

# Rethinking Economic Growth: The South African Perspective

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Contemporary Africa is still struggling with the legacies of slavery, apartheid, colonialism and the deleterious impact of Structural Adjustment Programmes (SAPs) and now globalisation. Some parts of postcolonial Africa have attempted to set up ministries of economic development. Others have concentrated on attracting on Foreign Direct Investment (FDI) whilst some others have early on realised that the state and private capital should work hand in hand for development. But these different approaches have not always necessarily had the results that are necessary for development. To make matters more complicated, the continent have to struggle in a context where trade remains inequitable and finding a niche for themselves remains a difficult task. The main reason behind this failure is that development has been seen and interpreted within the narrow confines of economic growth. So rethinking economic growth at the continent level has become imperative and different stakeholders have an important role to play in the process.

In South Africa, during many decades, black people experienced a segregationist politics of a white minority. In 1994, the African National Congress (ANC) promised to create a better South Africa for all. Various ANC governments since then have adopted many economic programmes with the aim to halve by 2014 poverty and unemployment especially among the Historically Disadvantaged Individuals (PDI). However, recent studies in South Africa showed that inequality is widening despite the acceptable levels of economic growth. Reports showed that an overwhelming share of the change in the economy over time explained by high economic growth will continue to be without any improvement of the lives of marginalized ones unless there are changes in wealth distribution within the different layers of the South African population. Therefore, pro-poor economic growth must be developed in order to achieve the expected results of achieving the Millennium Development Goals (MDGs) in the South African context.

The paper seeks to develop some variables (investment in physical and human capital for example) needed to be included in the structure of South African development theories, which will assist development practitioners to determine the sources of growth and inequality, and ultimately develop strategies aiming at halving inequalities in the country.

**Key words:** South Africa, Pro Poor Economic Growth.