

HSRC RESEARCH OUTPUTS

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Service delivery and social cohesion.

Facility

Report prepared for the Conflict and Governance Unit (CGU), a joint initiative of the European Union and the National Treasury, August 2007

FINAL REPORT

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Report no. 2

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Location and Date: Pretoria 26th September 2007

FINAL REPORT

Grant Title	Participation, Service delivery and social cohesion
Grant Number	AW/3/CFP/3/01/2006/0024
Contract period	02/04/2007 – 31/07/2007
Report period	02/04/2007 – 31/07/2007

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Introduction:

This report refers to the activities fulfilled, the output obtained and the results achieved in x months, and finally will report on the finances of the project. ***(Please note that this format is a guide and allows you to add comprehensive information, creating more tables, headings, etc to compliment/express your outputs to this project).***

<p>Brief Project Description including Overall Objective</p>	<p>What is social cohesion and why is it important for government to be thinking about it? The argument in this paper is three-fold.</p> <ol style="list-style-type: none"> 1. It will argue, following developments in contemporary studies of development, that <i>economic relations</i> and <i>governance</i> depend on informal norms and social networks. What this means is that the effectiveness of governments and/or of markets is not simply determined by the capacity of businesses, state bureaucracies and their personnel. It will depend too on the state of the social relations in which they are 'embedded', and, in particular, on the ability of governments either to work within existing networks and institutions or to transform them. 2. In a similar vein, it will be suggested that <i>democratic practice</i> is not simply a question of institutional design and government will. Citizenship is more than a legal-political relationship associated with rights. Like economic transactions and relations between individuals and state bodies, participation in the political process implies norms of behaviour and social networks. What are these norms and what are the social networks that produce or encourage them? 3. Once we have said that the working of democracy and the functioning of governments and markets depend on the social relations in which they operate, then it follows that: <ol style="list-style-type: none"> i) we need to understand, theoretically-speaking, what kinds of relations are
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	<p>conductive to these practices;</p> <p>ii) it is necessary to consider the state of social relations in South Africa today.</p> <p>iii) it will be important for any scenario planning exercise to consider how government might encourage and strengthen socially valuable institutions and transform, contain or dissolve those that are not.</p> <p>Let us add a warning right from the beginning: it does not follow that the social conditions of democracy are necessarily the same for the functioning of governments or markets. Indeed, it may be that the social conditions of the one undermine or prejudice the conditions of the others. So, for example, it might be that achieving high levels of economic growth weakens or destroys social institutions that are conducive to a democratic culture emerging. This said, lower levels of inequality, and not simply reduced poverty, are both conducive to democracy and good for growth¹.</p>
<p>Key Events held in the project management cycle for the period</p>	<p>Major review of existing literature was concluded in the available time and interviews conducted with necessary experts in the</p>

¹ See, for example, World Bank Development Report for 2006.

under review		field. In addition report findings were presented to a high-level audience, including members of government departments and the Presidency
Achievements against Indicators and Means of Verification		The final report was finished as per terms of reference and according to deadlines
Visibility of Partners and other cross cutting issues e.g. gender, poverty "lens's"		

- 1) Summary of the Overall Assessment of the progress during the period under review: (Highlights and challenges)
- 2) Overview of progress by result area: Supply in tabulated format:

Activity (per Result Area)	Result Areas	Procurement Process and Budget Line	Indicative time period	Achieved: Actual	Comments	Key Areas to be considered by Grant Maker (CAGE)
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Commentary on key areas as tabulated above

Activity (per Result Area)	Result Areas	Procurement Process and Budget Line	Indicative time period	Commentary on Planned Activity	Key Areas to be considered by Grant Maker (CAGE)
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Commentary on key areas as tabulated above

3) *Financial reporting (these documents will be annexed and listed) - all the documents have to be signed by both the project manager and the financial Officer.*

Annex 1: Budget Variance Report

Annex 2: Updated Donor list

Annex 3: Bank Reconciliation (Include a copy of the bank statements for the reporting period)

(Attach the payment advice/proof of payment form/s and supporting documents for the reporting period)

Annex 4: Formal request for reallocation (Either between budget lines or result areas)

Annex 5: Audit Certificate and the signed off financial audited statements

Annex 6: (Letterhead)-Request to retain Assets (Final Report attachment)

Annex 7: (Letterhead)-Response to CAGE on Recovery invoice of Interest and any other monies.

4) **Conclusions and Recommendations**

Discussion of key lessons learnt and examples of best practice

One of the key successes of the 'developmental states' of Taiwan, South Korea and Malaysia is that the benefits of accelerated economic growth were shared widely in society. This was made possible because of high levels of social cohesion. More especially, social cohesion was achieved by making the societies in question more egalitarian. This is the key variable that is lacking in the South African debate. Poverty reduction can happen under conditions of constant or increasing inequality. Yet, it is inequality that is the most dramatic cause of weak social cohesion. When this is lacking economic growth tends to benefit elites and small minorities.

From such a perspective development is achieved, not simply, by designing and implementing systems and institutions that have the technical and managerial capacity to deliver services, for example. Nor is it simply the consequence of economic growth and job creation. Many formal sector jobs pay salaries below the poverty line. Economic growth is developmental to the extent that its benefits are widely shared. What counts, in this regard, is the ability of poor communities to access networks and institutions where wealth is being created and accumulated. There are several ways in which such linking is achieved. It may be that churches and other religious organisations, working on the basis of charity, are the key linking mechanisms between poor and resource rich(er) communities. Various civil-society bodies, including Non-Governmental Organisations, may play similar roles. Yet the most important institution, in this regard, is the State. This is true for several reasons. In the first place, democratic state institutions, like local governments, are able to realise benefits, not simply for members of ascriptive groups, but for communities of citizens – irrespective of religious affiliation or culture or ethnicity. What matters is the degree to which their operations are inclusive and participatory and the degree to which they are able to invest in and/or leverage resources for poor communities. We have mentioned the case of Cape Town, in this regard. There are multiple examples from across the world. This is perhaps the single most important achievement of the Scandinavian social democracies: they have very powerful local governments that have historically acted as key linking agents. In the second place, the democratic state builds networks and creates linkages on the basis of democratic values. In other words, they encourage a culture of democratic citizenship in the country. In this regard, other kinds of ‘linking’ mechanisms, like the church, for example, may have important developmental effects, but they do not necessarily deepen the democratic culture.

Annexure

N/A as there was no research component for this project

(Please include substantive details around the research project/minutes of relevant meetings/ any documents that give substance to your activities and allows CAGE to get a sense of the spirit of the research/draft papers/articles published/communication related to grant project etc)

Signature and date

Signature and date

(Program Manager)

(Accounting officer)

Chairperson of the Board/Reference Group:

(Name)

Date