Article

Social policy, social citizenship and the historical idea of a social democratic welfare state in South Africa

Robert van Niekerk¹
r.vanniekerk@ru.ac.za

Abstract
This paper continues the development state theme in historical context, but with a greater focus on very recent developments. The developmental state as a strategic objective is largely taken as a given with policy discussion reduced to how the current state form could be reformed to achieve the outcomes posited for a developmental state. This paper argues that this is an a-historical approach that fails to engage with the history of ideas and the policy frameworks which emerged within the liberation movement to inform the type and nature of the democratic state which could overcome the legacies of colonialism, segregation and apartheid. These ideas were articulated in the 1940s by the ANC in seminal policy documents such as ‘Africans’ Claims’. The argument is made, significant from the perspective of the mainstream VOC approach, that the business sector in the 1940s did not present an organised force in the debate on social policy reform. Organised business largely employed a laisser-faire approach to the health, education and welfare of urbanising Africans, contingently supporting government commissions established during the ‘war years’, where it served their interests. In the post-apartheid era the Reconstruction and Development Programme (RDP) base document reflected this historical trajectory and gave further impetus to the idea of a social democratic welfare state. The advent of GEAR and ASGISA represented a shift in emphasis – giving greater primacy to economic growth as a condition for meeting social imperatives. Yet the role of business, both progressive and conservative, and its impact on social policy debates, in this period was more apparent than in the 1940s.

Introduction
The central aim of this paper is to provide an historical account of the emergence and evolution of the idea of a social democratic welfare state
within the non-racial, democratic liberation movement— a state which could overcome the legacy of colonialism, segregation and apartheid. Implicit in this examination is the view that current debates on the form and content of a ‘developmental state’ are unsatisfactory because they are ahistorical, failing to engage the strategic and still largely unanswered questions on a post-apartheid state form confronted by the liberation movement in previous eras. The need for such a re-examination is signalled in current statements which polarise the policy alternative of a ‘welfare state’ with that of a ‘developmental state’ without providing a compelling account of why the welfare state is less applicable to overcoming the legacy of poverty and inequality than a ‘developmental state’.

Alternatively the welfare state is imputed with values which reflect an ideologically narrow interpretation which is contradicted by the aims posited of a ‘non-welfare’ developmental state— but which are in fact the historical goals of the classical welfare state. President Zuma in an address to business in Cape Town said ‘We cannot be a welfare state. We cannot sustain a situation where social grants are growing all the time and think it can be a permanent feature’ (Zuma, 2011 quoted in Sowetan). These views are repeated often in the policy discourse of the ruling party, including in major policy gatherings. In the Commissions and Draft Resolutions of the African National Congress (ANC) National Policy Conference in 2007 for example, under ‘social transformation’ it is asserted that

We are building a developmental state and not a welfare state given that in (sic) welfare state, dependency is profound.3 (ANC 2007a)

However in the ‘Strategy and Tactics’ document endorsed at the ANC 52nd National Conference of 2007 the following statement on a ‘national democratic society’ is asserted:

A national democratic society should use the redistributive mechanism of the fiscus to provide a safety net for the poor. As such, built into its social policy should be a comprehensive social security system which includes various elements of the social wage such as social grants, free basic services, free education, free health care, subsidised public transport and basic accommodation.4 (ANC 2007b, my emphasis)

The second part of the latter statement represents, in fact, all the key attributes of a classical welfare state, reminiscent of the post-war British welfare state inaugurated by a landslide, left-wing Labour government under Clement Attlee which was willing to nationalise key industries and implement a policy of full employment to give effect to the goals of post-war social
The historical idea of a social democratic welfare state in SA

policy. This post-war democratic welfare state was the inspiration for generations of thinkers within the ANC who saw its value for a post-segregation post-apartheid South Africa.

The current South African ‘image’ of a welfare state is unhelpful and stems from neo-liberal critiques of the welfare state prominent in the US and UK in the 1980s during the hegemony of the Reagan/Thatcher era (Jencks 1992, King 1999). Indeed one suspects that as currently used in South Africa the ‘Welfare’ in ‘Welfare State’ is narrowly interpreted and derives from the pejorative description of social assistance benefits in the US as ‘welfare’. Indeed the association of cash transfers to ‘dependency’ is also rooted in that neo-liberal tradition and originates particularly from a right wing free-marketeer – Charles Murray (Murray 1987) – a conception which provided ideological justification for free-market policies aimed at, firstly, systematically dismantling the state’s role in publicly provided services; and, secondly, privatising these services.

Let us be reminded that this negative conception of welfare was restated by Margaret Thatcher in a lecture tribute to Ronald Reagan on the ‘Goals of Conservatism’ in 1997 where-in she said that

...the so-called Peace Dividend went principally to pay for welfare. This in turn has harmed our countries both socially and economically, worsening trends which had already become manifest. Welfare dependency is bad for families, and bad for the taxpayer. It makes it less necessary and less worth-while to work. The promotion of idleness leads, as it always does, to the growth of vice, irresponsibility and crime. The bonds which hold society together are weakened. The bill – for single mothers, for delinquency, for vandalism – mounts. In some areas a generation grows up without solid roots or sound role models, without self-esteem or hope. It is extraordinary what damage is sometimes done in the name of compassion. The task of reversing the growth of welfare dependency and repairing the structure of the traditional family is one of the most difficult we in the West face. (Thatcher 2007)

Is this the thinking that informs the ANC 2007 draft resolution on ‘welfare dependency’? The rest of the ‘Strategy and Tactics’ document, framed in an inclusive language compatible with social democracy, suggests not.

In contributing to the debate on a developmental state it is thus instructive to re-examine the history of thinking within the liberation movement on ideas on social policy and social citizenship, which cumulatively amounted to the advocacy of a social democratic welfare state. Hopefully with this background we can open up a more meaningful dialogue with the history of ideas on
alternative forms of the state which can overcome the legacy of colonialism, segregation and apartheid, the effects of which are still visible 14 years into South African democracy.

