a social and political culture that is predatory and capricious.

To give effect to both politics and governance, a participatory democracy and participatory governance particularly, leadership that is principled and secure, unthreatened by the political agency of citizens and which is secure in its influence over political structure, is required at two levels. This is required at the apex of the public service (inside of

government and in societal institutions of civil society), which require a combination of professionalism with a political commitment to a set of political values and principles, and 'that political leaders are invested at one and the same time with the exercise of ruling and the common tasks of society' (Therborn, 1978: 48).

7. Leadership in the Service of Publics

In this regard, the theorist of bureaucracy, Max Weber identified three types of leadership, which correspond to different forms of authority. Charismatic leaders lead by virtue of the extraordinary powers attributed to them by their followers. Traditional leaders lead by custom and practice - because a certain family or class has always led Weber. Legal leadership is based on expertise and implemented according to formal rules, typically found in public administration and modern business and enterprise (Abercrombie et al, 1988). Modern management represents the exercise of leadership on the basis of technical or professional competence. Recent thinking however, questions the assumption that leadership roles must be legitimated by subordinates, and emphasise power rather than leadership, focusing on the structural conditions that allow some to exercise power over others. In modern societies the problem of legitimacy is a problem of political representation and consent. The issue of political legitimacy emerges

with the disappearance of direct political relationships in small scale societies; the modern problem thus centres on which individuals are legitimately entitled to act as representatives of political power (Therborn, 2008). Legitimacy is consequently bound up with the nature of the political relationship. In classical civilisation there was no essential difference between 'lawfulness' and 'legitimacy'. Legitimate power was simply lawful power. In modern discussions of political legitimacy, law and morality have been partially separated. The positivist definition of the law treats law as a command supported by appropriate sanctions, and the moral content of the law becomes secondary. Governments can have legal authority without being morally just governments. As has been demonstrated earlier, perceptions of this kind of artificial separation between law and morality and the moral application and subjectivity to the law drives declines in levels of trust in leaders and in public Institutions.

Legal rational authority is the characteristic of authority in modernity. Consequently, within bureaucracies, directives are held to be legitimate and authoritative if they have been issued from the correct office, under the appropriate regulations and according to appropriate procedures. The authority of officials depends not on tradition or charisma, but on a consensus as to the validity of rules of procedure which are perceived as rational, fair and impartial. This is important in the administration

of society and more so for the delivery of development. But is it conducive to a democratic ethic, devoid as it would be of moral content?

Efficient and effective bureaucracies are important in the modern state to provide organisational design and administrative form and to give effect to both development and democracy.

Development requires a bureaucracy comprised of the various elements ranging from high degrees of specialisation and a clearly defined division of labour, with distributed tasks, responsibilities and official duties, defined areas of responsibility, decision making, supervision and reporting, a formal body of rules in order to direct the operation of the institution/ organisation, a recruitment of personnel on the basis of technical knowledge and skill. These are some of the elements Goran Therborn refers to as the 'formal rationality of managerial technology' (Therborn, 2008: 54). But this 'rationality' has through modernity come to be bifurcated to mean something a little more than what it may originally (bureaucracy as the epitome and maximisation of technical efficiency) have meant. A second important emergent sense in which this rationality has implications for governance is in the sense that the Bureaucracy needs in a democracy, to be a system of moral authority, social control and authority that is accepted by members of the society because it is accepted as a form

of rule and administration that is not only effective, fair, rational and impartial - but also socially just. Bureaucracies' major advantage is that it is predictable; however, its other attributes are less secure. Bureaucratic organisations can prove to be inefficient in unanticipated ways. It can be inflexible because of its structure and tight organisation and the adherence to the rational rules and modes of decision making is often derived from adherence as ritual. It can be unresponsive to changing conditions, circumstances and contexts - which social dynamism and fluidity can render redundant.

Rules, modes and orders of behaviour are adhered to, even if they may prove to be misguided and the technical specialisation required for efficiency and effectiveness can prove to foster an outlook on society that is narrow and inadaptably to shifting contexts. In an influential study conducted as far back as 1964, Crozier demonstrated that bureaucracies embody decreasing levels of efficiency and effectiveness in which groups of people maximise their own freedom by displaying behaviour that pays only lip service to rules and orders guiding the functioning of organisations but ignored the spirit behind them, by bending them when possible (Crozier, 1964). They are in positions of power that allow them to distort and withhold critical information and when higher authority realises this, it responds to the situation by devising and imposing even more rules to regulate functional

aspects of the organisation which in turn rigidifies the organisation but fails to curb errant behaviour. Often Governments through their bureaucracies are required to respond to unpredictable social, economic and political phenomena for which standardised rules may prove inadequate and inappropriate. Thus leadership in a society that aims to be democratic and developmental, inclusive and equitable, requires different types

and forms of leadership, bifurcated on two streams, the one as management, the other as leadership, each delivering different outcomes as demonstrated in Underpinning this however, is the fact that political leadership must conduct a politics of ideas since 'policy choices are ultimately driven by leaders not simply as a gate keepers, but as active crafters of policy' (Shubane, 2005).

Table Four: The Outcomes of Management and Leadership

MANAGEMENT	LEADERSHIP
Planning Detailed planning and allocating resources	Establishing Direction Developing a vision and strategies
Organising Structure, staffing, policies and procedures	Aligning People Communicating the vision, creating teams and coalitions
Controlling and Problem Solving Monitoring and evaluating results, identifying deviations from the plan, organising to solve problems	Motivating and Inspiring Energising people to overcome barriers
Supervision and Oversight Maintaining internal supervision and oversight for organisational coherence and reporting to leadership	Oversight and Accountability Maintains oversight over the organisation as a whole, and is accountable to democratic institutions and society as a whole
Produces Predictability and order	Produces Transformation and Change
Social and Political Impact Credibility and confidence	Social and Political Impact Legitimacy and trust

What kind of leadership both in government and in society is required, given the context of an objective condition of society (poverty, inequality, declining institutional integrity and trust in leaders), and the subjective affective attitudes of its citizens (rational actors

maximising what is in their subjective interests, racism, division and cleavage).

7.1 Enter the Dragon, The Return of the Mandarin

A committed political and bureaucratic leadership that combines the attributes of a leader and a manager is required, so that a democratic polity can conduct its politics on the basis of consensus seeking, cooperation, competition, contestation or conflict, safe in the knowledge that a rational logic of organising principles will systematise and institutionalise them, whilst at the same time ensuring that executive and administrative efficiency for the delivery of developmental goods will not be held to ransom by an unprofessional bureaucracy, nor that rights, privileges and obligations that accrue to citizenship will be abrogated.

In a balanced constitutional, parliamentary and executive system such as South Africa's, the mandarin tends to moderate tendencies toward demagoguery and special interests, and strives to defend the rights of all in society at times of crisis, rather than the interests of a few special interest communities. Throughout post-enlightenment modern history, mandarins both in government and outside of it, played the role of being a check on the elective monarchy of democratic executives (excessive executive dominance or the recent trend towards presidentialism as monarchy), and the majority 'tyranny' of elected legislatures (unchecked majoritarianism), both of whom are wont to populist rhetoric and worse, populist interventions at times of social uncertainty and crisis (Lind, 2005).

Why is the mandarin important - and what role does the mandarin play in society? More importantly, what is the mandarin and, what is its source of legitimacy and social authority and how do we cultivate them? The mandarin sought its legitimacy through a secular humanist tradition one that allowed it to apprehend a principled dedication to civic mindedness that sought the common ground of the public interest, rather than serve the ideological and political incumbency of the day. This is not to suggest that mandarinism is the pursuit of an apolitical, de-ideologised service orientation. It is simply to argue that this orientation seeks to serve the power of the public interest beyond the narrow positivism of ideology, which seeks to expose or reinforce power relations in an ideological system, or in magnifying policy and political differences between different political formations. Whilst ideology is in fact desirable, necessary and vital in the pursuit of power and its instrumentalisation through policy, at crucial moments in the construction of a social common interest, ideology may be crucial but less critical than assumed. Mandarinism is anathema to professionalism, in which education is conceived of as vocational and specialised, where the professionals claim to public authority rests on the mastery of technical and scientific knowledge, driving towards an ever increasing technocraticism. The mandarin on the other hand is a generalist, viewed by the 'professional' as an incompetent dilettante, an amateur (Lind, 2005). It is this amateur, who in its generalist

orientation is best able to be adaptable to providing leadership in times of social crisis, since times of social crisis are underpinned by the emergent erosion of the conceptual logic of the edifice of a system that establishes and underpins a society. At present, a global financial crisis, market instability and uncertainty and the attendant consequences of rising food, fuel and finance prices together with the re-alignment of political power and political forces, introduces not only social instability and uncertainty - but a political and bureaucratic leadership that is unable to provide the certainty and stability required through the turmoil, to satisfy an increasingly uncertain citizenry. In this context, the professional with his/her specialised technical mastery of the system, embedded in political project of past incumbents as they are, are of no use - immersed in the system and implicated in its establishment as they are, the professional knows no more or no better than the very system that is at risk of collapse. Historically, all societies that flourished at one time or another, or which passed through moments of crisis with relative stability, were underpinned by a public service in and out of government, were managed by professionals and led by Mandarins.

Unlike the populists of the left and the right that emerged in the 18th century as an enlightenment project that sought to structure society on the basis of a pseudo-scientific ideology, mandarins rose in the 19th century in reaction to this (Lind, 2005). Culture and tradition, central as it is to secular mandarins,

eschews and avoids the systemic orientation of a positivist ideology which tends to imprint in its positivism a 'system' on society and when that system, as is currently the case, comes into crisis, a new system has to be re-invented. In the interregnum between the invention and or imposition of 'systems', the notion of the State, the people and society 'in its collective and corporate character, entrusted with the stringent powers for the general advantage, and controlling individual wills in the name of an interest wider than that of individuals' (Arnold, 1869, republished 1993: 83), declines. Democratic mandarinism is rejected by the populist right and the populist left. The populist right is as anti-elitist as the populist left, they both reject not only the idea of culture and tradition but reject the very idea that norms inform culture and tradition. After all the question of whose culture and tradition in a cleaved and fractured society is an ever present question. The rejection by populists is thus not so much a rejection of either culture or tradition, but more a rejection of norms and principles. Norms anchor societies, and a rejection of norms in favour of 'systems' exacerbates times of crisis rather than assuages through them.

Times of uncertainty therefore require not only 'professionals' but 'mandarins' too, to facilitate the identification of a South African commons, based on redefined and appropriately contextualised norms, the establishment of traditions, the

bridging of divides and reconciling the contradictions and complexities in which the clamour is for the protection of the rights of minorities and the privileged,

in the context of effecting redress and promoting the rights of majority and social justice for the disadvantaged.

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Table two and three:

Roberts, B, 2008. Between trust and skepticism. Public confidence in institutions, *HSRC Review*, Volume 6 - No. 1 - March 2008, Human Sciences Research Council, Pretoria

Focus Group Respondents:

Focus Groups prepared for Ebrahim Fakir at the Centre for Policy Studies for a compliance study in association with and supported by the Institute of Development Studies, University of Sussex. Focus Groups prepared by Research Surveys (Pty) Ltd.

