

How South Africa Works: And must do better

By Jeffrey Herbst & Greg Mills

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It is common knowledge that South Africa is in a critical point; some sort of crossroads where a misstep may determine a rapid recovery or a drawback from where it would take decades to recover. A number of factors have made the South African economy vulnerable. But not only is the economy in a bad shape. That is also the case of the political and social spheres. And even though *How South Africa Works* perfectly illustrates all these topics, it is especially concerned about the economic perspective. Because of that, I would also like to point out here another liberal analysis published recently tackling these issues. R.W. Johnson's *How long will South Africa survive? The looming crisis* is a good complement for *How South Africa Works*, since it comes at the same issues from a political angle.

I had the privilege of attending to the launch of *How South Africa Works* at the Brenthurst Library in Johannesburg. The ambience was splendid and the guests could not be more interesting. They all shared a common concern. A concern that the two great authors of the book decided to put into paper in the phenomenal *How South Africa Works: and must do better*.

Greg Mills and Jeffrey Herbst have done it again in this, their third collaboration in a book after *Poverty to Prosperity* (2002) and *Africa's Third Liberation* (2012). Given the popularity of the authors, anyone could have expected in advance the high quality and detail of this, their newest work. However, *How South Africa Works* delights the reader with a surprising simplicity. For someone foreign to the thorough mastery of the authors regarding pressing issues in South Africa and the state of its young democracy, the title of the book may seem pretentious and the task in

hand even more. Nonetheless, the complexity that would have entailed to explain how South Africa Works for others has been entirely overcome by the dedication of the authors and the depth of the research conducted.

The book's fundamental claim is about the overwhelming challenge that South Africa faces, and has to date failed to address. South Africa's successful struggle for freedom against the Apartheid regime and its democratic victory is one of the most dramatic stories of our time and yet, there are things left to do. We cannot do but admire what South Africa has accomplished in twenty-one years of democratic history. However, despite all of the progress made since 1994, things have not gone as well as they could have, especially over the past decade.

How South Africa Works begins with a review of South Africa's major economic challenges and Herbst and Mills then describe in a comparative analysis what it might be reasonable to expect after twenty-one years given the experience of other countries. And the results of such analysis are devastating: when compared the economic progress of seven countries after the same time of democratic experience, the authors find that the only country that has performed worse than South Africa is Zimbabwe. In other words, one of the major themes of the book is lost opportunity. And the authors present a masterful picture of what accounts for this situation. They stress poor governance, the plummet for economic growth and social rest that unemployment is, corruption and lack of competitiveness.

With a strong focus on the economic sphere, the book overviews specific sectors –including manufacturing, services, agriculture and mining–

that are both critical to the country's future and illustrative of the policy challenges that leaders face. The sectors subject to study emphasize the incentives and possibilities that government, business, and labour encounter and why they make the decisions they make. But the book not only studies the economy. It also examines the social grant and education to understand if South Africa has established a system in which people can not only escape from social exclusion but be ready to be employed. Furthermore, it submerges in the entrepreneurial sphere and points out key steps that some South African's entrepreneurs have taken to build world-class enterprises to both highlight success in current circumstances and to learn from these efforts.

The authors also discuss the political arena, and point out that alliances of convenience, scapegoating and corruption have been large contributors to the South African decay. According to them, growth requires an alignment between government and business that is not currently occurring. They state that attempts to create such alignment or dialogue "have failed partly because the ANC and the government it controls sees white-dominated firms increasingly, in the words of one white business person, as 'little more than an impediment to the Nirvana of a black-owned economy'. In turn, business has felt no compulsion to move beyond immediate commercial interest to embrace the ANC agenda, and has inevitably struggled to speak with a single unified voice".

Nonetheless, despite pointing out gaps for improvement, *How South Africa Works* is not a pessimistic book. In fact, the authors begin by saying that there is much to celebrate from the last twenty-one years in South Africa. In explaining how South Africa works, Herbst and Mills also claim that South Africa's successes should be acknowledged.

In conclusion, *How South Africa Works* illuminates the importance of debate in growing the South African economy and achieving radical socio-economic transformation. It shows the way to follow by policy makers, trade unions and the private sector in order to achieve the goal of a better South Africa. One proud South Africa worthy of its history of struggle and success.

About the authors:

Dr. Greg Mills is Director of the Johannesburg-based Brenthurst Foundation. He has a great understanding on international affairs, development and security and has been an advisor to African governments. Finally, he is the author of the bestselling books *Why Africa is Poor: And What Africans Can Do About It* (2010), *Africa's Third Liberation* (2012) and *Why States Recover: Changing Walking Societies into Winning Nations—from Afghanistan to Zimbabwe* (2014).

Dr. Jeffrey Herbst is President of Colgate University and has written extensively on political and international affairs. His primary research interests are in the politics of sub-Saharan Africa, the politics of political and economic reform and the politics of boundaries. He has served on the Advisory Board of the Brenthurst Foundation since 2005.