The ‘war years’ of the 1940s and the origins of inclusive social citizenship and the idea of a social democratic welfare state

It has been established that the 1940s in South Africa and globally was a period of political ferment caused by the war against fascism. The war created the political conditions for new types of inclusive social policy to emerge and for far reaching discussions and policies on social rights of citizenship and a welfare state to be held and developed into policy in South Africa. The spur to these social policies and discussions of a post-war welfare state was the Atlantic Charter of 1941, an agreement between Roosevelt and Churchill on the fundamental principles which should inform a post-war world after the struggle against fascism and Nazism was won. The Charter made provision most significantly for ‘the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self government restored to those who have been forcibly deprived of them’, and the ‘fullest collaboration between all nations in the economic field with the object of securing, for all, improved labour standards, economic advancement and social security’ (Atlantic Charter, quoted in Brinkley and Facey-Crowther, 1994).

While discussions occurred in both the ruling white government of Smuts and the opposition ANC led by Dr AB Xuma on the implications of the Atlantic Charter, they were underpinned by fundamentally different world views and intended outcomes for its implementation. On the part of the government, the war against fascism had led the Smuts government to depend on African citizens’ economic and political support for the Allied war effort. This induced an expedient search for alternative reformist social policies that could relieve the poverty of urban Africans and enlist their support for the war effort. Black people initially did not support the war, however, because of the denial of the franchise and the government’s refusal to allow them to bear arms in war if they were enlisted. However, the recommended social policies which did emerge from ‘liberal’ government committees such as the 1942 Smit Committee on the Urban Conditions of Africans which advocated the extension of housing, health and welfare provision to urban lack people, and the 1944 Gluckmann Commission’s proposals for a nationalised, non-racial health service, were not implemented
because they required the removal of powers over health care delivery from the provinces and confronting the refusal of white municipalities to cross-subsidise housing for Africans. The Smuts government was unwilling to do this as it sought to appease white people’s political interests. Smuts, in particular, played a decisive role in preventing the public support for the work of the Gluckmann Commission on a National Health Service gaining momentum by making a declaration, in advance of the release of the report, that the current constitutional arrangements would prevail, with provinces remaining in control of general hospitals. The statement issued said that the proposed national health service scheme

…would necessitate far-reaching changes for which the country is not ready. (Hansard, vol 51, 1945, col 2160)

Smuts was careful not to reverse the promise of new post-war welfare arrangements, as there was a huge expectation from the white electorate that their support for the war would result in the implementation of a post-war ‘people’s charter’ espoused during the war years by Smuts. In this period of the 1940s the business sector did not present an organised force in the debate on social policy reform. Organised business largely employed a laissez-faire approach to the health, education and welfare of urbanising Africans, contingently supporting government commissions established during the ‘war years’, where it served their interests. This is illustrated in the case of the response of industry to the rapid expansion of the urban black population, following the relaxation of the pass laws. Between 1930 and 1943 local authorities had built 15,700 houses. The Social and Economic Planning Commission in 1943 determined, however, that 125,000 additional housing units were required for ‘non-Europeans’. No housing provision was made by industry for the influx of workers who were meeting the labour needs of the war economy, leading to the rapid development of squatter settlements, in Johannesburg in particular where up to 90,000 people lived in squatter settlements (Hellman 1948: 243-6, Thompson 2000: 178). The Smuts government in turn was supportive of business in the repression of African labour movements who struck for better working and welfare conditions for urban workers. A key issue in labour disputes in the 1940s was the level of African wages which was set at too low a level to support the basic social needs of urban African workers, with cost of living exceeding any increase in wages (Thomson 2000: 179). The Chamber of Mines, the most significant employer of urban African labour, refused the recommendation of a government commission in 1946 to increase wages. The African Mine-
workers Union, demanding a minimum wage of 10 shillings and ‘adequate food’, went on strike (Alexander, 2000: 103). The strike was brutally suppressed by the Smuts government, reflecting the fact that no substantial basis existed for a longer term social compact between black labour, the state and the organised business sector, other than the contingent and tenuous relationships established in the context of the war effort against Nazi Germany.

In parallel with these inquiries over future social policy, a range of social security legislation was enacted by the Smuts administration in the 1940s which benefited white workers but excluded the bulk of black workers (such as agricultural, domestic and mining workers). Permanent urban black workers who were included were nonetheless discriminated against in terms of the benefits they received. The new provisions of social policy were, in effect, leading to the creation of a welfare state for whites and, as Titmuss (1974) would describe it a ‘diswelfare’ state for blacks. This ‘diswelfare state’ was characterised by racialised social policies leading to a lack of social protection for blacks in employment and an undermining of their health and wellbeing.

**The ANC, ‘Africans’ Claims’ and unqualified social rights of citizenship**

The limits to creating an inclusive welfare state were further emphasised when the ANC under AB Xuma, its president between 1940 – 1949, established a Committee to examine the implications of the Atlantic Charter for Africans at the 1942 annual conference of the ANC. This Committee reported to the next annual conference at Bloemfontein, on December 16, 1943, and presented a document which amounted to a blueprint for an inclusive South African Welfare State. The document, ‘Africans’ Claims in South Africa’, presents a comprehensive statement on the universal extension of political, civil and social rights to all citizens without regard to race, creed or class.

The impact of the international rights-based Atlantic Charter of 1941, which established the ideological foundations for a future post-war settlement, deeply influenced anti-colonial and South African opposition political movements. ANC leaders such as AB Xuma were already exposed to rights based discourse through their educational activities in the 1930s at universities and intellectual engagements with rights based activists in the United States in institutions such as the Tuskegee University established by Booker T Washington for African-Americans. Xuma and other leaders
such as ZK Matthews were acutely interested in the implications for black people in South Africa of the advocacy of global democratisation by Allied leaders, the United States in particular, in opposition to fascism and Nazism. Their thinking on these concerns of political and social citizenship was distilled in ‘Africans’ Claims’.

It explicitly applied the political, civil and social rights advocated in the Atlantic Charter of 1941 and endorsed by Jan Smuts to the disenfranchised position of Africans in South Africa.