List of Focus Groups:

Focus Group: White - Middle Income - Johannesburg, 14 July 2003; 18:00

Focus Group: White - High Income: - Johannesburg, Northern Suburbs, 15 July 2003; 18:00

Focus Group: White - Middle Income - Polokwane, Limpopo Province, 12 July 2003; 15:00

Focus Group: Black -Low Income - Johannebsurg, Soweto, 10 July 2003; 18h00

Focus Group: Black - Middle Income - Khatlehong, 9 July 2003; 18h00

Focus Group: Black - High Income - Johannesburg, 16 July 2003; 18:00

Focus Group: White - Middle Income - Mpumalanga 11 July 2003; 15:00

Governance and Social Policy in the SADC Region: An Issues Analysis

Siphamandla Zondi³

Abstract

This article discusses the interface between governance and social policy as it plays itself out in the functioning and the agenda of the Southern African Development Community (SADC). It proceeds from the premise that there is a correlation between progressive change in governance and the emergence of a sound social policy agenda. The paper shows that under conditions of weak and poor governance, social policy is undermined. In fact, in the dark days of southern Africa's governance, there was no attempt to develop social policies, at all. The improved governance situation in the region in the past two decades has given rise to a comprehensive social agenda in SADC's Regional Indicative Strategic Development Plan (RISDP), broken down into deliverables and targets. But this has been undermined by the failure of governance reforms to improve institutional efficiency and effectiveness. Hence, the paper argues that SADC needs to remedy institutional deficiencies in order to translate grandiose social or developmental goals into tangible social development in the region.

1. Introduction

The relationship between the nature and conduct of the state, on the one

hand, and the achievement of desired social and economic outcomes, is no longer a subject of dispute anymore. It is generally accepted that poverty and underdevelopment arise not only from economic inadequacies and social disintegration, but also from the failure of institutions and mechanisms that manage the relationship between governments and citizens. Leftwich (1993: 611) makes the point by saying: 'Governance ... refers to a looser and wider distribution of both internal and external political and economic power. Governance thus denotes the structures of political and, crucially, economic relationships and rules by which the productive and distributive life of a society is governed.' Bad governance contributes to the spread of poverty and underdevelopment, and the fight against poverty requires strong and developmental institutions to succeed. Governance is good when it enables the representation of the welfare, rights and interests of citizens and resident; the creation and enforcement of policies and laws; the administration of programmes and provision of services, the management of natural, social and cultural resources; and negotiation with governments and other groups (de Alcantara, 1998; Bardhan, 1997).

Southern Africa is confronted with serious socio-economic challenges including

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general poverty, food insecurity, high incidence of disease including HIV and AIDS, low levels of social service delivery, high unemployment, disillusionment, social alienation and criminality.

These developmental challenges can be blamed on the failure of state and other institutions of governance to make difficult choices in pursuit of development and to fight poverty and underdevelopment. Deeper levels of poverty are a symptom of the crisis of the African state as much as this is an outcome of distortions and transformations caused by globalization. This includes the manner in which Africa was integrated into this globalizing economy under colonial rule and as part of neo-colonial processes driven by international finance institutions, NGOs and powerful states (Mhone, 2003; Murphy, 2001; Mkandawire et al, 1999).

This led to a view that regional integration and the creation of regional inter-state institutions like the SADC established in 1992 would encourage a positive interface between governance and development in African regions. SADC, in particular, was established with the aim of galvanising the countries of the region to harmonise their policy responses and to develop common strategies towards these challenges, including poverty eradication. SADC, has since its inception, adopted a plethora of social policies and restructured its governance mechanisms in the hope that this will enhance its fight against poverty. This article examines the extent to which SADC has been able to effectively

eradicate poverty and related social ills from the region. The paper also attempts to identify areas of weakness in SADC's endeavours at poverty eradication and proposes remedial actions.

2. The Problem Statement: Governance and Social Outcomes

The effect of social policy interventions depends to a large extent on the efficiency and effectiveness of governance institutions that control the provision of essential socio-economic services, management of power relations among various tiers of government, stakeholder engagement, citizen participation, and accountability mechanisms in society. Mkandawire (2001:18) says:

To the extent that such policies are driven by the values of different social actors with different ideological positions, and to the extent that they invariably entail intra- and inter-generational redistribution issues, they are the outcomes of political bargains and conflicts since they touch upon power in society, its distribution and accessibility to different political actors. In any society, it is obvious that the state will not institutionalize social policies that conflict fundamentally and consistently with principles of the dominant economic system and power relations.

There is consensus that deficient governance arrangements and the deterioration of institutions of state

and society lead to weak delivery of public goods essential in the fight against poverty (Dodson and Smith, 2003; Jütting et al, 2004). It has been argued that sustainable development can only be guaranteed by the existence of effective, strong, accountable and legitimate governance mechanisms. These institutions must be accountable not just to external actors, but also to internal constituencies. Institutions responsible for safeguarding people rights to freedom from fear and want are effective when they allow space for people to participate in the determination of policy responses to development imperatives. Governance is weak when power is concentrated in a few without serious accountability to the people on the ground, when there are no checks and balances, when the citizens feel alienated from institutions of state and society that are meant to serve them, and when the state is unable to efficiently provide essential public amenities. Incompetence, ubiquitous corruption and nepotism in the public service, all contribute to deterioration in the socio-economic conditions in society. While corruption has to do with the degeneration of morality and related social values, it thrives in conditions where there are weak institutions for service delivery and accountability. In this sense, poverty and underdevelopment are partly an artefact of institutional failures.

However, the relationship between governance and social policy is a lot more complex than is generally assumed.

The relationship between stronger and cleaner governance and the ability of society to overcome social ills is problematic. A comprehensive review of the correlation between democracy and modernization in Africa found that 'few African countries have really reached a level of development that strongly correlates with the establishment of stable democratic regimes.'¹ This conforms to findings by studies elsewhere that suggest that the correlation between democratic governance and development outcomes is not simple and unproblematic. These studies indicate that the relationship is mediated by a host of other intervening factors including citizen-state relationship, institutional cultures, legitimacy, and credibility of institutions and leadership (Przeworski et al, 2000). There is a growing body of literature that suggests that sometimes poor governance does not hinder economic growth and social development. There is body of literature which argues that there is, in some cases, a positive correlation between corruption, economic growth and social development (Tullock, 1980; Beck and Maher, 1986; Munro, 1995). The point made in these studies is that corruption has positive outcomes for economic development. This has led some economists to agree on the notion of 'efficiency-enhancing corruption' (Bardhan, 1997; Huntington, 1968; Boycko et al, 1995). By this, they mean that in particular circumstances corruption does enhance efficiency in the economic system.

Some analysts have argued further that in the face of cumbersome regulations, over-centralized public administration, and political authority, the onset of corruption may actually have the effect of improving efficiency and economic growth. This is because unwieldy governance mechanisms tend to frustrate service delivery, thus encouraging clients to find ways to get around systems and processes and payment of bribes is a common recourse in this regard. In the private sector, the black market is higher when normal or formal institutions of state and business become slow and tedious. In this sense, smuggling and informal channels of acquiring services and assistance may actually improve business and investment processes. According to Leff, quoted in Bardhan (1997:17), 'If Government has erred in its decisions; the choice made possible by corruption may well be the (sic) better one.' In this sense, corruption can be seen as much-needed grease for the squeaking wheels of a rigid administration. On his part, Huntington (1968: 68) surmised, 'The only thing worse than a society with a rigid, over-centralised, dishonest bureaucracy is one with a rigid, over-centralised, honest bureaucracy.'

Some have stretched the argument further by contending that, in fact, corruption and rent-seeking are a part of Coase Theorem of bargaining in which a bureaucrat who is charged with providing access to public resources by issuing licenses and permits and a

private agent who needs such access negotiate their way to an efficient outcome (Boycko et al, 1995). Studies in Asia revealed that because access is often given to the highest bidder in bribes, allocative efficiency is somewhat maintained because this form of corruption helped speed up the process of awarding contracts and thus the delivery of whatever services was desired (Bardhan, 1997; Munro 1995). It was also found that bribes helped essential projects jump the queue and escape the logjam in the administrative system. Corrupt officials practiced price differentiation among clients which had different time preferences, thus minimizing loss of essential services that would have otherwise been lost due to administrative delays. This suggests that there may actually be what could be called developmental corruption as opposed to the predatory type that is typical of African public services.

Of course, these studies do not resolve the problem that corruption is not just an issue of economic and technical rationality, but it is also a matter of morality and values. It is a given that this body of literature does not seek to make the case for rent-seeking and corruption per se, rather, it seeks to examine why corruption thrives in certain situations and not in others. In these studies, there is no denying the fact that corruption corrodes confidence in public institutions; incorrectly enriches public servants at the expense of the poor; corrupt officials assume

too much power over the provision of public services; there is no recourse when officials renege on their promises made in a corrupt encounter; corruption amounts to double taxation; and it leads to diversion of resources away from productive activities (Bardhan, 1997). The basic point made here, which is relevant to our discussion, is that there is, indeed, a close correlation between governance and development, and that this may be positive or negative, depending on the nature of governance. Corruption which compromises social policy is essentially an outcome of either bloated or weak governance systems.

3. Governance for Social Development

Governance in this case denotes processes, structures and institutions (formal and informal) through which a community or society distributes and exercises political authority and power, makes decisions, determines its strategic goals, and organizes group and individual behaviour by setting rules of conduct and assigning responsibilities (Dodson and Smith, 2003). In a sense, governance is essentially about authority, power relationships and processes of participation and accountability that determine how decisions about human development are made. It describes how various stakeholders are given space to influence such decisions.

Although the concepts of governance and government are related, they are not necessarily synonymous. While

government denotes jurisdiction and mandated control over members of a group, its land and resources, governance entails putting in place structures and processes necessary to exercise such a jurisdiction. This necessarily includes representation of rights, interests, and needs of constituencies, the development of rules to govern the management of power, the creation of developmental policies and laws to guide the delivery of public goods, the establishment of an administrative machinery for the provision of public services, the management of group resources, and negotiation with other groups or countries.

Our argument is that the manner in which governance functions has a direct bearing on the well-being of individuals and groups in society. The nature of governance may either enhance or hinder social/human development in society. While emphasis is usually on the regulatory dimension of governance, concerned largely with legitimacy (governance as rule-making), it is crucial to note that governance is also about the capability (efficient and effective response to social and economic problems and needs), particularly of the state institutions to discharge their duties, including providing services to the people.

The latter has serious consequences for social policy, in particular, and social development in general. It is a common knowledge that effective development

depends on how society manages the distribution of public goods, especially the enabling resources. The state's capacity to manage (planning and control), administer, and implement programmes that promote economic development, promote stability and meet people's needs is vital.

4. The State in Southern Africa and the Governance Conundrum

The post-colonial state has been blamed by various schools of thought for the failure of development in Africa. The analysis has focused on the structure of the state and its conduct. The first relates to a view that the African state was so strong that it intervened too much in the functioning of society and its economy to the detriment of human development.ⁱⁱ Analysis from institutions behind the neo-liberal policies imposed on African countries from the 1970s - principally the Bretton Woods Institutions - averred that the African state was a stumbling block to market-driven economic growth and its distribution among different segments of the population. It was argued that through parastatals, the state controlled key productive sectors like industry and agriculture, but was ill-equipped to efficiently manage the economy. It is also said that the state imposed many constraints to market activity including price controls and limitations on foreign exchange control in pursuit of economic protectionism.ⁱⁱⁱ

Critiques of the African state decried it for being over-centralized, over-extended and predatory in character. In 1981, the World Bank released a report on its analysis of the underlying causes of the economic and social crises gripping Africa entitled *Accelerated Development in Sub-Saharan Africa*. It assessed the long-term constraints on development, skills development, and the use of technology and innovation. The report found that the causes of underdevelopment in Africa included wrong economic policies applied including the import-substitution policies that rendered commodity-based economies too dependent on export. This affected African countries badly after the oil crisis of the early 1970s. As unemployment rose and businesses collapsed, the African state intervened by expanding the range of activities it was involved in to create employment, regulate exchange controls and trade (internal and external.)

