"Nation-building" has become an all but useless concept for analytical purposes. It either covers a host of good, vague, sentimental, quasi-patriotic intentions which suggests that everything is possible and nothing is necessary, or it becomes an ideological excuse for authoritarian repression in which a governing oligarchy, elite, "father of the nation" denies all forms of political competition and consolidates power and privilege for the few. Very often, the latter occurs in a multicultural ethnic society and a nation-building ideology generates a spirit of inclusive intolerance to counteract the exclusive intolerance of ethnic outbidding. South Africa certainly does
not need nation-building in the latter sense and in the former sense, the concept is too vague to be instructive, varying from picking up litter to finding an inoffensive new national anthem. "State building" also has no self evident analytical use. The concept "State" is either used inclusively, i.e. assuming a compatibility of interests between the administrative bureaucracy and the incumbent executive of the moment; or, the State is seen as a body of dispassionate, politically neutral, public servants patiently awaiting the instructions of successful politicians, or yet again, it is seen as a cluster of competing interests dedicated to protecting itself from the machinations of an incumbent executive. "State-building" in the first sense becomes an excuse for pursuing totalitarian control, and in the latter two senses seems rather pointless as an overarching goal for society. Both "nation-building" and "state-building" contain the seeds of dogmatic intolerance and authoritarian repression in a society such as South Africa.

For the purposes of this argument, the concept state refers to the "civil service" and it gives effect to the budgetary priorities of government. The latter is the incumbent executive authority. The "state" may have homogeneity and solidarity of purpose, but more likely, may have a diversity and even competing cluster of interests, and whether there is a correspondence of interests between "the State" and the government of the day is a matter of empirical analysis. In this sense of "the State", it is fascinating to look comparatively to what is happening to the State in transition in Eastern Europe, CIS, Latin America
and South Africa. Reconstructing the South African civil service is perhaps the most difficult challenge facing the country. It has to be transformed to become compatible with a democratic constitution in which the values of transparency, accountability and flexibility are supposed to prevail.

The self declared challenge the major politicians of South Africa have set for the country is to become a liberal democracy. This is clearly evident from the so-called 27 Constitutional principles that have been accepted at the multi-party forum. They make provision for multi-party competition for political support; the peaceful electoral change of government; a constitution that protects civil liberties by means of a justiciable Bill of Rights with an independent judiciary, etc. etc.

Such constitutional principles militate against any overarching ideology of exclusive intolerance, e.g Apartheid, Separate Development, Xenophobic Nationalism, or inclusive intolerance, e.g. compulsory egalitarianism such as USSR Communism, or East European Democratic Centralism. Both have been disguised as forms of State/Nation-building. Is this a remotely achievable challenge for South Africa? Put differently: Given its political legacy and its demographic composition, can South Africa build and transform institutions during transition that can sustain a liberal democracy? If it can, the outcome will be a country in which no group or individual would want to claim to represent "the Nation" or "the State" or "the People"; where no
interest group, e.g. labour/capital/military will enjoy the constitutional or de facto monopoly of power; where national symbols of solidarity will not be divisive and inflame competing passions but reflect a spirit of inclusive patriotic tolerance. This, after all, is what those 27 constitutional principles promise.

The challenge of transition for South Africa is therefore the challenge of institution building. For example: where the administration of justice is truly independent from interference from the executive or any sectoral interest; where education focuses on the acquisition of transferable skills and a spirit of intellectual inquiry; where the security system accepts its subservience to civilian control and the impartial maintenance of law and order; where the media is allowed competitive newsgathering and there is freedom of access to information; where denominational pluralism and tolerance prevails in organisations that pursue cultural and religious interests; where competition in economic life is demonstrably fair and free and the civil service is maximally transparent and accountable. In other words, institutions which enhance society's capacity to become self critical, to adjust to change and to respond to challenges in an undogmatic and reflective manner.

WHERE IS SOUTH AFRICA NOW?
The dominant mode of transition in South Africa is negotiations. This does not deny that there are interest groups who may prefer other modes of transition, e.g. mass protest/mobilisation,
revolutionary confrontation or even unilateral authoritarian control as in the 80's from the South African Government. However, for the present, negotiations predominate and they tend to cluster around 4 key problems:

1. Problems of legitimacy - this concerns the content and scope of a new constitution for South Africa as well as problems of transitional legitimacy. Legitimacy refers to the establishment of peaceful demonstrable consent for the way in which the majority of people are governed. These negotiations have captured most of the public attention where they occur at the Multi-Party Forum and the National Forum for Local Government. However, problems of legitimacy are by no means the only problems that have to be negotiated.

2. Problems of Stability - this concerns the maintenance of social order, the status of the instrument of security, i.e. SADF, SAP, "Homeland" armies and police, private militia like MK, APLA, Aquila, availability and use of arms, violence and combatting crime. This is perhaps the most neglected area of negotiations. The Goldstone Commission and the organs of the Peace Accord are reactive attempts to deal with problems of stability. Belatedly there is talk of a joint Peace Keeping Force but after more than 3 years of negotiations, South Africa still has five official Defence Forces, numerous Homeland Police Forces, a number of private militia and no clear progress to their
integration. This highly unresolved security situation is reflected in rampant and increasing crime as well as spreading transitional violence of an ideological and factional nature.