For us in South Africa particular significance attaches to [the Atlantic Charter] … because of its endorsement on more than one occasion by Field-Marshall Smuts, who has announced that the post war world will be based upon the principles enunciated in the Atlantic Charter. (Preamble to ‘Africans’ Claims’, 1943, in Karis and Carter 1987a: 211)

Tellingly it equated the rights to self-determination presented in the Atlantic Charter to the position of ‘Africans now held under European tutelage’: ‘In the African continent in particular, European aggression and conquest has resulted in the establishment of Alien governments which … are not accountable to the indigenous inhabitants’ (quoted in Karis and Carter 1987: 214). This was a direct rejection of the principles of trusteeship and of colonial rule, the basis of Smuts’s ‘native policies’.

The section on a Bill of Rights in ‘Africans’ Claims’, echoing the American Declaration of Independence, set out the most direct and unequivocal statement of African expectations for full, unqualified rights to citizenship: ‘We, the African people in the Union of South Africa, urgently demand the granting of full citizenship rights such as are enjoyed by all Europeans in South Africa’ (‘Africans’ Claims’ 1943, quoted in Karis and Carter 1987a: 217). The Bill of Rights then stipulated in greater detail the content of such citizenship. It included civil rights

... to equal justice in courts of law, including nominations to juries and appointment as judges, magistrates and other court officials.
Freedom of movement, and the repeal of the pass laws.
The right to own, buy, hire or lease and occupy land and all other forms of … property.

It included political rights, based on
Abolition of political discrimination based on race … and the extension to all adults, regardless of race, of the right to vote and be elected to parliament, provincial councils and other representative institutions.
The right to be appointed to and hold office in the civil service and in all branches of public employment.

It was in its depiction of social rights, however, that the clearest statement on the role of government to its citizens, thinking synonymous with that of a future welfare state, emerged:

- The establishment of free medical and health services for all sections of the population.
- The right of every child to free and compulsory education and of admission to technical schools, universities and other institutions of higher education.
- Equality of treatment with any other section of the population in the State social services, and the inclusion on an equal basis with Europeans in any scheme of social security.
- The extension of all industrial welfare legislation to Africans engaged in Agriculture, Domestic Service and in Public institutions or bodies.

(‘Africans’ Claims’ 1943, quoted in Karis and Carter 1987a: 217-222)

The ANC’s Bill of Rights of 1943 as contained in ‘Africans’ Claims’ started from civil rights. These in turn led directly to political rights and finally to recognition of social rights. These claims interestingly prefigured TH Marshall’s famous 1950 essay on citizenship and the evolution of rights through three stages (Marshall 1992 [1950]). It represented the most significant statement on universal rights of citizenship regardless of race, creed or colour in the period of the 1940s, and in its universality was arguably a more significant place to identify a tradition of social citizenship than the qualified statements on citizenship found in the work of liberal reformers in the Smuts government.

‘Africans’ Claims’ was, however, rejected by Smuts on the basis that the Atlantic Charter did not apply to blacks in South Africa. The failure to implement the recommended social policy proposals and the rejection of the universal citizenship provisions of ‘Africans’ Claims’ powerfully suggests that the emergence of a tradition of ‘social citizenship’ and a welfare state based on inclusive social policies traces its roots not only to the partial liberalism of sections of the white establishment but to the struggle to establish a new agenda for political change within which were located ideas of inclusive social policy. This was primarily led by thinkers within the black political movement such as AB Xuma and ZK Matthews, leaders of the African National Congress, and given expression in ‘Africans’ Claims’. The rejection of ‘Africans’ Claims’ revealed the limits of South African liberalism.
in relation to questions not of social rights but of the franchise – in the absence of political rights social rights cannot be guaranteed or even delivered in the first place.

Significantly the discourse of social rights enunciated in ‘Africans’ Claims’ was similar to a social democratic discourse emerging in Britain through the Labour Party and left wing groups on direct government provision of health, education and income maintenance, to all citizens regardless of their social position.

It is instructive to contrast the emergence of the idea of a welfare state during the war years in Britain with South Africa during the same period. Ideas which informed the welfare state which emerged in Britain during the war years was distinguishable from the pre-war ‘non-welfare’ state in Britain by the universalist principles of social policy which informed post-war social legislation.

It is also no coincidence that the White Paper on Employment Policy of 1944 which followed the publication of the Beveridge Report of 1942 and its universal vision of a post-war society based on social insurance and full employment, suggested that economic policy should underpin such a vision and not circumscribe it.

The Employment Policy White Paper radically set out that the government accepts as one of their primary aims and responsibilities the maintenance of a high and stable level of employment after the war. (Government of United Kingdom, 1944: 3)

The Employment Policy White Paper also directly reflected the influence of Keynesian economics. In his seminal work *The General Theory of Employment, Interest and Money* (1936) Keynes argued that unemployment was a consequence of lack of effective demand. The inability to purchase goods meant that production was undermined and this led to unemployment. If the government could stimulate demand however, by spending, the cycle would be reversed; there would be greater levels of production and circulation of money and employment would rise. The government thus needed to intervene in the economy as necessary to ensure that demand was sufficient and in this way prevent unemployment.

The introduction of a post-war welfare state in Britain encompassing rights to social security, education, health (and later housing and social care) was seen as an evolution of citizenship to encompass social rights which ensured ‘…a modicum of economic welfare and security …’, as
described by Marshall (1992 [1950]). Implicit in Marshall’s work are that the two preceding classes of rights (and citizenship) – civil rights, concerned with ‘...rights necessary for individual freedom-liberty of the person...’, and political rights ‘...to participate in the exercise of political power...’, are inextricably linked to the establishment of a welfare state. The British case demonstrates that it is only under conditions of a welfare state, the acknowledgment by the state of a duty to provide a minimum livelihood for its citizens, that the exercise of social rights is fully guaranteed (Marshall 1992: 8).

The 1950s, the Freedom Charter and the struggle for the universal franchise
To what degree did the idea of a classical welfare state exemplified in Britain in the mid-1940’s, underpinned by a universal franchise and government intervention to secure social rights of citizenship, continue to influence thinking within the ANC after 1948 when the hard-line National Party (NP) aggressively racialised all forms of social policy on a platform of repression and white domination?

