1. In the transition from Liberation movement to Government of South Africa, the ANC went through three critically important changes. The first was the move away from Democratic Centralism to the acceptance of a Liberal Democracy. Many of the leading ANC theoreticians in exile as well as inside South Africa, were adamant that a Liberal Democracy was totally inappropriate as a Constitutional arrangement for South Africa. One of them even argued that to impose a Bill of Rights on a fundamentally unequal society was an obscenity. The same person is now a judge on the Constitutional Court designed precisely to also protect a Bill of Rights.

2. The second major change was the move away from an economic policy which saw the State as the primary agent for economic growth towards a policy which accepted that the State had to play a co-operative and enabling role to market driven growth and development. This is encapsulated in the Growth, Employment and Redistribution policy (GEAR) which signalled an ideological defeat for the section of the ANC still committed to the State interventionist position. Although the GEAR proponents are in the ascendancy, it remains a source of intense debate within the ANC and the outcome of this debate will determine the dominant ideology for South Africa for years to come. It is ironic that Communists or former Communists, have become the greatest protectors of a market economy in South Africa.

3. The third change, which is a consequence of the previous two, is the shift from "East" to "West", i.e. from Central and Eastern Europe as the major international source of influence to Western Europe and the United States. Of course, this was brought about by the collapse of organised Communism and the spread and impact of globalization. However, rather than withdraw into isolation and ideological exclusion, the ANC engaged the West and institutions such as the World Bank and the IMF in order to secure some position for South Africa in the international economic order.

4. These three changes reflected a profound shift in the ideological and policy positions of the ANC during the liberation struggle and when it first assumed Government in South Africa. Many factors can be identified that contributed to this shift, some of them have been alluded to, e.g., the collapse of organised Communism and the surrogate role that such governments played for the ANC; the subsequent emergence of liberal democracy as the normative paradigm for governance, and the increasing transferability and flexibility of capital, information, skills and technology under the impact of globalization. Perhaps,
one of the most important factors that epitomised these fundamental shifts in the ANC was that it embraced negotiations as the medium to bring about a regime shift in South Africa. Both the ANC and the then NP Government had to enter into compromises which neither of them were particularly excited about, but which appeared absolutely compelling at the time. One of the consequences was the acceptance of the State of the day and the need for its gradual transformation. This meant that the old cohort of civil servants and the culture they represented, would have to change and accommodate new members whilst at the same time adjusting to the demands of a liberal democratic constitution. This generated all the problems identified with a weak State, primarily: goal displacement and inefficiency and weakness of delivery of essential services. Particularly in the criminal justice system this manifested itself more acutely and created a situation conducive to crime and corruption.

5. The "Mandela-era", i.e the first five years of ANC government, had to deal with the practical problems that these shifts and changes presented to the art of governance. Mandela himself will not be remembered for the manner in which he dealt with these problems. South Africa entered into the "politics of charisma" under the dominant personality of Mandela. He had an extraordinary conciliatory impact on South Africa and the international community. He did and said things which no ordinary political leader would have been allowed to do or say. In this way, he defied diplomatic convention and political ritual in many countries, including South Africa, and brought about a refreshing innovation to apparently unresolvable problems. But the price South Africa paid for the "politics of charisma" was largely the absence of effective governance.

6. This was brought out very clearly by two reports commissioned by the ANC Government: the Nchoio Report on Provincial Government (1997) and the Mpai Report of the Presidential Review Commission (PRC) (1998). Both reports were extremely critical of the manner in which delivery was taking place, budgets being administered, policy being co-ordinated, and Departments of State being integrated and synchronised with one another. Mandela accepted and acknowledged both Reports and with reference to the PRC Report made the observation that the ANC had "come out of prison and the bush to govern", and lacked the necessary skills and experience. Some of the policy objectives the ANC had set for itself were laudable but the relationships between them were not clearly articulated. For example, the tension between democracy and growth; human rights and law and order; fiscal discipline and delivery of services; traditionalism and modernity. The pursuit of these objectives came across as being erratic and vacillating and created confusion, eg. The Minister of Labour tabled labour inflexible legislation, whilst his colleague in Finance promised greater labour flexibility to the investor community.