The analysis went on to say that governments became major employers without a concomitant increase in the quality and reach of public services. In this sense, there was no value added by increased absorption by the state of the unemployed. Governments imposed price controls to protect 'national interests.' As a result, governments increased budget deficits, so did balance of payments deficits. Imported goods including technology became expensive and, therefore, scarce. Unable to access imported inputs, factories and agricultural farms produced below

capacity and sold at artificially low prices. The purchasing power of wages declined, in turn reducing the market for goods and services. The black or parallel market grew fast. The expansion of the state role in the economic arena created opportunities for rent-seeking and tribute taking. Government officials and politicians that controlled the state benefitted immensely, while the poor were penalized for essential services and goods. Corruption pre-existed these developments, but it increased drastically during this period.

The crux of the World Bank argument was that the problem was sparked and sustained by the interventionist role of what was an inefficient African state, anyway. It argued through the report mentioned that the only way out was through a series of structural adjustment measures aimed at reforming the economy by reducing the role of the state in the economy, among other measures. The actual content of the political reforms amounted to attempts to completely weaken and disintegrate this state without replacing it with a more capable and an effective set of institutions. As we shall see, these solutions imposed through structural adjustment programmes (SAPs), in turn deepened the problems of poverty and underdevelopment. When governments found themselves unable to pay for essential imports or to pay interests on their foreign debts or access new loans from commercial sources, they were forced into the hands of the World Bank and the IMF (Williams, 1994). The

Bank imposed as its conditions for lending to these governments, a set of minimum economic and political reforms. No wonder, three years later the Bank reported in its next report, *Toward Sustained Development in Sub-Saharan Africa: a joint program of action*, that the fundamentals were changing in African economies, raising prospects of better growth rates and developmental outcomes. It pointed to 'recent experience in Africa . . . [that] some countries are introducing policy and institutional reforms' (World Bank, 1984: 2).

Public sector reforms amounted to nothing but an attempt to weaken the state and reduce its capacity to intervene in the economy. However, the issue that Bank and neo-liberal thinkers had with the interventionist state was not derived purely from cold analysis of the facts on the ground, but it was also part of their ideological perspective. Guy Mhone (2003:2) put it this way: 'The dogmatic insistence on a minimalist state role is based on the claimed virtues of the entrepreneur as the main economic agent and actor, the market and private sector as the driving forces of the economy, and unfettered pure competition domestically and internationally as the harbingers of dynamic efficiency and growth.' This was challenged by analysis that highlighted underlying structural deficiencies in the free-market system and world market imperfections (structuralists) and pointed out the limitations of the dominant theories of economic specialization, competitive advantage (new trade

theory). Empirical studies found that while structural adjustment programmes (SAPs) helped stabilizing collapsing economies, they failed to rejuvenate them to the point where it was possible to reverse underdevelopment. In some cases, long-existing distortions in the economy such as export-dependence and budget deficits persisted and even worsened (Gervais, 1995). These studies led evidence to show that reforms imposed through SAPs led to a weak and incapable state and market forces failed to step in to play the benevolent role promised. They revealed the social costs of cuts in public expenditure in the form of deepened levels of poverty, disintegration of institutions of public health and education, collapse of social security systems, and the falling apart of families and communities (Lugalla, 1995; Bush, 1995). The hope that the market will step in and take over the social and economic roles that the state was being forced out of did not happen, resulting in a huge institutional vacuum. This made it difficult for even well intended policies to produce desired social and economic outcomes (Mhone 2003).

In 2000, the Bank released a report entitled *Can Africa Claim the 21st Century* in which it reflected on impact of its interventions since 1982. The report found that, 'Since the mid-1990s, there have been signs that better economic management has started to pay off.' (World Bank 2000:8). It also reported progress in policy reforms, suggesting that the fundamentals were in place for economic growth to follow. Of course, this

growth did not happen. When the World Bank finally admitted that the SAPs were largely a failure, it again blamed the African states for failing to demonstrate political will necessary for austerity measures to succeed. So, it failed to take responsibility for imposing governance reforms that did not promote positive developmental outcomes (Easterly, 2003).

This second set of criticisms, which focuses on the conduct of the African state, includes the works of African political economists like Claude Ake, Amílcar Cabral, and Samir Amin.^{iv} In their view, the persistence of underdevelopment is partly an outcome of the manner in which African countries were integrated into a globalizing economy during colonization. They have argued that while developed countries that are today, the centres of globalization, had the opportunity to define the terms of their integration into the world system and by so doing shaping it, African countries were integrated passively (through the intermediary of titular colonial powers). The result has been that while they became very instrumental in the smooth functioning of global economic order, they did not play any significant role in it. African countries' role in the system has been that of producers and exporters of essential commodities and raw materials that provide the basis of economic growth in the rich nations. Designed to service the core of the former colonial powers, the former colonial states became a key part of an unequal and exploitative global economic order. To fulfil this role,

the African state became autarchic and its intervention in the economy tended to favour export trade instead of diversified production for local needs and export, at the same time. In Southern Africa, this produced a political economy marked by a sharp distinction between the opulence of a small settler economy and the abject poverty of the largely African majority. This is the state and political economy that the post-colonial society inherited.

This school of thought further argues that the problem is that post-colonial rulers were more interested in inheriting rather than in fundamentally reforming the colonial economy and state. In many cases, the African petit-bourgeoisie that controlled the liberation movements which captured the state and elements of the economy advanced their own class interests at the expense of the poor majority (Alhuwalia, 1998). State and nation-building took precedence over mass participation and the provision of essential socio-economic services to the poor. This is how neo-colonialism failed African social development according to (Amilcar Cabral in Nzongola-Ntalanga 1987). In this sense, liberation movements and the African petit-bourgeoisie that led the fight against white colonialism may have been anti-racist to the core, but were not necessarily fundamentally anti-colonial and anti-capitalist. In practice, the African political elite were not keen to fundamentally transform the state and related institutions that served an essentially colonial agenda and a capitalist economy that reinforced

that agenda (Ahluwalia and Nurse-Bray 1997).

Therefore, under their rule, the problems of an externally-oriented economy persisted even in the face of the self-reliance rhetoric of the 1970-80s. The new elite helped sustain and deepen problems of corruption, autocracy, and inefficiency that defined the colonial state. Even the democratization wave that started with the collapse of the Soviet Union has not led to a fundamental transformation of the state and the economy in southern Africa. The holding of regular elections, adoption of liberal constitutions, ratification of human rights instruments, and public service reforms have not produced a form of governance that makes it possible to produce the desired social and economic outcomes for the people of the region.

There are differing views on what should be the character and conduct of a state that would lead to a successful fight against poverty and underdevelopment. A commonly held view is that the region in particular and Africa in general, need an activist or interventionist state that is at the same democratic in substance. This is a state whose ideological orientation or philosophical underpinning is developmentalism. Such a state draws its legitimacy from its success in promoting sustained economic development and putting into place social policies that translate economic growth into human well-being. To be able to do this, such a state needs to develop technical

and political capacity to implement economic and social policies that incentivize and encourage the markets to help overcome poverty and underdevelopment.

It must be autonomous from internal and external forces that have limited the state from playing an active, but progressive role in the economy and society. It must also enjoy enough legitimacy in society to be able to mobilize all sectors of society in a concerted and well-defined effort to achieve all these goals.^v Some have described this as a developmental state, founded on democratic norms as opposed to a dictatorial developmental state that emerged in Asia in 1980s.

The challenge is that not enough effort is being made to evolve and support the requisite holistic reforms that would undo the colonial and post-colonial traits of the African state. The state is central to the enhancement of governance in the region for economic and social development. Without this transformation, no amount of infrastructural development, economic reforms, social policy adjustments or electoral democracy will guarantee the eradication of poverty and underdevelopment in the long run. The failure of the huge amount of resources invested into the African economy and governance by the donor community to engender any visible change in the region could be partly explained by the ill-advised weakening of the state through structural adjustment (SAPs) and assumption that democratization will on its own produce capable and efficient governance.

5. SADC Governance for Social and Economic outcomes

5.1. Poverty and Regional Integration

The Southern African Development Community (SADC) has recognized that the biggest challenge facing the region is not necessarily conflict and political instability as is the case in other regions of Africa. Rather, it is the high levels of poverty and inequalities. When the Southern African Development Co-operation Conference (SADCC) was transformed in 1992 into the SADC, the primary impetus was to establish an effective governance mechanism for a concerted fight against ubiquitous poverty in the region. SADC was formed to respond to the socio-economic conditions of the majority of the 200 million inhabitants of the region. It was designed to address among others:

- Lack of access to income and productive resources necessary for human progress;
- The vulnerability of many to chronic hunger and malnutrition;
- Susceptibility of the population to endemic diseases;
- Inadequate shelter and access to water and sanitary services;
- Limited access to education and training;
- Social exclusion and alienation; and
- Exclusion from decision-making and tracking processes in civil, social, economic and political arena.

From the onset, the discourses at SADC were informed by a holistic view of poverty as both the shortage of assets as well as lack of voice and choice for the people. It was acknowledged that poverty meant that many people in the region lacked basic capacity to participate effectively in society due to these limitations. This generated a sense of powerlessness, despair and insecurity among many in the region. Two issues loomed large in the regional agenda in the build-up to the launch of SADC in Mbabane, Swaziland, in 1993: one was the bane of poverty as epitomized by a drawn-out incidence of severe drought and food shortages at the time; the second was the persistence of political instability in the form of conflict and oppression. There was recognition also that these challenges were mutually re-inforcing in that conditions of insecurity and instability bred poverty and, in turn, poverty generated or reinforced conflict in the region. The agenda of the Windhoek Summit of 1992 which preceded the Mbabane Summit was dominated by discussions on possible responses to the drought and the need to strengthen governance in the region with particular reference to the transition in Angola, Mozambique and South Africa. At that meeting, the SADCC also rejected a request from COMESA for a merger of the two organizations to fast-track economic integration by establishing a Free Trade Area. It was on this basis that the Conference adopted a framework for the establishment of a community, the SADC?^{vi}

It seems that member states to the Conference were responding to the worsening food insecurity in the region due to dry seasons in the late 1970s as well as the devastation of wars of liberation. This was partly the outcome of the global economic crisis that began with the 1973 oil crisis and expanded into all areas of the economy. The collapse of commodity prices in the world market impacted heavily on countries in the region because they depended on commodity exports for revenues. The economic depression led to shortages of food and rise in the prices of essential staples as the domestic retail market responded to supply constraints. Like in eastern Africa, the proportion of people engaged in productive agricultural labour in southern Africa had decreased by an average 7 per cent during the 1970s. Domestic food production had increased, while consumption patterns showed consistent increase. It was in the 1970s that the region lost its food self-sufficiency in a matter of a few years (Zondi, 2004). The hunger of many was clearly of immediate importance to them. Therefore, poverty was difficult to avoid for an organization that sought to promote regional co-operation.

5.2. From Conference to Community: Juggling with Regional Governance for Social Policy

The shift from Conference to Community was substantive in that it transformed the institution one that pursued loose co-operation between

member states, to one that advances integration of governance systems and the development of a common policy agenda. The former represented loose collaboration between countries in the region with countries retaining complete autonomy and control over their national agenda. This allowed member states to collaborate and still pursue different social and economic outcomes. For this reason, the Conference had a weak centre in the form of a small secretariat whose legal mandate was limited to mere co-ordination and facilitation of regular meetings. It did not have any mandate to ensure implementation of decisions of the Conference. Thus, the Conference did not have a sufficiently distinct legal and institutional identity per se and its decisions were not binding on member states.

Therefore, with the establishment of SADC, the regional governance framework changed substantially in the sense that SADC member states committed to surrender to SADC elements of their policy sovereignty in order to empower the organization to harmonize and integrate economic, social and political policies in the region. The Declaration Treaty and Protocol that established the SADC gave it international legal personality that was to enable it sign binding contracts and, domestically, to exercise its functions in the territory of member states (Articles 2 & 3). The Treaty also established institutions of governance including the Summit of Heads of State or Government,

Council of Ministers, Standing Committees of Officials, The Tribunal, and the Secretariat. The first three were charged with political work involved in the integration process, including, giving strategic direction to the policy harmonization process. The Tribunal was mandated to guide the interpretation of the Treaty and other legal instruments of SADC. The Secretariat was given an enhanced position with a legal mandate to execute the decisions of SADC and co-ordinate the implementation of SADC protocols and policies. It was also given room to establish a regional public service with strong strategic planning and management, and capacity to implement and to co-ordinate.