The effects of NP rule was immediately evident in the deteriorating well-being of Africans under apartheid and increased repression of political organisations which contributed significantly to political polarisation between extra-parliamentary opposition groups and the government. In 1949, a year after the NP had come to power, the ANC Youth League, consisting of a new, younger generation of leaders such as Oliver Tambo and Nelson Mandela, unveiled their ‘Programme of Action’. This document signalled a shift in tactics. The ANC led by AB Xuma during the decade of the 1940s consisted of vocal, organised campaigning by an élite leadership representing an increasingly organised constituency around citizenship entitlements. The ANC Youth League, which had benefited from AB Xuma’s mentoring and his painstaking efforts in building the ANC into an accountable, democratic organisation with a clearly defined constitution, emphasised mass protest and civil disobedience to realise their non-negotiable demand for political citizenship rights (Mandela 1994a).

The ANC’s campaigning around rights of political citizenship became a primary focus of its political activities in the 1950s, with the specific concerns of social policy gradually subsumed under this primary political objective. In the climate of state repression of the 1950s, signalled in the draconian Suppression of Communism Act of 1950, social policy became increasingly
The historical idea of a social democratic welfare state in SA

subordinated to the political objective of achieving an unqualified franchise. The period of heightened resistance to apartheid led to a campaign to gather proposals on the form of state which could overcome the legacy of apartheid. This process, in which the ANC was instrumental, culminated in a Congress of the People at Kliptown which inaugurated the Freedom Charter.

The Charter contained a series of ‘demands’ framed by the primary citizenship demand that the ‘People Shall Govern’. In addition to civil and political rights, it contained demands for social rights, including rights related to income maintenance, state-provided free and universal education, rights to housing and rights to free, state-provided medical care. These were framed as follows:

- The state shall recognise the right and duty of all to work, and to draw full unemployment benefits;
- Men and women of all races shall receive equal pay for equal work;
- There shall be a forty-hour working week, a national minimum wage, paid annual leave, and sick leave for all workers, and maternity leave on full pay for all working mothers;
- Education shall be free, compulsory, universal and equal for all children;
- Higher education and technical training shall be opened to all by means of state allowances and scholarships awarded on the basis of merit;
- All people shall have the right to live where they choose, be decently housed, and to bring up their families in comfort and security;
- Unused housing space to be made available to the people;
- Rent and prices shall be lowered, food plentiful and no-one shall go hungry;
- A preventive health scheme shall be run by the state;
- Free medical care and hospitalisation shall be provided for all, with special care for mothers and young children. (Freedom Charter 1955, in Karis and Carter 1987: 205-208)

The Freedom Charter also contained demands about the control of wealth which was predicated on public ownership and presupposed nationalisation as the mechanism to achieve it:

- The national wealth of our country, the heritage of South Africans, shall be restored to the people; The mineral wealth beneath the soil, the Banks and monopoly industry shall be transferred to the ownership of the people as a whole. (Freedom Charter 1955, in Karis and Carter 1987b: 206)
Williams (1988: 81) argues that there are important continuities between the Freedom Charter and previous ANC statements such as the Bill of Rights of ‘Africans’ Claims’ in that they both represented the interests of working people who were ‘unified by the structures of racial discrimination and oppression’. Williams makes the point that the Freedom Charter was distinctive in explicitly claiming South Africa for all its people, in its concern for the rights of all ‘nationalities’ among the people and in taking up demands of women … and it puts forward in a cogent series of declarations which resonate with a wide range of people’s experiences and aspirations in a way that no previous documents ever did. (1988: 80)

The Freedom Charter represented a programme for a future post-apartheid society. Substantively the goals of the Freedom Charter could not be achieved without an interventionist state which could redistribute wealth and resources between the white minority and the black majority.

The comments of ANC president-general, Albert Luthuli, to the 44th Annual Meeting of the ANC in December 1955, are instructive as to the interpretation of the Freedom Charter within the leadership of the ANC. Arguing that the Freedom Charter should be ratified by the ANC Annual Meeting, Luthuli asked

‘What is the implication of the charter? The charter definitely and unequivocally visualises the establishment of a socialistic state. It therefore brings up sharply the ideological question of the kind of state the African National Congress would like to see established in the Union of South Africa.

My own personal leanings are towards the modified socialistic state, patterned on the present-day Great Britain, a middle-of-the-road state between the extreme ultracapitalistic state as we see it in the United States, and the ultrasocialistic state as we see it in Communist Russia ….’. (Luthuli 1955, in Pillay 1993: 84-85)

The Charter was ratified at the ANC Annual Conference in 1955. Its strong advocacy of social rights and state intervention in securing such rights made it compatible with the development of a Keynesian welfare state based on the social rights of citizenship. This state was reflected in the thinking of Luthuli – in 1955 the welfare state was still part of a golden era of state intervention to secure social rights in health, education and welfare.

The Charter met with a hostile response from the ruling National Party under Verwoerd which viewed it as a direct challenge to its state authority.
The historical idea of a social democratic welfare state in SA

The government arrested the leadership of all the major constituent political groups which had been involved in the Freedom Charter campaign, foremost of which was the ANC. Over a period of four years it attempted to prove that the citizenship demands of the Freedom Charter could be achieved only by violent overthrow of the ruling NP government, but it failed to prove this and released the leadership in 1960. The ANC was committed to civil disobedience campaigning which could compel the ruling NP to agreeing to a National Convention.

The NP government, having substantially increased its parliamentary majority amongst the white electorate to 97 of 150 seats in the 1958 elections, rejected this proposal and resorted to increased violent repression of political protest, culminating in the indiscriminate shooting of unarmed anti-pass law protesters in Sharpeville on March 21, 1960. The government declared a State of Emergency on March 30, 1960, effectively outlawing all opposition political activity, and introduced the Unlawful Organisations Act (No 34 of 1960) which outlawed the ANC and the PAC.