7. Although the absence of effective governance was a characteristic of the first five years, there were some important achievements as well. The consolidation and entrenchment of a Democratic Constitution with a functioning Constitutional Court; the preservation and strengthening of a sound economic infrastructure
with a vibrant banking, commercial and financial sector; delivery of essential services in some critical areas such as electricity, telephones, homes and water. Most important, was the successful management of a largely trouble free second democratic election and the smooth and dignified succession from Mandela to Mbeki. Not many young emerging democracies can boast the same achievements.

8. If the "Mandela era" is typified by the "politics of charisma", the Mbeki era will be dominated by the politics of management and governance. Mbeki himself has indicated this. Using the recommendations of the PRC Report, he has already created administrative machinery in his office as Deputy President, which is now transferred to his office as President. The Co-ordination and Implementation Unit (CIU) is specifically geared to co-ordinate policy between Ministers of Cabinet, prepare proper briefing before setting up Cabinet agendas; and assist with coherent and consistent implementation. Mbeki has also indicated that a thorough overhaul of Provincial and Local Government is on the cards. Through the NEC of the ANC there is also a greater say on who the public representatives on National, Provincial and Local level will be and also the Premiers of the Provinces. All the indications are there that under Mbeki there will be tighter control on management and delivery.

9. He will, however, have to contend with an enduring structural dilemma that currently confronts almost all young and emerging democracies. This dilemma arises out of the concurrent pursuit of a liberal democracy and growth through a market economy. The imperatives for market driven growth are fairly commonly accepted by the Western Democracies. Keep the deficit before borrowing as low as possible; get rid of exchange control; implement flexible labour policies, privatisate etc. etc. The problem is that most of these growth policies, if pursued too vigorously, at least in the short to medium term, incur political costs, particularly in an economy that is deeply unequal. Through GEAR, Mbeki and the ANC Government has committed South Africa to these market friendly policies on a macro economic level. But those within the ANC who are unenthusiastic and even hostile to GEAR argue that these policies will create hardship for the very poor and unemployed that are supposed to be the beneficiaries of growth. Thus, it is argued that a low deficit before borrowing denies expenditure on essential services; a flexible labour market undercuts the bargaining ability of unions; getting rid of exchange control leads to capital flight and low domestic investment; privatisation leads to retrenchment and more unemployment, etc. etc. In short, committing South Africa to market driven growth whilst maintaining a liberal democratic constitution, means that Mbeki is constantly confronted with the challenge of managing the political pain of necessary economic reform.

10. Development is not possible without growth. Growth depends on investor confidence in the South African economy. Such confidence arises from two general sources apart from investment opportunities themselves; investor friendly macro-economic policies and political stability. The ANC under the
considerable influence of Mbeki has proposed a market friendly macro-economic policy. But what implications will such policies have on political stability? If one correlates stability with democracy, four hypothetical possibilities present themselves: democratic stability; democratic instability; undemocratic stability and undemocratic instability. Clear empirical examples can be found to illustrate all four possibilities. The USA and Western democracies are usually associated with democratic stability; Chile before 1973 was an example of democratic instability; thereafter and together with some of the Pacific Rim countries examples of undemocratic stability, the Sudan, Somalia and the former Yugoslavia would typify undemocratic instability. An institutional and structural analysis of each of these ideal types would enable one to make some comparative statements about the relationship between Stability and Democracy.

11. Through its concurrent pursuit of a market driven economy and a liberal democracy, South Africa under Mbeki and the ANC government, has indicated that it wishes to establish democratic stability. However, it does not have the mature or strong institutional infrastructure that exist in the older democracies where democratic stability exists. The criminal justice system is still in a state of flux and other state departments, notably education and health are battling with problems of delivery. Managerial efficiency in the civil service has still a long way to go. At the same time, the civil service wage bill consumed 51% of the 1999 Budget, whilst 50% of the 1,2 million workers in the civil service are unionised and belong to COSATU affiliated unions. The Government has indicated that the size of the civil service has to be significantly reduced and this is bound to aggravate already existing tensions within the alliance.