Critical in this transition was the link made between structures and the substantive agenda of SADC in the wake of the vision to a regional community that ensures economic well-being and improvement of the standards of living and quality of life of the population of the region. The conditions of citizens were given greater prominence in defining the mission and substantive agenda of integration. This informed the choice of areas of co-operation as follows: food security, land and agriculture; infrastructure and services; industry, trade, investment and finance; human capital development; science and technology; natural resources and environment; social welfare and information; culture; politics, peace and security; and diplomacy and international relations. Most of these thematic policy issues were further

elaborated in protocols adopted later. A total of thirty four protocols and other legal instruments were developed between 1994 and 2007 on issues like trade, shared water systems, finance and investment, energy, transport, education and training, health, culture and sports, food, and gender. This includes charters and declarations on social rights, HIV and AIDS, agriculture, ICT, and macro-economic convergence.

In light of the fact that the overarching goal of SADC is poverty eradication, the organization has a strong emphasis on the social and economic dimensions of regional integration. An overwhelming number of legal and policy instruments established at SADC deal with these matters. One of the criticisms of SADC is that it has paid less attention to issues of security and peace-building than it potentially could. This affirms the point that SADC has focused more on a social and economic agenda, what others call developmental regional integration process (i.e. a regional integration fundamentally focused on holistic development). The very idea of making poverty eradication the ultimate goal of integration has focused SADC governance structures and its conduct on social and economic policy matters. The reforms that took place at SADC in 2003-5 were informed by two considerations: enhancing the institutional effectiveness and efficiency of the governance systems at SADC; and seeking to sharpen its socio-economic agenda by adopting a single strategic policy framework that incorporates all relevant areas of co-operation.^{vii}

In this regard, it was about simultaneous reform of the structure of SADC and its social policy. This was recognition that governance and social policy are so intertwined that transforming one without tinkering with the other is not likely to yield the expected outcomes. The question in some quarters was whether governance reforms at SADC could be justified if they were undertaken simply to enhance efficiency or should SADC be thinking about reforming its institutions in order to enhance its capacity to implement a refined development agenda (Zondi, 2007). However, the distinction between institutional efficiency and effectiveness is rather artificial in this regard. Clearly, SADC wanted to infuse its institutions with modern principles of public management with a view to enabling them to deliver better social and economic outcomes for the region, the reason for which they exist, after all.

5.3. Re-centralization of SADC for Poverty Eradication

This process led to the dissolution of Sectoral Co-ordinating Units that co-ordinated integration of policies in each sector on the SADC agenda. These units were part of a decentralized governance structure of SADC. They had been established in the first place in the belief in the 1990s that decentralization leads to devolution of decision-making powers and allows greater participation by ordinary people. Neo-liberal theorists and sympathetic institutions like the IMF and the World Bank blamed the economic failures of the 1970s and 1980s on centralized state. To remedy this, they

adopted whole-scale decentralization to ensure a better fit for locally-driven preferences and stronger accountability and ownership.

At the establishment of SADC in 1992, the dominant neo-liberal agenda had gained ascendancy in Africa owing to a near collapse of African countries' economies and the deepening of poverty following the end of the Cold War. This found expression in the IMF and World Bank-driven economic reforms forced on Africa in return for financial aid during the economic crises of the 1990s (Mhone, 2003). The International Financial Institutions (IFIs) understood that economic austerity measures would not work if corresponding adjustments to governance were not made. Hence, inordinate emphasis was on the restructuring of the state through downsizing and decentralization. Downsizing was not limited to reducing the size of the public service and trimming its tentacles' reach in the economic arena, but included cutting its social spending. Decentralization involved devolution of powers in the hope that this would enhance service delivery, encourage collective public action, people ownership of public services, and improve the reputation of government at the local level.^{viii} Of course, the massive retrenchment of public servants increased unemployment and cuts in social expenditure led to collapse of health, social security and education systems. Whole-scale privatization of state institutions and some public utilities like water and electricity deepened

socio-economic inequalities. A mean and lean state was left incapacitated to respond to the dire effects of structural adjustment?^{ix}

In keeping with this neo-liberal paradigm that had come to dominate the capitals of SADC member states, the founding states of SADC created a lean and mean central administration in the Secretariat by decentralizing some of its function in the Sectoral Coordinating Units (SCUs) based in member countries. South Africa hosted the SCU on finance and investment, meanwhile the SCU on natural resources and food security was based in Zimbabwe, while that on trade was in Namibia, to name but these three. The Gaborone-based Secretariat was meant to provide strategic policy co-ordination between the SCUs. Yet, this lean centre of SADC simply could not effectively implement Summit decisions and SADC policies simply could not be effectively carried out. Consistent with the findings of studies of decentralization elsewhere, the devolution of the Secretariat's mandate to SCU resulted in unnecessary differentiation and competition, lack of synergy, poor harmonization, unequal development and capacity between sectors, and uncertain social and economic benefits. The decentralized governance stalled integration and promoted disintegration of the SADC agenda and structure. Under these conditions, a common vision and policy agenda suffered immensely as SCUs became mechanisms for consolidating desperate visions and agendas rather than greater synergy and integration.^x

6. Regional Development Framework

The second dimension of the 2003-4 reforms was the rethinking and redesigning of the SADC's development agenda and policies. The 2001 Summit of SADC tasked the secretariat to prepare an all-encompassing socio-economic plan for southern Africa, building on a range of SADC's sectoral plans and drawing from NEPAD and other international plans like the Cotonou Agreement, and the MDGs. The result was a 15-year plan launched in March 2004 under the title, Regional Indicative Strategic Development Plan (RISDP). The Plan begins with a succinct reflection on the fundamental impediments to integration and development in the region, highlighting the problem of uneven development among countries, with regard especially to the eight countries of the region that are among the Least Developed Countries in the world. These countries (The Democratic Republic of Congo (DRC), Lesotho, Madagascar, Malawi, Swaziland, Zambia, and Zimbabwe) suffer from heavy dependence on dwindling returns from primary commodity exports, narrow production bases and high incidence of poverty. Secondly, the Plan concedes that SADC has failed to forge a common regional identity and vision. It also laments institutional failures at SADC itself including weak co-ordination and implementation capacity and the Secretariat's lack of political clout to champion SADC's decisions effectively.^{xi}

The substance of the RISDP consists of twelve priority areas of policy action,

namely: poverty eradication, combating HIV/AIDS; gender equality, science and technology; environment and sustainable development; private sector; statistics; trade liberalization; infrastructure; food security; and social/human development. The RISDP went further to set ambitious targets to be achieved in each of these areas. For instance, with regard to poverty eradication, the plan was to achieve 7 per cent economic growth and to halve the number of people living on less than one dollar a day by 2015. To combat HIV and AIDS, SADC agreed to ensure that by 2010 ninety-five percent of young people have access to essential information to empower them to adopt preventative behaviour.

There are eight targets on gender development including the strengthening of national gender machinery and policies by 2003 and to adopt a regional gender policy by 2004. These targets were set not knowing that the institutional reforms will take longer than anticipated, as a result, they were missed. In 2008, SADC adopted its Protocol on Gender and Development, four years after the date set. The delay was also caused by what seems to have been a deliberate decision to wait until the AU Gender Policy was in place first. Indeed, the AU adopted its own in 2008.

Among the seven targets for advancing science and technology is the idea of putting into place, regional policies and strategies by 2005 and institutional mechanisms for co-operation in this area to be established by 2006.

From the evidence gathered, it emerges that all these targets have not been met. But there are discussions at both officials and ministerial levels towards a regional policy on science and technology. This may not be in place until 2010 or beyond. The policy will provide guidelines for the creation of co-operation mechanisms as well as norms and standards for environment and development.

The target with regard to environment and development was to develop a legal instrument for regional co-operation by 2006 and adoption of environmental standards, norms and guidelines by 2008. A SADC Plan of Action on implementation of WSSD outcomes was to have been agreed and publicized by 2005. Both the envisaged protocol and the Plan of Action have not completed, partly because the targets were set in anticipation of the RISDP becoming operational in 2003, but it became effective in 2005-6 actually and partly because of failure of officials to move quickly on these matters.

Recognizing the critical importance of data gathering, SADC decided on a target to establish a legal framework governing statistical work in the region by 2006, followed by the adoption of indicators for monitoring and evaluation by 2007. Both targets have been missed also. Part of the problem is that it has taken SADC officials much longer to develop interface among national statistical institutions necessary to develop the regional framework. The M&E indicators will be derived from this framework. However, some work has gone into developing

general guidelines on data gathering and use of statistics that SADC officials are using to organize discussions in the region on this issue. But there is no indication that non-state actors are being drawn into these discourses. At a recent SADC conference on poverty, the need for harmonizing guidelines on collection and use of data on poverty trends to inform more effective policy interventions was underlined.

The focus on infrastructure development was intended to contribute to the fight against poverty by facilitating the movement of goods and people including entrepreneurs. The overall goal of infrastructure intervention is to build an integrated, efficient and cost effective infrastructure system to support regional economic development, trade, investment, and agriculture, thus contributing to poverty eradication. SADC expected grandiose social outcomes from these interventions. As a focal area, it is divided into 4 priorities, namely: energy, water, transport and communications. On energy targets include establishing energy data banks and planning networks by 2005; harmonization of energy policies by 2006; and centres of excellence in energy research and development by 2008. The first two targets have been missed and this suggests that the goal to have 100 per cent connectivity of the member states to the regional power grid by 2012 may also not be met. On the transport sector, key targets are liberalization of regional transport markets by 2008; harmonized transport rules by 2008; and removal of avoidable hindrances to

free movement of goods, services and labour in the region. The failure to meet the first target is understandable given the complexity of the work that is needed to realize it, but the non-movement on the second, relatively easy, target is difficult to justify. The last target is tied to targets on trade integration. A long-term regional water policy and strategy was fixed for March 2004, but the date was rather too close to the beginning of the implementation phase. But the failure to meet the target to harmonize water sector policies by 2006 and to establish water banks and planning networks by 2007 is inexcusable.

With regard to food security, the goal is to halve the number of people suffering from hunger by 2014. The targets include establishing a technical facility to support land reform programmes by 2005/6; doubling the cropland by 2015; and increase the use of fertiliser from 44 kg to 65 kg per hectare. The facility was established as planned and has started functioning. The realization of the other targets will depend on the ability of SADC to induce member states to accelerate food production, to invest into communications infrastructure and to provide income support for the poor.

On human development, the plan is conscious of the fact that progress will only be realized if human needs are met, viz: food, water, education, health, culture, welfare, information and employment. It also calls for elimination of various threats to human well-being including the unusual incidence of communicable

diseases, violence, hunger and poor nutrition, illiteracy and social alienation. It underlines the importance of social support systems with special emphasis on vulnerable groups like people with disabilities, women, children and the elderly. It also stresses provision of quality education and training including life-long learning for all as critical long-term investment in the human potential in the region. There is also a mention of promotion of positive culture, arts, sports and craft. Ideas about support for informal trade and employment creation are also included. There are no time horizons given for these complex goals because the RISDP avoided confusing countries busy trying to achieve Millennium Development Goals. Instead, the plan calls for harmonization of policies in all these functional areas in a reasonably short period of time.