The response of the ANC to the banning was contained in a statement by an Emergency Committee of the ANC on April 1, 1960. Recording that the ANC had historically attempted a non-violent, peaceful solution to resolving South Africa’s political problems, it indicated that such a solution was not possible under the current government of Verwoerd:

> The first essential towards resolving the crisis is that the Verwoerd administration must make way for one less completely unacceptable to the people, of all races, for a Government which sets out to take the path, rejected by Verwoerd, of conciliation, concessions and negotiation. (ANC Statement 1960, in Karis and Carter 1987b: 573)

It reiterated political citizenship as its primary demand:

> We cannot and never shall compromise on our fundamental demands, as set forth in the Freedom Charter, for the full and unqualified rights of all our people as equal citizens of our country. We do not ask for more than that; but we shall never be satisfied with anything less. (ANC Statement 1960, in Karis and Carter 1987b: 573)

The banning of the ANC ended all bases for dialogue between the opposition movement and the government on a new constitutional order based on a universal franchise. The ANC focussed its energies on the overthrow of white minority rule and its replacement by a democratic state. The leader of the ANC, Chief Albert Luthuli, in 1962 made explicit the organisational form of the state to replace the apartheid era state.
Robert van Niekerk

‘The solution to the South African problem will call for radical reforms, some of them of a really revolutionary nature. The basic reform will be in the form of the government. At present, there is a government by whites only. This should be replaced by a government which is truly a government of all the people, for the people, and by the people. This can only be so in a state where all adults – regardless of race, colour or belief – are voters. Nothing but such a democratic form of government, based on the parliamentary system, will satisfy’. (Luthuli, 1962)

Luthuli (1962) expressed the mechanisms which the state would employ to achieve its social policy goals of free education, affordable municipal housing, state provided employment for ‘the bulk of people’ who would also enjoy unqualified rights to unionisation:

It is inevitable that nationalization and control – even on a larger scale than now – would be carried out by the government of the day after freedom, if justice is to be done to all, and the state enabled to carry out effectively its uplift work.

State control will be extended to cover the nationalization of some sectors of what at present is private enterprise. It will embrace specifically monopoly industries, the mines and banks, but excluding such institutions as building societies.

Luthuli (1962) then advocated that the new government should have as its objective the creation of a ‘democratic social welfare state’:

I realize that a state such as I visualize – a democratic social welfare state – cannot be born in one day. But it will be the paramount task of the government to bring it about and advance it without crippling industry, commerce, farming and education. (emphasis added)

The discourse within the ANC between 1940 and 1962 on a future state that could overcome the legacies of segregation and apartheid was premised on a state form that was democratic and would intervene in the economy to secure re-distributive social policies in health, education and welfare (income maintenance). The substantive form of such a state was the classical ‘welfare state’, a state which was interventionist and used the powers of government to ensure that economic arrangements ensured full employment and gave effect to post-war social policies for a national health service, free comprehensive education and a non-stigmatising system of social security (Timmins 1995).

The banning of the ANC between 1960 and 1990 meant that the struggle to achieve a democratic state based on universal franchise took priority over
The historical idea of a social democratic welfare state in SA

further discussions relating to inclusive social policies for a post-apartheid welfare state.

**The ANC and social policy in the 1990s**

With the unbanning of the ANC in 1990 a new period of social policy-making ensued. The formal cessation of hostilities and political negotiations between the ANC and the National Party government in the early 1990s represented a new opportunity for discussions on the type of government and policies which could overcome the legacy of apartheid. The actual forum for negotiations between all parties seeking a new dispensation, of which the NP and ANC were the chief protagonists, was called the Conference for a Democratic South Africa (CODESA). The CODESA negotiations took place between 1991 and 1993.

The CODESA negotiations were significant for social policy for two reasons. First, by premising the negotiations on the extension of civil and political rights to all inhabitants, they created the conditions for a dialogue over the principles which should underpin social policies, and by extension social rights, in a post-apartheid South Africa. Whilst the extension of civil and political rights was uncontested, the principles and values which would inform the new social and economic policies in a post-apartheid South Africa were subject to extensive debate. The period between 1990 and 1993, before the democratic elections, consisted of a contestation over the values and principles that should inform the post-apartheid state. The principles underpinning the social policies of the new National Party were ‘residualist’ and ‘neo-liberal’ in character and were based on the introduction of market-based principles into public health and welfare services as well as the privatisation of services, and an onus on individuals to secure health and welfare for themselves. This thinking was reflected in the Ministry of Health’s National Policy for Health Act (116 of 1990). The principles were indicated as individual responsibility for meeting health care needs, cost recovery through means testing, affordability to be the key criterion informing the scope of the health service and encouragement of private sector provision.

The National Party attempted to implement health and welfare proposals which were consistent with a neo-liberal approach to social policy. The ANC meanwhile, with its allies in civil society, were developing a set of social policy proposals that was based on the Freedom Charter, consisting of the right to state provided health, welfare and education with an economic
strategy of re-distribution with growth. This was reflected in the Reconstruction and Development Programme (RDP) base document.

The vision for post-apartheid South Africa: the Reconstruction and Development Programme base document

In 1994, a few months preceding the first democratic elections, the ANC issued its Reconstruction and Development Programme (RDP), a ‘base document’ developed with its allies in the anti-apartheid trade union and civil society movement, which contained the most authoritative statement on its post-election economic and social policies.

In the introduction the RDP unambiguously established the orientation and intentions of a post-apartheid government led by the ANC, as follows:

No political democracy can survive and flourish if the mass of our people remain in poverty, without land, without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of a democratic government. (ANC 1994: 4)

In a revealing passage, the document argues that development does not proceed from economic growth but that the former is integral to the latter:

Growth … is commonly seen as the priority that must precede development. Development is portrayed as a marginal effort of redistribution to areas of urban and rural poverty. In this view development is a deduction from growth. The RDP breaks decisively with this approach … [Where] growth occurs, how sustainable it is, how it is distributed, the degree to which it contributes to building long-term productive capacity and human resource development, and what impact it has on the environment, are the crucial questions when considering reconstruction and development. (ANC 1994: 6)

The RDP set out as its five key policy programmes to achieve its objectives, ‘the meeting of basic needs, developing … human resources, building the economy, democratising the state and society and implementing the RDP’ (ANC 1994: 7).

The RDP located an interventionist role for the government in the economy, stating that the democratic government must play a leading and enabling role in guiding the economy and the market towards reconstruction and development … with a dynamic balance between government intervention, the private sector and the participation of civil society. (1994:80)

It further argued for a strong role for public sector investment, including
nationalisation as an option to achieve an expanded public sector:

There must be a significant role for public sector investment to complement the role of the private sector and community participation in stimulating reconstruction and development. The primary question in this regard is not the legal form that government involvement in economic activity might take at any point, but whether such actions must strengthen the ability of the economy to respond to the massive inequalities in the country, relieve the material hardship of the majority of the people, and stimulate economic growth and competitiveness.