3. Problems of Growth - this refers to negotiated policy measures that can stimulate growth in the economy. The issue is not whether the South African economy has the infrastructural capacity to grow, but whether competing political interest groups can agree to remove from political contestation issues which may affect growth and become a source of political conflict between them, e.g. Nationalisation, the relationship between Labour/Government/Capital, the degree of State intervention, the primacy of the market, the role of property in economic development. The main forum for negotiations in this problem area is the National Economic Forum and from all accounts, remarkable progress has been made, although the composition of the NEF is not as inclusive as for example, the MPF.

4. Problems of Redistribution - this refers directly to the budgetary process which in turn relates to the civil service and the delivery of services. This is the arena where fears and expectations are going to be met or frustrated around services such as education, housing, health, pensions, jobs etc. Not surprisingly little progress has been made here and it is also the area where the pain of transition is most
acutely felt because it affects the quality of life immediately and directly. A number of forums have emerged in an attempt to focus negotiations around functional issues, e.g. the National Housing Forum (NHF), National Electricity Forum, National Educational Forum etc. Together with stability this is the second most neglected area of negotiations.

It is reasonable to argue that in a fairly stable democracy there is a functional equilibrium between stability, legitimacy, Growth and Redistribution. South Africa is certainly not a stable democracy but a newly democratising one. Unlike some Pacific Rim countries, e.g. Taiwan, it cannot suspend problems of legitimacy and redistribution and go for authoritarian growth, i.e. maintaining repressive stability through a governing oligarchy and stimulating growth in the economy. South Africa has to deal with all four problems concurrently and one of the greatest dangers to the success of transition is that those who are involved in negotiations have not properly come to terms with this imperative.

A popular myth is being propagated by the political negotiators in South Africa. It goes as follows: "seek ye first political legitimacy and all else will follow." This is pure fallacy. A massively popularly elected new President cannot assume the loyalty and compliance of the security system; cannot expect problems of redistribution
to be met by an efficient civil service; nor that his new constituency will contain their demands for needs to be met. He will need supporting institutions in all these areas precisely to sustain and underpin his newly bestowed legitimacy.

A superficial look at current problems of stability immediately reveals its potential for racial/ethnic outbidding in South Africa. ("de Klerk's Police are killing us", "Whites do not care how many Blacks die", "Afrikaner women must learn to kill", "Zulus are being systematically killed in townships", etc.) Also in the area of redistribution the most acute problems of the legacy of racial inequality and discrimination have to be met and dealt with. Current tensions., protests and confrontations in education, health, housing and the delivery of municipal services such as water, electricity, sewerage, refuse removal etc. clearly illustrate the disruptive potential locked into the South African society when it comes to dealing with the redistributive legacy of racial inequality. The political pressure on the budget of the "new South Africa" is going to be the demand for parity in expenditure. It is going to take considerable skills to channel these demands peacefully into a democratic political arena without undermining the capacity of the economy to grow. To believe that political legitimacy is both a necessary and sufficient condition to solve these problems is to court disaster. Chile discovered this between 1971 and 1973 where an extremely popular government went for macro-economic populism and invited repression. Yeltsin is beginning to discover the same
in Russia. Spain and Portugal were fortunate to have in place supporting institutions that could sustain the introduction of legitimate civilian rule in the early seventies.

In South Africa, political legitimacy may be necessary, but it is certainly not sufficient to address problems of stability and redistribution. There is a certain chronological necessity that cannot be avoided in South Africa: without stability no legitimacy; without legitimacy no growth; without growth no redistribution. Stability is the smoking gun in the pack – around it most of the disruptive and centrifugal forces cluster. Problems of legitimacy can be solved by the demonstrable consent of the majority. Problems of stability can only be met by the compliance and co-operation of the minorities in the society. The capacity to sustain a democracy in South Africa will especially be tested in the area of stability, not exclusively in the area of legitimacy. In other words, a democracy, such as the one South Africa claims it wishes to become in terms of its 27 constitutional principles will be tested by how it deals with minorities, not the majority.

WHAT IS LIKELY HAPPEN IN THE NEXT FEW YEARS?

South Africa has set itself a political timetable that is already being overtaken by an unfinished political agenda. To hold elections under the current circumstances is to make transition vulnerable to all kinds of disruptions. Worst of all would be to hold elections whose results would be significantly questioned
both domestically and internationally. At the same time, De Klerk cannot go for a unilateral clampdown because he lacks legitimacy. Should he seek consensus on clampdown with, for example, the ANC, they are both faced with an unresolved security situation which would make a clampdown an invitation for massive civil disruption, simply because they would have difficulty in administering it effectively.

There is a high risk way out of this dilemma. The majority, i.e. De Klerk, Mandela and others could risk a national referendum in terms of which a popular mandate to proceed with the MPF agenda is sought. A referendum is certainly less disruptive and more manageable than an election. No doubt 70% support could be achieved. This popular mandate could be used to resolve the most urgent problems of stability, i.e. integration of the security system. A limited clampdown could follow in which some of the major problems of redistribution and outstanding problems of stability could be addressed. At the same time the resulting stability could begin to inspire growth in the economy and prepare the way for a more conducive climate in which to hold elections. This option demands a fair degree of elite consensus as well as a reasonable degree of solidarity between elites and their constituencies. This is not impossible to achieve in South Africa, but is certainly not in evidence at the moment.

Failing the above, South Africa is likely to experience the intensification of racial, ethnic, populist outbidding which will compound problems of stability and undermine the quest for
legitimacy. Under such circumstances, viewed comparatively, there is usually an authoritarian intervention of some kind or the other. At such a time new ideas about "Nation-building" or "State-building" may very well appear as a futile attempt to legitimise why South Africa has failed to become a liberal democracy.