It is the plans, strategies and targets on trade integration that have received the biggest public attention and focus from the member states themselves. These relate to the decision to create a Free Trade Area by 2008, which indeed happened in time; to complete negotiations towards a Customs Union by 2010; to establish a Common Market by 2015 and a Monetary Union by 2016. This sequence of trade developments follows the classical trade integration paradigm often seen as non-developmental, even though it is not anti-development per se. It is about stabilizing and growing the regional economy and not necessarily to produce desirable social outcomes of this economic development. Of course, SADC chose not to be dogmatic by

pursuing development at the exclusion of economic growth, but tried to provide linkages between the two such that economic growth gets translated into development by a host of social plans adopted in 2004.

7. Progress, what progress?

Notwithstanding weak political will to fully implement these SADC policies and laws or the fact that many of the targets have already been missed,^{xii} the existence of a comprehensive development plan provides a significant impetus for multi-stakeholder push for keeping focus on social and economic policy matters paramount in the region. SADC is supposed to provide the platform for adoption of common visions and policies as well as assistance for their implementation at the country level. The adoption of a common developmental plan and agreement on strict targets should thus be considered a major success for SADC in a drawn-out process of inducing concerted efforts to overcome poverty in the region.

However, the governance reforms which saw greater centralization of institutional power at the Secretariat, in Gaborone has meant that the Secretariat is expected to shoulder greater responsibility with regard to co-ordinating and ensuring the implementation of agreed policies. This is where the challenge lies at the moment. While SADC has finally developed a clear development agenda in the RISDP, its governance remains ill-prepared to advance this agenda effectively. There is hardly any problem with SADC

policies on water, energy, food security, infrastructure development, investment or trade, but their implementation is increasingly undermined by weaknesses in SADC's governance.

There are two ways in which this problem of governance deficit manifests itself. The first one is lack of institutional effectiveness and the second is weak political clout on the part of SADC co-ordinating institutions. The re-centralization of SADC's public administration was designed to respond to inefficiencies in the functioning of SCUs. The centralization of sectoral work helped enhance policy harmonisation and also engendered a common vision. It allowed the Secretariat through its four directorates to give strategic direction to implementation of the SADC agenda by national governments. It also brought the various sectors of SADC into close proximity with other, enabling them to harmonize their co-ordinating role, whereas before there was a huge physical distance between them. This resulted in lack of synergy (Zondi, 2007).

However, with weak national committees that co-ordinate national implementation re-centralization of functions did not lead to effective implementation of the SADC vision. Many national committees exist only in name and when they actually exist, they are not fully operational. Member states are battling to properly establish these committees, partly because of the provisions that they should be multi-stakeholder in their composition and institutionalize consultation with citizens. National governments experiencing democracy

deficit have an added challenge to overcome, while the rest simply do not take this matter seriously enough. Until National Committees are properly established, the implementation of the SADC agenda will remain poor, if at all. The Secretariat itself is experiencing capacity constraints with regard especially to co-ordination between the centre and the peripheries (member states). There is a shortage of adequate human resource and technical expertise in Gaborone. The infrastructure necessary for ensuring a smooth centre-periphery interface is also weak.^{xiii} There is also a weak management structure in the Secretariat. The reforms introduced new positions of two deputy General Secretaries to assist the General Secretary with the management of the Secretariat and allow him/her to act as a political champion of the SADC agenda in the region. However, one of the new positions had not been field at the time of writing because of rigid application of quotas. The position of Executive Director to whom directors of the four units in the Secretariat has also been vacant since the transitional incumbent's term lapsed in 2004. Because the Executive Director is equivalent to a Chief Operations Officer, the position involves managing the on-going transition after the restructuring of the organization. This means two critical positions at the apex of the Secretariat management have been vacant for many years. This is undermining its institutional efficiency and its effectiveness in terms of inducing implementation of the SADC agenda at national level.

The challenge of political clout is the

old problem of distribution of political power between SADC as an inter-state institution and its member states. For integration to progress, member states needed to cede sufficient sovereignty to the Secretariat to enable it champion the SADC agenda and to intervene where there are serious backlogs. The shared sovereignty includes giving the Secretariat power to push slow moving countries in the agreed direction, to make technical interventions where technical expertise is in short supply, to give direction to member states with regards to implementation of adopted decisions and plans, and exercise oversight over the domestication of regional instruments. However, while SADC member states would want SADC to consolidate and grow, they simply have not been willing to part with even the most insignificant elements of their sovereignty such as allowing SADC to recruit and appoint the most competent citizens of the region regardless of their country of origin. This rigid understanding of sovereignty is also behind the general exclusion of regional citizens and civil society formations in the business of SADC. While SADC leaders assert that SADC integration will only grow if built on the participation and involvement of the peoples of the region, their conduct constrain this from happening. SADC member governments jealously guard their control over decision-making at SADC, thus arrogating to themselves the right to decide for all. Under these conditions, there is no incentive to open the policy space up to allow for a greater role for the people and civil society formations.

8. Poverty Conferences: Accelerators or Parallel Initiatives

8.1. Gaborone Conference on Poverty and Institutional Reform

In October 2002, SADC convened a Consultative Conference on Gaborone, Botswana, on regional responses to poverty under the theme, *SADC Institutional Reform for Poverty Reduction through Regional Integration*. The conference was attended by SADC member states with the exception of Democratic Republic of Congo, Mauritius and Seychelles; officials of donor countries; representatives of UN agencies, organs of civil society and organized business. The meeting aimed to build consensus among stakeholders on how the region could ensure that the ultimate outcomes of the institutional reforms was poverty reduction and eradication.

Opening the conference, President Festus Mogae of Botswana underlined the fact that SADC integration was meaningless unless it led to improved living standards for peoples of the region. But, he said, this depended on the willingness of governments and other stakeholders to take bold decisions towards harmonization of anti-poverty measures. The immediate challenges of a creeping food crisis with 14 million people facing starvation as well as the related problem of the HIV and AIDS epidemic dominated the discussions.

The problem with allowing immediate problems to dominate a discussion of this nature is that it takes attention and energy away from a need to discuss and arrive at workable solutions to the long-term and structural factors that perpetuate poverty. The meeting itself underlined the inter-linkages between poverty eradication, economic growth and regional integration. It also agreed that peace and stability, institutional reforms at SADC, and the emergence of NEPAD created opportunities for achieving visible progress towards halving the number of people in abject poverty by 2015.

The conference resolutions included the following:

- Wealth creation should be the underpinning approach to the fight against poverty;
- Accelerate the implementation of the SADC Trade Protocol to facilitate cross-border trade, including informal trade;
- Removal of all legal instruments that inhibit women's participation in the economy;
- The development and adoption of a regional poverty reduction strategy to guide concerted national efforts;
- Improve research into food production, food markets and agricultural development;
- SADC should address the link between poverty and health and devise strategies to respond to this;
- Harnessing new and alternative sources of energy;

- Attract investments from the region and beyond towards the arts and culture and tourism industries;
- Improve the mobility of communities, especially those that are vulnerable to conjectural poverty (calamities etc).^{xiv}

The weakness of this meeting was that it placed too many expectations on an incomplete process of institutional reform. SADC was too optimistic about prospects of the new institutions acquiring requisite capacity to follow-up on these resolutions, but also to relate them to MDGs and NEPAD objectives. This latter matter would prove very complex because the conference identified many desirable outcomes without any attempt to prioritize. It was positive in that it provided some ideas on the implementation of the RISDP. It also helped develop consensus between member states and other key stakeholders on the broad parameters of the regional developmental agenda.

8.2. The Port Louis Conference on Economic Integration and Poverty Eradication

In April 2008, SADC hosted an International Consultative Conference on Poverty and Development in Port Louis, Mauritius. It was held under the theme 'Regional Economic Integration: A Strategy for Poverty Eradication towards Sustainable Development' to highlight linkages between deeper economic integration and the fight against poverty. The conference brought together

member states led by heads of state and government, donors, UN agencies, business organizations and organs of civil society. There were delegates also from other parts of the world: Asia, Latin America and Europe.

The aim was reflect on and devise innovative approaches to the region's poverty eradication strategies using economic integration as a vehicle. It was also designed to help SADC states engage the international community on commitments made towards poverty eradication in compliance with the Millennium Development Goals. The conference reviewed progress made since SADC Declaration on Gender and Development in 1997; Maseru Declaration on HIV and AIDS in 2003; and the Dar-es-Salaam Declaration on Agriculture and Food Security in 2004. These represented consensus among member states on how to deal with three factors in the persistence of poverty in the region, namely: gender and inequality; the incidence of HIV and AIDS and communicable diseases; and weak agriculture and the incidence of food crises. The meeting re-affirmed the undertakings made in all three and called upon member states in partnership with other stakeholders to accelerate their implementation.

In conclusion, the conference identified six priority challenges for urgent concerted action:

1. Achieving food security in a situation of growing global food shortages;

2. Addressing the adverse impact of climate change in the fight against poverty;
3. Increasing capacity in power generation and transmission as well as secure greater use of renewable and alternative sources of energy;
4. Achieving higher economic growth through accelerated regional integration, pro-poor trade liberalisation and economic development;
5. Developing and sustaining human capabilities through increased access of the population to quality and appropriate education, training, welfare and social development, nutrition, health, and sporting services as well as information in all Member States; and
6. Accelerating development, rehabilitation and maintenance of Infrastructure for Regional Integration

To achieve these goals, SADC member states committed themselves to a number of strategies and measures. This included regional collaboration on trade, agriculture and finance to facilitate productivity and improve cross-border trade; established a Task Force to lead the regional emergency response to the current food crisis; take special measures to promote micro-finance and credit; preparing mitigation plans on climate warming; and to intensify public-private partnerships.

The conference also resolved to 'work towards the establishment of a Regional Poverty Observatory to monitor progress made in the implementation

of actions in the main priority areas of poverty eradication'. Since the idea of its creation was only endorsed in April 2008, it is difficult to make an assessment of progress made with respect to the establishment of and location of the SADC Poverty Observatory.

In addition to these initiatives, SADC has adopted a number of strategies to address the poverty situation in the region. For example, several SADC Member States drafted and adopted Poverty Reduction Strategy papers (PRSPs) which stipulate how they intend to address poverty. Lesotho, Malawi, Mozambique, Swaziland, Tanzania and Zambia each prepared PRSPs in broad consultation with stakeholders continue to monitor poverty reduction and growth strategies. PRSPs support policies that aim at helping the poor so that they can benefit from growth by expanding their opportunities, with focus on safety nets, pro-poor economic growth emphasizing productive sectors and employment creation, building human, physical and other capital assets of and for the poor, good governance and a conducive macroeconomic environment.

9. Conclusion

In the face of governance dilemmas related to inefficiency and the sovereignty question, the achievement of the laudable social policy and economic agenda for the peoples of southern Africa is slowed down, if not encumbered. Notwithstanding the recognition that social and economic

progress depends on the efficiency and effectiveness of the institutional mechanisms that drive SADC integration, SADC member states are still reluctant to give the new governance arrangements the necessary policy sovereignty and technical competence they need. So improvements in governance remain largely cosmetic at SADC and the same can be said of reforms at national level as well. Evidence of pro-poor development strategies and plans in southern African countries is there for all to see.^{xv} All these countries, except South Africa, have dedicated poverty eradication policies and strategies. South Africa has integrated poverty fighting into its economic and social policies too. Most of the countries have also undergone governance reforms of one form or the other, ostensibly to enhance their substantive legitimacy and their capacity to deliver the essential public goods. This paper warns that unless countries and SADC take steps to translate these cosmetic changes into substantive moves towards effective governance, the peoples of the region will not see the fruits of the changes ushered in by the post-Cold War environment.