…

In restructuring the public sector to carry out national goals, the balance of evidence will guide the decision for or against various economic policy measures. The democratic government must therefore consider: increasing the public sector in strategic areas through, for example, nationalisation, purchasing a shareholding in companies, establishing new public corporations or joint ventures with the private sector… (ANC 1994: 80)

With regard to health care policy, the RDP advocated that

One of the first priorities is to draw all the different role players and services into the NHS [National Health Service] … Reconstruction in the heath sector will involve the complete transformation of the entire delivery system …

The whole NHS must be driven by the Primary Health Care (PHC) approach. This emphasises community participation and empowerment, inter sectoral collaboration and cost-effective care… (ANC 1994:51)

The mechanism for achieving the transformation in health care is described in the following fiscally redistributive terms:

The RDP must significantly shift the budget allocation from curative hospital services towards Primary Health Care to address the needs of the majority of the people. This must be done mainly by re-allocating staff and budgets to district health services … within a period of five years a whole range of services must be available free to the aged, the disabled, the unemployed… (ANC 1994: 51)

With regard to social security and social welfare, the RDP argued that the problems of welfare inherited from the apartheid era could not be resolved through limited reforms of the current social welfare system:

Apartheid contributed to the destruction of family and community life in various ways. The present racially-based, discriminatory social welfare services are piecemeal responses. They have little impact on the
root causes of social problems and on the disintegration of the social fabric. (ANC 1994: 52)

It then established de-racialisation as a key imperative, stating that the RDP aimed
to transform the existing social welfare policies, programmes and delivery systems so as to ensure basic welfare rights are provided to all South Africans, prioritising those who have been historically disadvantaged. (ANC 1994: 52)

This was to be achieved through ‘developmental social welfare’ which was described as having the following objectives:
the attainment of basic social welfare rights for all South Africans, irrespective of race, colour, religion, gender and physical disability, through the establishment of a democratically-determined, just and effective social delivery system;
the redressing of past imbalances through a deliberate process of affirmative action in respect of those who have been historically disadvantaged, especially women, children, youth, the disabled, people in rural communities and informal settlements… (ANC 1994: 52)

The objective of the reform of welfare was to establish a comprehensive, non-racial, unitary and democratic welfare system, including a negotiated national social security programme, [which] must be introduced to aid the distribution of goods and services within the framework of public responsibility. (ANC 1994: 53)

Within such a system the role of social security was to benefit the ‘historically disadvantaged’,
such as domestic workers, agricultural workers, seasonal workers, workers who are disabled, women, the homeless, and families in rural and informal settlements. (ANC 1994: 55)

Assessed cumulatively, the economic and social policy proposals in the RDP base document suggested a neo-Keynesian strategy of development, where the state intervened through public sector interventions to ensure economic growth and the meeting of social needs.

This position was strongly represented in a speech made by Nelson Mandela to the International Press Institute on February 14, 1994, two months before the first democratic elections:
We are convinced that left to their own devices, the South African business community will not rise to the challenges that face us. The
The historical idea of a social democratic welfare state in SA

Objective of our policies is to create employment as our highest priority. While the democratic state will maintain and develop the market, we envisage occasions when it will be necessary for it to intervene where growth and development require such intervention.

... Public sector investment to provide basic needs and services to the people will be another key area of state intervention. We think that such action could create something in the region of 300,000 new jobs. We would also seek to stimulate further growth and job creation by encouraging public investment in social and economic infrastructure that spurs manufacturing and building a job creation focus into all aspects of industrial policy.

Emphasis on labour intensive methods, maximisation of linkages between manufacturing and infrastructural investment and the beneficiation of our minerals would swiftly alleviate the rate of job loss while creating new jobs for work seekers. (Mandela 1994b)

Whilst the proposed social policies in health and welfare suggestively entertained ideas of decommodification (Esping-Anderson 1990), the RDP base document was principally concerned with building the human resources that would allow black citizens to have expanded life chances in the post-apartheid era, including opportunities in the labour market which had been racially differentiated. The radical, re-distributive impetus in the pre-election social policy proposals of the ANC reflected an intention to break with the racialised social policies of the apartheid era.

These social policy proposals of the RDP base document, founded on an ethic of social justice and acknowledgment of constitutionally guaranteed social rights were compatible with a social democratic welfare state and reflected a continuity with thinking since the 1940s on the need for an interventionist state that prioritised social policy and established economic mechanisms to give effect such social policies.

This agenda was compromised however by an emerging discourse of fiscal and organisational containment in the ANC as it contemplated the delivery expectations that would be placed on it when in government. Mention also needs to be made here of the role of the organised business sector, which presented a range of influential ‘scenarios’ on the political economy of post-apartheid South Africa. On the part of organised business there was a realisation in the 1980’s that apartheid had become unsustainable and with the legitimisation of black trade unionism following the Wiehahn recommendations in 1977 the costs of politicised trade-unionism would be
borne by business unless ‘meaningful political reform’ was pursued (Parsons 2007:5). This spurred a number of interventions by organised business in the economic and social policy debates. The 1992 Nedcor/Old Mutual scenario ‘South Africa: prospects for a successful transition’, prepared by key business leaders and associated consultants working in social sectors such as education, was influential in facilitating the gradual convergence between the economic and social policy positions in the early 1990s of the African National Congress, on the one hand, and the private sector on the other (Segal 2007). The significance of the Nedcor/Old Mutual scenario was that it explicitly acknowledged that any future economic strategy needed to relate economic growth with social development; that a ‘change of gears’ was needed towards an outward looking, manufacture driven economic development strategy in which the meeting of basic needs was to be a central objective as part in the process of implementing the new economic development strategy. It proposed an ambitious plan of low-cost housing, electrification, education and health care (Segal 2007). In line with a social compacting approach it also however proposed wage restraint and controls on strike action (Joffre 1992: 485) This business sector derived scenario formally presented to the ANC’s National Executive Committee was consistent with the ‘growth through re-distribution’ discourse which was to be the emphasis of pre-1994 economic policy deliberations of the ANC and COSATU (and articulated in the Reconstruction and Development Programme base document). This ‘growth through re-distribution’ agenda was to be more fully embraced by the ANC in the subsequent but separately organised ‘Mont Fleur’ scenarios in 1991 sponsored by anti-apartheid civil society groups cohered around progressive academics associated with the anti-apartheid struggle, in particular Pieter Le Roux, a social-democrat and economist based at the University of the Western Cape (Segal, 2007). The National Economic Forum (pre-cursor to the post-1994 corporatist National Economic Development and Labour Council [NEDLAC]) was established in 1992. These economic compacting institutions, combined with the displacement of an alternative re-distributive economic strategy (the neo-Keynesian MERG economic model), consolidated the emerging convergence between the apartheid era government, organised labour, business (including the Chamber of Mines and the Chamber of Business) and the ANC on the economic fundamentals of the post-apartheid transition: a market-based reform of the apartheid political economy (Marais 1998, Van der Westhuizen 2007: 240-6). This was to have significant implications for social policy as discussed below.
The historical idea of a social democratic welfare state in SA