12. Another feature which indicates the relative youthfulness of the South African democracy is the fact that a substantial number of voters still live under and accept traditional authority. Most of them live along the Eastern seaboard, the Northern Provinces and the North West and are rural and the poorest of the poor. Traditional authority provides cheap stability and consequently, the ANC and other parties have wooed the chiefs during the general election. The kind of stability that traditional authority provides is fundamentally undemocratic according to the tenets of liberal democracy, but the ANC is content to trade off such stability for democratic accountability because it also helps to cope with the problem of poverty and unemployment in the rural areas. Despite the fact that the ANC has almost a 2.13 majority in Parliament, the real constraint on its majoritarian instincts come from outside the normal parliamentary procedure, eg traditional authority and globalization.

13. Another constraint comes from within the ANC itself and has already been mentioned, the debate about the appropriate macro-economic policy to generate employment and alleviate poverty. It is here that Mbeki’s administrative and negotiating skills have been, and will continue to be tested. The investor community look for an enthusiastic and consistent endorsement of market friendly policies. The SACP/COSATU partners in the alliance continually challenge the appropriateness and efficacy of these policies. One of the
sources of stability in South Africa is that the ANC is a broad alliance and makes through its dominance, South Africa a dominant one-party democracy. In this way it can contain the latent conflicts within its own composition. The really testing time will come when this alliance begins to fragment, or more populist movements begin to emerge to the left of the current ANC leadership. This will bring the simmering ideological fault lines within the ANC into the open, and may prove a severe test for democratic stability.

14. It is against this background that one has to understand the current dilemma of the larger opposition parties in Parliament, i.e DP, NNP, UDM. There are no serious ideological disputes between them and the GEAR dominated ANC. They all agree on the constitution and macro-economic policy. The opposition parties try to mobilise on the lack of delivery, but the ANC under Mbeki has made delivery and governance its central platform. Many who support the current larger opposition parties are motivated by pre-democratic sentiments from the old South Africa; loss of control and privilege and experiencing minority domination. The fate of opposition parties for the foreseeable future is determined by the composition of the ANC and the policy and ideological conflict being contested there. It is extremely difficult to see how the current opposition parties can play a constructive role in resolving this contest. Consequently, their role will be a largely carping and niggling one rather than building up a substantial electoral threat based on substantial policy and ideological differences. This does not mean that they do not play an important role in establishing a democratic culture where tolerance for multi-party competition is strengthened.

15. A projection into the first five years in the post Mandela era makes the following plausible:

15.1 New adjustments to the machinery of State will improve co-ordination and implementation of policy;

15.2 The general thrust of macro-economic policy will be market friendly and calculated to stimulate investment;

15.3 The macro-economic policy will be a source of ideological tension within the ANC but containable because of Mbeki’s managerial and negotiating skills;

15.4 The kind of stability South Africa will enjoy will be the result of continuing trade-offs between democratic and undemocratic stability, but South Africa will be more stable than unstable.

16. The most critical threats to the kind of stability Mbeki will try to maintain arise from the problems of overcoming a weak State, i.e. strengthening the criminal justice system to successfully combat crime; improving managerial efficiency in the civil service by eradicating corruption; nepotism and inappropriate
affirmative action. In short, instilling trust and confidence amongst citizens that
the South African state is capable of providing security and delivering basic
services.

17. The great gamble Mbeki is taking, given the history of the ANC and the
fundamental ideological and policy shifts that they have undergone over the last
ten years, is that the South African economy will grow, create jobs and alleviate
poverty, and that this will be as a result of investor confidence and the
successful implementation of GEAR. If at the end of five years, South Africa has
a growth rate of 4-6%, efficient delivery of services; growing employment and
the reduction of crime; South Africa will be on its way to sustainable democratic
stability and Mbeki to becoming an icon. If GEAR fails, South Africa can prepare
for democratic instability with the prospect of some form of undemocratic
stability becoming a more and more likely option.