The interventions provided by institutions like the Development Bank of Southern Africa (DBSA) will have limited effect until the technical competence and policy sovereignty of the regional bureaucracy is enhanced. The DBSA's infrastructure support requires institutional effectiveness and efficiency at both regional and national levels to translate into desired social outcomes and a return on the investment. This makes it necessary for the DBSA, therefore, to consider expanding its technical support to these bureaucracies while using its influence to highlight the importance for national capitals of the region to cede sufficient power to Gaborone. This could be done by generating research that does not only point out the problem, but also teases out strategies for ensuring a better fit between regional governance and its socio-economic agenda. This paper is an attempt to begin such a process by problematizing the relationship between governance and social policy in southern Africa.

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The University, University Governance and the Knowledge Economy: Re-conditioning the engine of development

Thandwa Mthembu⁴

Abstract

Since the advent of South Africa's democracy in 1994, national debates on university governance have largely focused on the relationship between the university and government. Universities focus more on the protection of academic freedom and institutional autonomy, whilst government has entrenched the notion and practice of public accountability within that context. With the emergence of globalization, the knowledge economy and increased expectations on the role of a university in development; the varied social demands on the fiscus that require government to assure returns on investment; the pressure on universities to diversify their support base, financially and otherwise; and the existence of other knowledge centres, there ought to have been greater focus on how university governance should adjust to these pressures and changing circumstances. Drawing mainly on secondary sources, the focus of this paper is, therefore, on university governance as it relates to the knowledge economy and its various organs. In this respect, its points of departure are: the functions

and challenges of a modern university; the values and principles that underpin these; the models of governance in place, ostensibly to ensure that the basic functions are performed and the challenges are met; and therefore the gaps exist whose filling could allow other agendas of knowledge and development to take root through the university.

Introduction

This paper examines how university governance in South Africa has evolved over the years and how that governance system may or may not allow the demands of the knowledge economy to be addressed. As they establish strategic partnerships with the higher education partners, development partners should understand the underlying constitutive elements of a university and its governance system.

The approach in this paper is to review a number of recent publications and reports on university governance (for example, Bundy, 2006; Coughlan, et al., 2007; du Toit, 2007; Hall & Symes, 2003; Fielden, 2008) that present national and international perspectives. The paper

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depends largely on these secondary sources; however, it also draws on the author's own publications and experience as an academic and university manager over the last 21 years.

Section 2 addresses some existential, philosophical and ideological issues about the university (Newman, 1891; Barnett, 1990). These have to be understood in order to, in turn, understand the entrenched positions on academic freedom, for example. A potential partner with any university should not be flummoxed when academics resist particular advances and suggested directions.

Section 3 addresses the functions of a university as it responds to societal and institutional challenges. The author aims to provide the reader with a sense of the societal responsibility that the university carries and expectations regarding its responsiveness to meet these challenges.

Section 4 addresses the trends on university governance in South Africa over the last 12-15 years, with some select references to systems of governance in other parts of the world.

Finally, section 5 constitutes a conclusion that provides a brief assessment of cooperative governance from the point of view of the demands of the knowledge economy that Gibbons (1994) envisaged; from the point of view of Clark's (1998) 'entrepreneurial university' of continental Europe; from the point of view of Castells (2001) who would have the university function 'as an engine of

development'; from Gumpert's (2000) view of the university as 'part of the national economy' and 'as an industry'. In the process of this assessment, specific proposals will be made on how South African universities, business/industry, and development partners, could advance in tandem.

2. Existential Philosophical, and Ideological Foundations

The founding pillars of the modern university in Africa in terms of essence, content and form, are anchored in the then higher education systems of Europe, depending on who the colonizer was. In the South African case, the British system, with its latter revisions, is still all too prevalent. This reality forces us to turn to some of the European antecedents (especially of British extraction) of the university in South Africa in search for its existential foundations. In this respect, four phases of development of the idea of a university in the United Kingdom and to some extent other parts of Europe, are presented, namely: *the ecclesiastical phase* that was the basis of the establishment of Oxford and Cambridge around the 11th century where the church played the role of mentor and benefactor (Barnett, 1990); the *Newmanian phase* of the 19th century, which espouses a broad-based liberal approach to university education (Newman, 1891); the *Humboldtian phase* of Germanic origins which is contemporaneous with the Newmanian phase, is characterised by more narrower and deeper pursuit of knowledge for its own sake (Barnett, 1990);

The current *phase of globalisation*, deserves more engagement in this section. With all the scientific and technological advancements of the 19th and the 20th centuries, it was to take only about 200 years (a lot shorter than the 700 years quoted above) for the foundations of the university to be refocused, yet again. The 'knowledge society' and its knowledge economy now require a more responsive higher education system that engages more closely and proactively with the rest of society; closes the critical skills gap for this economy; becomes an agent of social and economic development (Bjarnason & Coldstream, 2003; Clark, 1998; Gibbons, *et. al*, 1994).

A university deemed to be responsive to this phenomenon is one that acknowledges as a necessary condition mutually beneficial interpenetration between the university and society with sufficient shifts of the historical hierarchical order normally found in universities. Indeed, such a university would have made societal engagement one of its core values (Bjanarson & Coldstream, 2003).

Epochal change, be it religious, political or economic, has always influenced the idea of a university. Our perennial challenge as human beings and as academics and researchers in knowledge centres is to ensure that whatever the outcomes of those epochal changes, we can predict and restrain undesirable ones and enhance desirable ones.

The focus of this paper is on the most recent phase of globalisation

and the knowledge society. It should be appropriate to look at this phase through the major philosophical or ideological prisms that could make or break the university. Academic freedom and institutional autonomy are the most fundamental(ist) ones.

There are many formulations of what academic freedom is (see the Council on Higher Education, HEIAAF Series 1-5). According to Louis Menand, as quoted in du Toit (2007):

Academic freedom is not simply a kind of bonus enjoyed by workers within the system, a philosophical luxury that universities function just as effectively, and much more efficiently, without. It is the key legitimating concept of the entire enterprise... [Academic freedom] establishes a zone of protection and self-regulation for furthering the ends of academic activity - that is, of teaching and inquiry.

Echoing Menand's conceptualisation, du Toit (2007) adds that: 'academic freedom is nothing less than a constitutive principle for the modern research university'. This is how deeply entrenched academic freedom is in the culture and psyche of academe.

In South Africa, academic freedom is enshrined in Chapter 2 of the Constitution (1996), its Bill of Rights, alongside other freedoms. The constitution also has a number of founding principles, including establishing a system of democratic values and governance to ensure accountability, responsibility

and openness. These help to entrench academic freedom even more.

This paper uses Graeme Moodie's (1996) formulation of academic freedom whose three components, as quoted in du Toit (2007) are, namely, scholarly freedom, academic rule and institutional autonomy. Some authors attempt to make a distinction between academic freedom and institutional autonomy even though they admit to their inextricable relationship. See for example, Friedman & Edigheji, 2006 and Bentley, et al., 2006.

The author prefers Moodie's formulation because it provides an imaginary sense of a cell-like structure with scholarly freedom being the nucleus with some membrane around it beyond which there is academic rule and institutional autonomy in that order.

In short, scholarly freedom refers to the freedom that a scholar or a community of scholars should be accorded in their dispassionate pursuit of evidence and scientific truth. There are conventions, protocols and methodologies that constitute the art and science of such a pursuit. This type of freedom is distinct from the freedom of speech that any citizen may enjoy in that such freedom is not necessarily circumscribed by the conventions, protocols and methodologies of academe. The practice of freedom of speech may be based on mere emotion, opinion, speculation and untested hypothesis, all these being anathema in any scholarly pursuit.

Academic rule refers to policies, procedures, rules and guidelines by which academic transactions take place in a community of scholars beyond the nucleus of scholarly freedom. In this sense, scholarly freedom is governed by its own somewhat independent internal system within its membrane, quite separate from academic rule that operates outside this membrane, although it might impinge on it and the nucleus.

According to Moodie (1996), 'certain of the most important decisions about the work of academics - about for example, the syllabus of a course, individual staff appointments, the admission or graduation of individual students, standards of academic performance, and the detailed allocation of resources between competing uses within a department or a faculty - should be taken by or on the virtually mandatory advice of academics'.

The outermost ring from the nucleus of academic freedom consists of institutional autonomy, just beyond academic rule. It signifies the relative autonomy a university retains in relation to society and its organs - the church during the ecclesiastical times, the state during the modern times, and globalisation and the markets during this century. Given the complexity of life and its different communities that transact, there will always be inter-dependence and power (im) balances that may shift from time to time. To protect scholarly freedom and academic rule, the university requires

a level of institutional autonomy from the powers that be. As intimated earlier, this can never be absolute, it can only be relative.

The unrelenting debate is that universities often feel that systemic and institutional governance have the potential of curtailing academic freedom with deleterious effect. Systemic and institutional governance are external and potentially toxic to the nucleus that scholarly freedom is.

The threats universities perceive are both internal (as in institutional governance) and external (as in systemic governance). Before we explore how and in what circumstances these perceived (often real) incursions on academic freedom take place, the next section addresses the functions of a university in the knowledge society. This should help the reader to understand how societal challenges bring further tension around academic freedom.

3. The Characteristics and functions of a university in the Knowledge Society

In this section the functions and characteristics of a university, especially in the 21st century, are presented; in part, as a response to the challenges of the knowledge society.

Manuel Castells (2001: 206-210) distinguishes four major functions at the theoretical level whose specific weight in each historical epoch defines the

predominate role of a given university system and the specific task of each university within the overall university system. They include among others, the university as an *ideological apparatus*, like in the ecclesiastical phase; as a *mechanism of selection of dominant elites*, again, like in the ecclesiastical phase; as a *trainer of the bureaucracy*, like in all phases; and finally, as a *generator of knowledge*, like in the Humboldtian and the knowledge economy phases. Obviously, the latter function is partly a result of globalisation and the new demands of the knowledge society.

The University as an *ideological apparatus* is an interesting function in that universities never easily admit to it. Yet, from their inception, for example during the period of ecclesiastical patronage, they performed it in the process of proselytizing not only the students but the rest of society. In recent times, a secular approach to most, especially public, universities has been widely adopted. This, in itself, could be seen as an ideological stance.

Castells (2001: 206-210) puts this ideological function forth quite aptly when he avers: 'The formation and diffusion of ideology has been, and still is, a fundamental role of universities, in spite of the 'ideology of their ideology-free role.'

The university as a *mechanism of selection of dominant elites* has been sociologically (and otherwise) undermined, but also enhanced (Barnett,

1900). In the past it was not so much selection of the dominant elites as perpetuating the pre-selected dominant elites. As calls for 'massification of higher education' gained momentum, and higher education became a broader 'social need' as a result, more space was created for lower social classes of the society (Bundy, 2006; Castells, 2001).

This represents the historical and sociological undermining of the exclusivity then enjoyed by the dominant elites, on the one hand. On the other hand, this phenomenon has rapidly expanded the elite class, and has helped to maintain its collective dominance in leadership and elsewhere.

The university as a *trainer of the bureaucracy* is closely linked to the other three functions: with the first two because you need a bureaucracy to proselytize and that bureaucracy necessarily is or becomes part of the dominant elite; and with the third function because there is training involved in the generation of knowledge. However, the function of generating knowledge is more than just training.

The function of a university as a *generator of knowledge* should be understood within the context of the needs of the knowledge economy. It is not that the earlier eras had nothing to do with the generation of knowledge. But, this function became more pronounced later.

The focus of this section is also on the characteristics of a university that is poised to succeed in the knowledge economy. Corresponding to Castell's sentiments, in his quest to encourage universities to respond to the challenges of globalisation and the knowledge society, Clark (1998) identifies five characteristics of an entrepreneurial university that will be strategic and agile enough to succeed.

They are an *integrated entrepreneurial culture* that imbues academics to be entrepreneurial 'in the broad sense of this word' (Bentley et al, 2006); *the strengthened steering core* that guarantees dynamic and innovative leadership; *a stimulated academic heartland* that enhances capacities or skills amongst academics, students and support staff; *an expanded developmental periphery* that fosters and facilitates links with business, industry, NGOs, communities and all levels of government; a diversified funding base, which is a necessary condition for institutional autonomy. Indeed, 'a workable 20th century definition of institutional autonomy [is] the absence of a dependence upon a single or narrow base of support' (Babbidge & Rosenzweig, 1962).