The rise of fiscal conservatism and the diminishing of the idea of a ‘welfare state’ in policy thinking

The social democratic vision for post-apartheid transformation was to undergo a substantive revision after the April 1994 national elections which established the Government of National Unity. The emergence of a fiscally conservative approach to economic policy in the ANC was already apparent by the end of 1993. The Transitional Executive Council, a joint governing authority of the NP and ANC established to oversee the transition to democracy in 1994, concluded a loan agreement with the International Monetary Fund for 850 million dollars in November 1993 (Padayachee 1997: 32). Adler and Webster argue that this loan agreement was evidence of the ANC’s abandonment of a redistributive ‘left-Keynesian’ project, citing the terms of the loan which included a commitment to contain government expenditure, cap the debt to GDP ratio in subsequent years and not to raise taxes (1998: 364).

Following the 1994 democratic elections, disagreements emerged between a fiscally cautious ANC, now head of a multi-party Government of National Unity (GNU), and its more radical alliance partners, the trade union COSATU, the South African Communist Party, and civil society groups, over which strategy would be the best to rectify the poor economic conditions inherited from the apartheid era. The GNU led by Nelson Mandela was concerned about the ability of government to implement the provisions of the RDP in the context of the economic conditions it had inherited, leading them to revise pre-election economic policy.

According to Michie and Padayachee (1997) the economic conditions within which macro-economic policy was revised by the Mandela administration consisted arguably of four areas relevant to social policy. First, there was a decline in GDP in relation to population growth. Secondly, labour absorption in the formal economy declined to less than 40 per cent in 1994 and net job creation was wholly inadequate to meet demand. Thirdly, there were acute disparities in wages and income levels, with whites receiving 59 per cent of income share despite constituting only 13 per cent of the population, while Africans received 30 per cent of the income share but constituted 76 per cent of the population. Finally, and crucially, the outgoing NP government had presided over a debt in relation to GDP which accounted for a total national debt to GDP of 53 per cent in 1994.

This macro-economic context of declining growth, wage and income inequalities, rising unemployment and high levels of poverty was set against
the priority objective of the government to meet the basic needs of the majority disadvantaged by the apartheid system. The gradual distancing of the ANC-led Government of National Unity from the pre-election macro-economic policies advocated by COSATU, the SACP and civil society groups, became evident in the emergence of a creeping fiscal conservatism in government pronouncements and policy statements. This was reflected in the State of the Nation address to the Houses of Parliament in 1994 by Nelson Mandela as follows:

Precisely because we are committed to ensuring sustainable growth and development leading to a better life for all, we will continue existing programmes of fiscal rehabilitation.
We are therefore determined to make every effort to contain real general government consumption at present levels and to manage the budget deficit with a view to its continuous reduction.
Similarly, we are agreed that a permanently higher general level of taxation is to be avoided.
To achieve these important objectives will require consistent discipline on the part of both the central and the provincial governments. (Mandela 1994c)

This creeping fiscal conservatism was gradually to harden in the government’s White Paper for Reconstruction and Development – Discussion Document released in September 1994, where proposals for nationalisation and state interventionism in the economy found in the original RDP ‘base document’ were either dropped or moderated.

Whilst retaining the broad principles of the original base document, the White Paper Discussion Document introduced a new language of fiscal austerity reflecting the influence of discourses originating from the World Bank such as ‘affordability’, ‘cost containment’, and mechanisms such as privatisation (‘sale of state assets’) and ‘user charges’ as key objectives of government economic policy:

All levels of government must pay attention to affordability given our commitment to fiscal discipline and to achievable goals.
The GNU draws on the following basic strategy to achieve its objectives: financial and monetary discipline in order to finance the RDP, reprioritise public sector activity, and facilitate industrial restructuring and the establishment of fair and equitable user charges
… not only has the RDP Fund financed with these [fiscal] constraints in mind, the overall process for taking forward the RDP, it is geared to
The historical idea of a social democratic welfare state in SA cutting government expenditure wherever possible. (RSA 1994: para 1.3.2)

The White Paper limited expenditure on Reconstruction and Development to ‘savings’ from government departments which would be placed in an RDP Fund:

the RDP Fund consists of funds which have been removed from departmental allocations and can be reassigned to them subject to compliance with the new priorities. (RSA 1994: para 2.3.2)

The actual RDP funds assigned from such ‘savings’ by the White Paper were a mere 2 per cent portion of the total government budget in 1994/95 (Blumenfeld 1997: 73). Even with the doubling in expenditure in subsequent years, the RDP budget formed a small part of total government expenditure:

In the 1994/95 Budget R2,5 billion was allocated to the RDP Fund. This amount will increase to R5 billion in 1995/96 and will progressively increase to R10 billion in 1997/98 and R12,5 billion thereafter. (RSA 1994: para 3.3.6)

Institutionally an RDP Ministry run by an anonymously titled Minister without Portfolio was established in the Presidency with the task of implementing the RDP provisions through influencing the budgets of government departments and funding special Presidential Lead Projects in health, school feeding, rural water provision and infrastructure development.