The origin and context of Castell's (2001) paper is his report entitled: 'The university system: engine of development in the new world economy' presented at the World Bank Seminar on Higher Education and Development in Kuala Lumpur in 1991. It is evidently

one of the seminal works that may have caused the World Bank to review its anti-higher education, pro-primary education development strategy for developing countries.

The characteristics briefly outlined above are prerequisites for a university that aspires to serve as 'an engine of development', as Castells would have.

4. Trends in University Governance

This section consists of two sub-sections. The first explains and traces the origins of the concept of co-operative governance, which is South Africa's major politico-philosophical approach to governance of higher education. Further, it explains how this concept has translated into policy and legislation. The next presents some international trends on governance systems of higher education.

4.1 Cooperative governance in South African higher education

Bundy (2006) aptly describes the development of the higher education sector since 1994, a significant part of which was in systemic and institutional governance, as something that. '...sometimes seemed like a film projected at fast speed: the sequence is recognizable, but seems jerky, exaggerated and frenetic'.

As stated above, the political philosophy behind university governance in South Africa is that of cooperative governance. This concept of governance was inspired largely by the pre-1994 debates within

the progressive movements on the most appropriate framework for the emerging new state. The underlying element of this concept is that of assuring social justice through establishing social contracts or 'social compacts' (du Toit, 2007), 'in which stakeholders were willing to strike a compromise for the sake of the common and public good (most famously exemplified in the 'sufficient consensus' of the constitutional negotiating process)' (Hall & Symes, 2003).

The concept aligns with one of cooperative government enshrined in South Africa's 1996 Constitution. Section 41 of the Constitution enjoins all state institutions that exercise public power and authority to cooperate with one another in mutual trust and good faith, in pursuance of the public good. The preamble of the Constitution calls for a democratic and open society based on democratic values and democratic government. This is how deep the origins of cooperative governance are.

Little wonder therefore that the first formal process and structure, that of the National Commission on Higher Education (NCHE), that investigated institutional transformation including governance, embedded the concept of cooperative governance firmly in its report. To create a transformed, unitary higher education system, there were to be three pillars, namely, *increased participation, greater responsiveness and increased cooperation and partnerships*.

Within the realm of increased cooperation, partnerships and cooperative gover-

nance, government was to be 'the arbiter who watches the rules of the game being played by relatively autonomous players and who changes the rules when the game no longer obtains satisfactory results' (NCHE, 1996). In this scheme of things, government would not become the sole agent of systemic governance, but would commit to consultation and negotiated solutions to problems in a transparent, equitable and accountable manner, in pursuit of social justice and the public good. Thus, even the arbiter who changes the rules when the game no longer obtains satisfactory results has to abide by the same principle of cooperative governance when those rules are changed. Quite simply, the lacuna of a beholder's eye may 'see' results dimly where somebody else's new cornea may have helped to see the same results brightly. In this respect, Fielden (2008) makes it axiomatic that 'the state is not the best arbiter of how individual universities should operate'.

Important obligations were also placed on institutional managers, academic staff and academic work. All these would participate in a manner that is responsive to national and regional needs.

An important recognition that the NCHE made was that of the interests and aspirations of many external stakeholders, including 'all the sectors and segments of a civil society that is knowledge-driven and knowledge-dependent' and to whose needs and challenges the sector had to be responsive and with whom it would build partnerships (NCHE, 1996). These segments of society are external centres

of knowledge in the knowledge economy, including development institutions. It will be particularly important to keep this in mind when we get to the last section of this paper in order to assess the level of accommodation of these external interests of the knowledge economy in the governance model.

Three models of relationships between government and higher education were mooted by the NCHE, namely, state control, state supervision and state interference. State control refers to centralized and systematic state administration of higher education. The state supervision model shifts the mode of control to that of steering, with government providing a broad regulatory framework and using instruments like planning, funding and quality management to steer the system. The state interference model, if it is a model at all, constitutes seemingly whimsical forms of intervention.

The government of the day accepted most of the proposals of the NCHE and subsequently gazzetted a White Paper on transformation of higher education in 1997. What the paper sought to achieve was 'to redress past inequalities and to transform the higher education system to serve a new social order, to meet pressing national needs and to respond to new realities and opportunities' (Department of Education, 1997).

Cooperative governance, located within the state supervision model, was to be the mantra of higher education governance, as stated in section 3.6 of the White Paper (1997). Whilst reference was made

to 'autonomous institutions' working cooperatively with the state, the White Paper brought institutional autonomy in tension with public accountability, arguing that: 'there is no moral basis for using the principle of institutional autonomy as a pretext for resisting democratic change or in defence of mismanagement ... institutional autonomy is therefore inextricably linked to the demands of public accountability' (Department of Education, 1997).

Three imperatives of public accountability were identified: accounting for the expenditure of public funds; making public the results achieved in spending public funds; and demonstrating how institutions meet national policy goals and priorities.

In addition to these imperatives, the Higher Education Act of 1997, enacted about three months after the White Paper was gazetted, provides the Minister of Education with a number of instruments that include amongst others: a buffer body, the Council on Higher Education (CHE) whose role is to advise the minister, particularly on quality assurance; the responsibility to allocate funds in a fair and transparent manner; the authority to intervene in cases of maladministration through the appointment of an independent assessor, but with the CHE's involvement.

The Act puts in place four major structures of governance, namely a (University) Council, a Senate, an Institutional Forum and a Students Representative Council (SRC). The University Council, which is the

highest decision making body, consists of lay members of the public and experts from all walks of life who govern the university in the public interest. Councils do not actually directly represent the Minister, even though the Minister appoints ministerial representatives who are normally a minority in Council.

The Senate is a body whose major concern is the planning and delivery of academic and research programmes. At face value, the Senate has a level of independence from the Council with respect to its academic mandate, save for when resources are required. In such a case, which is almost always, the Council has the ultimate authority. This brings some potential tension between the Senate and the Council in that academic authority is devoid of authority over resources.

These two bodies have been part of the higher education governance landscape for many years. But, they were democratized in that for example, the Senate had to shed its image as the network of the professoriate. Some junior members of staff, non-academic staff and students had to be accommodated as part of the imperative of cooperative governance.

A relatively new invention in the act is the Institutional Forum. This body consists of a motley group of internal stakeholders - student groupings, staff associations and unions, lower level academic staff, non-academic staff, to name but a few. Its main role is that of advising Council on (social) transformation.

Its precursors are broad transformation forums that mushroomed in the early nineties from amongst the different internal stakeholders, outside the legislative framework that existed then. In some cases these bodies effectively ran or otherwise destabilised universities because of the crisis of legitimacy of governance and management and their massive numbers as against the relative (il)legitimacy and paucity of numbers of Councils and management teams.

Beyond their natural fit within a cooperative governance model, including this body in the Act was actually a grand political strategy for the Minister. They could be reined in and be subjected to a legislated environment. They knew they had more power within an unregulated environment. But, they could not justify keeping out of a legislated environment and continue to claim they wanted to build a coherent and a coordinated system of governance. This is probably why they settled for an 'advisory' role rather than a more formal role. In this role they remain with 'one foot in the door and the other one outside'. They advise the Council, and if that advice is not taken, they could effectively take to the streets.

The SRC should really be seen as a major stakeholder in the decision making bodies - the Council and the Senate - rather than a structure of governance with powers to 'legislate'. Even SRC Constitutions have to be approved by some other body, usually the Council. Its role is more about representing the interests of students. Like the Institutional Forum, the SRC

will always have a crisis of identity and power because of a lack of decision making power.

4.2 International trends on university governance

This sub-section concentrates on the regulatory framework and much less on the origins and philosophy of governance in other parts of the world.

Evidence abounds that the state supervisory model remains the most popular, in both the developed and the developing world (Bundy, 2006; Cloete, et. al, 2002; Fielden, 2008). There will always be nuances arising from amongst others, political histories, prevailing cultures, the age and the size of the system, and imperatives of change that countries seek to respond to. Without doubt, there is a move towards state supervision even in those countries that just recently had state control as a model. For example, Japan passed the National University Corporation Act in 2003 that made all its national universities legally autonomous with greater powers delegated to the president and a governing board. Singapore also passed similar legislation in 2005 making its three universities autonomous and 'corporatised'; technically they become not-for-profit companies limited by guarantee. This is not strictly necessary if legislation has confirmed their independent status, but it does ensure that universities will be subject to some of the financial and reporting disciplines

that apply to corporations (Fielden, 2008).

Major parts of continental European practice the state control model, with the United Kingdom being an exception (Cloete et. al., 2002). In the United Kingdom, according to Bundy (2006):

[T]he defining characteristic of the governance system is 'steering at a distance' - a combination of central control and decentralized authority. Universities are simultaneously deregulated (that is, permitted to become more entrepreneurial and more competitive) and more effectively regulated, through compliance with centrally set norms.

Some of the continental European countries are slowly abandoning the state control model. In Germany for example, the State of Nord Rhein-Westfalia has recently allowed its 33 university institutions the freedoms to decide which professors to employ and what courses to offer, decisions that had been taken previously at the centre (Fielden, 2008).

Gumport (2000) asserts that the U.S.A exhibits two dominant positions: the university as a social institution and the university as part of the national economy, that is, as an industry.

Clearly, therefore, the trend across the world seems to be towards the state supervision model and slightly more than that. But, there are some notable

exceptions in Africa. Botswana, for example, has created a classical buffer body, the Tertiary Education Council whose role will be to oversee all its tertiary institutions in a state controlled model. This is dissimilar to South Africa's Council of Higher Education (CHE), a semi-buffer body, whose substantive role is advisory to the Minister in the areas of quality assurance, accreditation and audits. Even at that level, the CHE's role has been more developmental than controlling.

5. Assessment of Cooperative Governance in Relation to State Actions and the Demands of the 21st Century

It is clear from the preceding sections that South Africa's cooperative governance, embedded within the state supervision model of governance, is not off the mark in global terms, but is certainly insufficient.

5.1 The jettisoning of cooperative governance

More acute tensions between government and the rest of the higher education sector became pronounced after the National Plan for Higher Education was released in February 2001, and after the National Working Group produced its report later that year. This plan was about what government called efficient and effective use of public funds, with proposals for restructuring the system through mostly involuntary incorporations and mergers. This

resulted in the reduction of higher education institutions from 36 to 23. There was great contestation then, as there still is now, about the purposes, appropriateness and successes of these mergers (see for example, Jansen, 2003; Hall, et al, 2004).

A number of authors decried institutional restructuring and apparent collusion between the Minister and the CHE, as suggested by the proposals formulated by the CHE Task Team in Size and Shape. This process was seen as a 'top-down', rigid, bureaucratic and interventionist approach more akin to state interference than a steering approach in which the state supervision model is embedded (Cloete and Kulati, 2003; Kraak, 2001).

Around the same time a number of amendments to the Higher Education Act, 1997, were taking or had taken place. While some serious institutional problems had arisen that required some action and tighter controls in the governance of the system (see Habib, 2001), there is no irrefutable proof that the concept of cooperative governance rather than just plain mismanagement and misgovernance had been the cause of the problems.

The Higher Education Amendment Act 55 of 1999 allows the minister to appoint an administrator in a case where there are serious financial and other forms of mismanagement. The administrator envisaged here is not the independent assessor provided for in the main Act who would be appointed from a

panel selected by the CHE. Clearly, this is a departure from the principle of cooperative governance because the cooperative model of appointing independent assessors through the CHE could have been used.

The Higher Education Amendment Act 54 of 2000 requires that the minister gives approval for loans and overdrafts above a particular threshold that a Council would approve; and also approval for infrastructure developments. It should be admitted here that this managerial intervention was necessary in a system where government subsidy, around the year 2000, constituted an average of 50 per cent of institutional income and where government had to step in to bail out some institutions that had run huge deficits. A sharing of authority with Councils seems fair in this regard. However, given that government funding at about 40 per cent in 2006 and external income at about 32 per cent in 2006 (as reported in section 5 below) are not that far from each other, would this justify business and industry having some say, too?

The Higher Education Amendment Act 23 of 2001 provides for the indefinite appointment of the administrator and the repeal of Private Acts of institutions. As in the other Act on appointment of administrators, the principle of cooperative governance that should at least involve the CHE was jettisoned.

Parallel to these legislative changes, the Minister increasingly used executive

powers in introducing a new funding model. Cloete and Kulati (2003) argue that: 'This model is not an interactive steering approach; rather, it is much closer to the centralized state-control approach rejected in the White Paper as a model of governance'.

Many academics, researchers, academic managers and public intellectuals understood these drastic measures as state interference rather than supervision. As argued earlier, the state supervision model is closely related to cooperative governance. In turn, academic freedom, broadly defined a lá Moodie, is better guaranteed under the state supervision and cooperative governance models.

Government has not been without supporters or apologists. Hall & Symes (2002) justify government's departure from cooperative governance and state supervision, and what academics would see as an assault to academic freedom (and institutional autonomy), as 'conditional autonomy', which they argue should replace the notion of cooperative governance. They argue for a hierarchical form of governance with the Minister essentially exercising unfettered executive powers. Cooperative governance was meant to tamper with precisely those notions of superiority that the apartheid government was known for (Cloete and Kulati, 2003; Moja, *et. al.*, 2003). When a new democratic state begins to be compared with a repressive apartheid state, one must understand the depth of frustration with the system.

5.2 The funding crunch around 2001

Between 1986 and 1994 higher education experienced either falling or stagnating government funding. During this period the system experienced 73 per cent growth in student numbers, whilst the unit value of government funding per student fell sharply in real terms. Whilst in 1986, government was able to meet 90 per cent of its obligations to the sector according to the then prevailing formula, in 1994 only 65 per cent of the commitment generated by the formula could be met. The period up to 2001 was not rosy either as government funding per student unit between 1997 and 2001 remained constant after the fall experienced between 1986 and 1994 (Bunting, 2002).

Higher education institutions had to contend with historically less and currently inadequate funding, more demands and prescriptions and a controversial retreat from cooperative governance. This state of affairs plunged the relationship between government and higher education institutions further into the doldrums and caused more anguish in a system where deliberation and persuasion are preferred. There could therefore only have been more calls for academic freedom to be protected against a government and a Minister seen to be legislating and decreeing the demise of the system.

Another new phenomenon in higher education funding has emerged: that of the shifting proportions between block grant funding and earmarked

funding. In short, block grant funding allows a higher education institution and its Council to decide on their own priorities and fund them from it; whilst priorities for earmarked funding are prescribed by the Minister. In 2004 the ratio of block to earmarked funding was 87:13 percentage points whilst in 2008 this ratio stood at 80:20 percentage points. This means that the Minister is exercising disproportionate authority on the direction of developments - academic related and infrastructure - at universities. Most unfortunately, there is little or no transparency on either the choice of those priorities or the levels of funding allocated to each university on that basis.

Thus, even though everyone welcomes and appreciates that since the 2007/8 financial year, and so far up to the 2011/12 financial year, about R5 billion of new funds have been invested in higher education, it is the Minister that unilaterally decides on the priorities and the allocations without any form of deliberation with the sector. At a June 2007 workshop of Higher Education South Africa (HESA) - an association of Vice-Chancellors of Universities, this concern was raised with the Minister. A curt answer was given to the effect that this had been the Minister's prerogative and the Minister would brook no request for deliberation and greater transparency on that.

This environment remains rather inimical to cooperative governance and the state supervision model; it remains a looming threat to academic freedom, broadly defined.

5.3 Cooperative governance and the demands of the knowledge society

In sub-section 4.2 above on international trends on university governance, the reader will observe that even countries that have been using the state control and state interference models are moving away from those models towards state supervision. Under these circumstances, the recent developments as explained above can only be seen as bucking international trends, for better or for worse.

The author believes that it is for worse. As stated in sub-section 4.1, so many believe that the state is not the best arbiter on how universities should operate and that it is never the best resourced in terms of intellectual and operational capacity to run universities closely, efficiently and effectively. Indeed, the global knowledge society is a more post-modern society with less rigidity and less inflexible control measures.

Returning to cooperative governance, in this sub-section the author wishes to explore how this concept may resonate with the demands of the knowledge society.

Whilst the author supports the concept of cooperative governance as a political philosophy, it has several limitations that will never allow institutions to be agile in broader developments of the knowledge society taking place at break-neck speed.

Cooperative governance as a framework for engagement and deliberation (Coughlan, 2007) does not provide a clear view of what the system or the 'social institution' (Gumport, 2000) needs to aspire to as outcomes of the very processes of engagement and deliberation. It gives a view of deliberation for its own sake. Nothing is for its own sake any more. Even research ceased to be seen as such many years ago (Gibbons, 1994).

South Africans are very good in creating frameworks and processes whose outcomes may not always be apparent. Calls for transformation in the early nineties were actually about changing faces and seats, and very little in terms of assuring advancement of the core business of the university beyond those new faces. It is only fairly recently that questions are being raised about experience, competence, value-add of those new incumbents. Sadly, appointments in higher education, even of Vice-Chancellors, have not always been about matters of quality and institutional advancement.

In sub-section 4.2 above, Gumport (2000) makes it clear that the American system has gone for the model of a university as part of the national economy or as an industry. As noted in that section, the Singaporean example is that of a 'corporatised' university. There is nothing in the cooperative governance model that conjures up notions like these, except for creating a social rather than an industrial or entrepreneurial balance. This critique of cooperative governance

notwithstanding, the author believes the concept does not have to be jettisoned as a framework for engagement and deliberation. Rather, an advancement-prone model should be superimposed on cooperative governance. Some extrapolation between cooperative governance and for example the 'university as an industry' (Gumport, 2000), the 'university as an engine of development' (Castells, 2001); the university as an 'entrepreneurial university' (Clark, 1998) or the university as a generator of knowledge for the knowledge society (Gibbons, 1994) should then be made.

Extrapolating between cooperative governance and the university as an 'engine of development' requires re-definition or refinement of two types of spaces within the university. This is what the author calls: re-conditioning the engine. The two spaces are *engagement spaces and transactional spaces*. There are many notions of transactional spaces, especially in the information technology and telecommunications fields. Authors who appropriate this notion outside these fields do not necessarily delineate these two spaces as this author believes should happen in order to keep the meaning of the phrase as close as possible to its origins (see, Buselich, 2007; White, 1997). Further, two types of agents are required, namely an *entrepreneurial academic and an academic entrepreneur* to interact within these spaces.

By *engagement spaces*, the author is referring to those formal and informal structures like the Council, the Senate,

institutional debates and seminars, respectively, that allow stakeholders of the university to engage and deliberate on the core and other related business of the university. This distinction is important in that academics do not just transact without first deliberating.

There is no deliberate and purposeful involvement of business and industry or development partners in these formal structures. Even though the Higher Education Act (1997) allows for appointment of experts to Councils and most university statutes identify the areas of focus, in some universities just about anybody could be appointed under such a category. There are no clear rules or at least guidelines about the minimum requirements expected of those experts. This tends to edge out of the picture real experts from business/industry and advancement partners in favour of some social or political 'experts'. In the informal structures like debates and seminars, it is only the university that decides on the agenda and its relevance to the formal academic programmes. Space needs to be created so that agendas of the 'university as an engine of development' could be incorporated as part of the core business.

There is, therefore, a need to ensure that at least a third of Council members and at least 10 per cent of the Senate consist of representatives from business and industry or advancement and development partners. Concomitantly, a well planned and orchestrated inclusion of this group requires clear rules or guidelines on the experience and

qualifications of those experts relevant to the business of higher education.

This group of potential representatives has been increasing its financial contribution to higher education over the years (an average of 32 per cent in 2006), whilst government's contribution has reduced from, on average about 50 per cent in 2000 to 40 per cent in 2006. At 40 per cent and 32 per cent (in 2006) government and this group are almost equal contributors to higher education. In fact, if business and industry could just contribute at least 25 per cent more than the current levels, they could possibly edge out government as the main contributor.

Business and industry, together with advancement and development partners must think seriously about the prospects that these converging levels of contribution mean in terms of the power and authority they could collectively command. With a little bit more of investment, all the powers the Minister has assumed could be shared with business and industry and advancement or development partners. But then, the university would have a chance to be 'corporatised' like in Singapore, should any one wish to go to that extreme.

By *transactional spaces*, the author refers to systems, processes and programmes available at a university for business and industry and development partners to transact with ease. They may also involve some related operational structures (like centres, trusts or section 21 companies)

that may help to streamline systems and processes. This is the closest one could get to the Singaporean model of 'corporatised' universities referred to earlier. University systems and procedures are notoriously elaborate and inefficient for the business world and the knowledge economy. Unlike spaces of engagement, transactional spaces are spaces of just-in-time delivery on the core and other related business.

Transactional spaces also involve programmes that allow a revolving door between a university and business/industry or the advancement and development partners. This could be in the form of scholarships, research chairs, subventions, centres of excellence or competence that allow the partner to benefit from areas of research academics are interested in and that resonate with their interests.

Universities must increase the scope of these transactional spaces as a matter of urgency. These spaces allow the university to do its business with more flexibility, and opportunities in the knowledge economy could also be exploited. Those running these transactional structures must run them on business principles and they must not just be regular academics. Entrepreneurial academics and academic entrepreneurs would be the most appropriate people in this regard.

Entrepreneurial academics are those academics and researchers with an

entrepreneurial spirit (Clark, 1998). They are strong and productive academically, but they are also agile and progressive when it comes to interacting and benefiting from what the knowledge economy has to offer in the *expanded development periphery a lá Clark*. They might feel stifled if the university does not allow them opportunities to play freely in the transactional spaces. Neither would they be comfortable being completely outside the university environment. They are the best agents to effect changes in the culture, approaches and methodologies that obtain at a university, for the benefit of business and industry and eventually society.

Business and industry and advancement or development partners must give accommodation to these entrepreneurial academics in their research laboratories and spaces, through joint projects and subventions of their salaries so that they stay at universities but produce research that could also have direct benefits for business and industry. Although it does not go far enough, the Tertiary Human Resources in Industry Programme (THRIP) that the Department of Trade and Industry funds and the National Research Foundation (NRF) runs, is a good example of a revolving door that could be created between the university and business/industry.

It would be appropriate for anyone to ask: what happens to the soul of academe and the public good when business/industry and development partners

invade. The soul of academe was never guaranteed to be free during the times of ecclesiastical patronage; neither could it be guaranteed to be free from government control as the exposition on cooperative governance shows. Just like a closer relationship with the church and the state may be an ideological position, so is the case with business/industry and development partners. In any case, the private and the public good are so inextricably linked as to be able to make a clear distinction any more.

Academic entrepreneurs are those entrepreneurs, businesspeople and industrialists who have an academic orientation. Like entrepreneurial academics, they might not be interested in leaving the business world, but they

remain interested in research and contributions that universities could make to enhance their core business. Universities should see these as strong allies who are likely to bring business into the transactional spaces created. A revolving door should be created through adjunct professorships and other mechanisms so that they could spend some limited time imparting their knowledge of the world of work and perhaps refilling their academic curiosities.

If the two spaces and the two agents could be used to turn universities around, the University of the 21st century would be a different place, indeed a re-conditioned engine of development and advancement in our society.

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