The RDP Ministry experienced a number of management failures and after slow delivery the RDP Ministry was incorporated into the Office of the Deputy-President under Thabo Mbeki in 1996. Hirsch (2005) argues convincingly that the RDP Office was not able to implement its mandate because its functions overlapped with that of the Department of Finance and it was viewed as imposing on the line functions of other government departments. Its failures notwithstanding, the incorporation of the RDP Ministry can be seen as the decline of a more fundamental redistributive agenda of social reform and the consolidation of an economically conservative development path.

After the closure of the RDP Ministry in 1996 the re-drafting of new economic policy began in earnest under the auspices of Thabo Mbeki and following the appointment of Trevor Manuel as minister of finance. The new economic strategy was unveiled by the government in 1996 and was called the Growth, Employment and Re-distribution Programme (GEAR). The GEAR strategy prefaced its macro-economic policy proposals with a continued
commitment to the goals of the original RDP and the longer-term objectives of a

competitive fast-growing economy which creates sufficient jobs for all workseekers; a redistribution of income and opportunities in favour of the poor; a society in which sound health, education and other services are available to all; and an environment in which homes are secure and places of work are productive. (RSA 1996: 1)

The specific strategy enunciated for the achievement of these goals was two-fold: first, maintaining internal fiscal restraint to eliminate rapidly the government deficit while, simultaneously, restructuring and re-prioritising the existing national budget to meet social needs. Secondly, to implement economic reforms to facilitate a globally competitive export-led growth path that would grow the economy by 6 per cent and create 400,000 jobs annually (RSA 1996). The specific commitments with regard to fiscal restraint included the reduction of the fiscal deficit to 3 per cent of GDP by the year 2000, entailing a significant reduction in government social expenditure.

In the period in which the GEAR programme for economic re-structuring was introduced a series of labour legislation was also promulgated which led to the expansion of categories of workers eligible for unemployment insurance and extending provision for lower paid workers such as inclusion of domestic workers in unemployment schemes (Nyman 1997). These far reaching labour reform initiatives revealed the range of inclusionary imperatives influencing government policy in the period of the 1990s and which was at variance with an orthodox neo-liberal agenda.

The economic strategy represented by GEAR directly influenced social policy in relation to the level of total government expenditure that was made available for social sectors consequent to the 3 per cent fiscal deficit target. The Financial and Fiscal Commission (1998: 21) made the point, for example, that GEAR achieved only a 3 per cent growth in GDP in 1996 and thus there would be slower growth in revenue and fewer resources for government spending.

The fiscal arrangements originally negotiated at CODESA between 1990-1993 resulted in a hybrid system of fiscal federalism that gave provincial government control of social spending without ring fencing funding for health or welfare while reserving policy development and co-ordination for the national government. The new post-election ANC government emphasised fiscal containment in its policy pronouncements after it assumed office. The departure from the re-distributive and fiscally expansive policies
advocated in the pre-election RDP base document was reflected in the new fiscally austere economic policy framework, GEAR, which privileged economic stability and growth as a precondition of social development in the post-apartheid era. This shift represented a departure from the principles enunciated in the pre-election RDP manifesto. The policies set out in the manifesto explicitly pledged equitable redistribution through social policies that were seen not only as forms of consumption but a means of social investment and which emphasized social rights to health, welfare and education – policies that were compatible with a social democratic welfare state.

**Concluding remarks**
The introduction in 2005 of the Accelerated and Shared Growth Initiative for South Africa in 2006 (ASGISA) modified the fiscal conservative impetus in GEAR, placing a greater emphasis on infrastructural investment and skills acquisition as a strategy to halve poverty by 2014. The problems of unemployment and poverty still loom large 19 years after democracy. According to 2013 Quarter Labour Force Survey statement issued by Statistics South Africa unemployment (using the formal definition) averaged at 25 per cent by December 2012 (2013: 1). Ten million children lived in households earning less than R800 per month, considered an ultra-poverty or ‘indigent’ poverty line (Leatt, 2006). Whilst there is much debate on the exact scale of unemployment and poverty it is relatively uncontroversial to argue that they are two of the most significant social problems confronting South Africa and which threaten the completion of the long term agenda of social transformation. The question which remains unanswered is what type of state is required to deal with the continuingly felt legacy of segregation and apartheid.

The lessons from the history of thinking within the ANC on alternative state forms is that an interventionist state is required which can ensure that the social rights of citizenship are not subordinated to economic imperatives but inform economic arrangements. The ideal state to achieve this, the historical review of ANC thinking reveals, is a social democratic welfare state or, to use the more precise formulation of the venerated ANC leader Albert Luthuli, ‘a democratic social welfare state’. The abandonment of the vision of Luthuli of a social democratic state begged a response – after 18 years of post-apartheid democracy. Such a response seems to be emerging, evidenced in the current debate on the need for a comprehensive system of
This debate begins to re-establish a policy agenda originally raised in the RDP base document in 1994 which aimed to establish a ‘…comprehensive, non-racial, unitary and democratic welfare system, including a negotiated national social security programme’ (ANC 1994: 53). The gradual diminishing of fiscal containment as a primary imperative underpinning government social security policy means that a greater range of policy possibilities and opportunities can be explored to establish a comprehensive system of social security than that which existed in the era of GEAR. Whether these possibilities are best codified in the historical ideal of a social democratic state as opposed to an economistically driven developmental state is subject to contestation.

Notes
1. I am very grateful to Professor Michael Noble for contributing to the ideas on welfare and the welfare state which informed the writing of this paper.
2. The focus of the paper is on the policies and frameworks of the African National Congress (ANC), the leading component of the liberation movement in the struggle against apartheid and which came to power in the 1994 democratic elections. The role of the Communist Party of SA (CPSA) (and then SACP) and trade union movements such as the SA Congress of Trade Unions (SACTU) and the Congress of SA Trade Unions (COSATU) on an evolving discourse of social democracy in the ANC is the subject of on-going research but is not considered here.
3. See Jencks (1992) for an account of this pejorative nomenclature.

References
The historical idea of a social democratic welfare state in SA


——— (1962) ‘What I would do if I were Prime Minister’, Ebony (Chicago) February.


