



Wits School of Governance (WSG)
University of the Witwatersrand

MASTER IN MANAGEMENT (MM)
Course: PADM7027-2021
Research Document

**Usage and meaning of 'Economic Freedom' among South
African policymakers**

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12 July 2024

DECLARATION

I, Abram “Jeff” Magongoa (Student No: 0405283E), agree that this research is my work, and it has not been submitted anywhere except for this “Research Development (PADM7072-2021)” at the Wits Graduate School of Governance.

Acknowledgement

In this quest for self-development and building knowledge that is necessary to explore the world we are living in today, I feel indebted to many people, through whom a force of well wishes encouraged me and helped me recognise that I can pursue my masters to the end. My father, early in my youth and prior going to tertiary, said these words, “Choose anything you want to study, and I will finance it.” At the time, this seemed meaningless, but throughout the years, these words hung stubbornly in my mind, sharper than before. It was with these words that I resolved to dedicate the most part of my life in the quest for “knowledge accumulation” – a term that rounded off my ambition and self-development. In 2020, when I commenced with my masters, I was resolute that Wits was the right institution to engage with in this journey. Throughout this process, my views and reality shaped my outlook on life and drew me deeper into what mostly resonated with my earlier quest for knowledge accumulation. For this, I want to thank Mr R Chikane for believing in me. Despite, repeatedly deviating from the course, he constantly reminded me of what I came to know as the “North Star”, and calmly kept me focussed. I wish to encourage my children Reitumetse, Motadi, and Neo to know that efforts to changing one’s life begins with listening to and understanding the voices of those that tell their story as it pertains to their own realities and experiences in life. This is the only safe way to stay clear from unnecessary biases that may shape the mind and interrupting for any objective outlook. The world today demands for a constant change and so must we be constantly training ourselves to have clear vision and make better choices for a sustainable course. This is the life I choose and encourage many to embrace, constantly changing self to adapt.

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Abbreviations

SA – South Africa

RDP – Reconstruction and Development Programme

GEAR – Growth, Employment, and Redistribution

AsgiSA – Accelerated and Shared Growth Initiative for South Africa

NDP – National Development Plan

ILO – International Labour Organisation

CODESA – Convention for a Democratic South Africa

COSATU – Congress of South African Trade Unions

SACP – South African Communist Party

ANC – African National Congress

Stats SA – Statistics South Africa

MIG – Municipal Infrastructure Grant

1 CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 Introduction

This study seeks to explore the different notions of economic freedom within South Africa from 1994 to the present day. From 1994, policies were implemented with the intension of driving change to improve the socio-economic condition of South Africans. These policies include Reconstruction and Development Programme (RDP,1994), Growth, Employment, and Redistribution (GEAR,1996), Accelerated and Shared Growth Initiative for South Africa (AsgiSA,2006), and the New Development Plan (NDP,2013) (Mosala, Venter & Bain, 2017, p. 327). Reconstruction and Development Programme (RDP,1994) was the first government social and developmental policy considered to address three troubling problems: unemployment, inequality, and poverty (Mosala et al., 2017, p. 332). However, it did not deliver as expected because of the difficulties of its implications, some of which included fiscal challenges arising from the distressful fiscal and economic past; the ten decades of apartheid repressive era, the structural restraint from poor and inefficient public service, and the new government's distressful lack of capacity building, lack of prioritising the RDP, and its integration as the framework for socio-economic policies. As a result, the RDP failed to gather new taxes and rather, focused barely on fiscal management and distribution of existing revenues (South Africa's key economic policies changes (1994 – 2013), 2014.).

GEAR was introduced as a macroeconomic policy framework in 1996 to facilitate accelerated growth, by soliciting various available capacity to achieve broad social investments (South Africa's Key Economic Policies Changes (1994 - 2013), 2014). Despite that this policy was formed with the social objectives similar to the RDP (1994), with the primary goal of reducing fiscal deficit, by increasing trade, and liberalising capital flows. In 2006, the Accelerated and Shared Growth Initiative for South Africa (AsgiSA, 2006) became the progression of the two developmental strategies, admittedly agreed to the long-standing challenges of poverty driven by unemployment, ridiculous low earnings, and the joblessness distressed by economic growth. It aimed at reducing the plight of the impoverished by 2010 and further committed to halve unemployment by 2014 from 28% to 14%, in 2004 and 2012 respectively. By 2013 government introduced the NDP 2030 (2013), a newly formulated strategy to which was intended as a new roadmap for the South African challenges. This policy was adopted at Mangaung in December of 2012, the blueprint which would be used for future socio-economic resolutions to eliminate poverty, inequality, and unemployment by 2030 (Reducing inequality in South Africa – the presidency, 2020).

Since the implementation of the latter policies, policymakers and the public seem to have had different interpretations of the policies and how they have, if at all, been translated into policy prescriptions that tangibly impact livelihoods. According to Ashby (2006), the Pacific Research Institute states that,

“Economic freedom is the right of individuals to pursue their interests through voluntary exchange of private property under a rule of law, and this freedom forms the foundation of all market economies” (Ashby, 2006, p. 4). The general discourse on economic freedom seems to be agreeable to the rights of individuals, controlling their own labour and property within a free society, where they can work and produce on free will, consume what they want, and invest in their property of choice (Fofana, 2014, p. 402).

However, despite the discourse described above, South African public interpretations of economic freedom continued to differ and expand following the political dispensation in 1994. Despite the pursuit of the various macroeconomic policies, South Africa exhibited poor conceptualisation of economic freedom and therefore, produced divergent ideas of economic freedom and how it impacts unemployment through the macroeconomic plans. The divergence produced by public discourse was in part, South Africa’s inherited shadow of colonial domination, apartheid and its repressive labour policies which regrettably remained intact. In this research focus is placed on the detailed perceptions and interpretations of the macroeconomic policies by South Africans. This focus will include the country’s post-apartheid youth and its understanding of the notion of economic freedom within the last three decades, to redress the three problems facing this society: poverty, inequality, and unemployment. This research project comprehensively and further outlines notions of economic freedom, as well as how these notions had attempted to deal with earlier challenges of economic transformation within the macroeconomic policies because, of such efforts, regrettably unemployment continued as a perpetual challenge within society. Hence, multiple notions of economic freedom created unclear understanding on how to tackle employment approaches and societal challenges especially the three problems facing South Africa: poverty, inequality, and unemployment (Mosala et al., 2017, p. 332).

In part, this research further examines economic freedom as a widely used notion of economic transformation, to understand the public discourse on economic transformation with potential to impacting the livelihoods of citizens. For instance, since 1994 the emergence of informal trading, especially on clothing has seen the increase of citizens importing Chinese clothing, shoes and other items at relatively cheap prices in an attempt to create an alternative income. However, this action contributed largely to the fall of the South African textile industries due to decreased local demand. Further, the South African government has not been able to translate the issue of increase demand for schools, health care, roads, housing, and electrification to align this demand to the population growth. In other instances, the development of suitable education system and alternative learning needs such as vocational training to increase the choices of economic opportunities especially for the youth. This meant that the lack of economic transformation would result in widespread unemployment, especially for the South African youth. The concept of economic freedom is new and lacks uniform interpretation in the public discourse and, as a result, policymakers have not understood how to formulate clarity on

its usage within the macroeconomic policies. Statistic South Africa (2019) reported against high rates of unemployment as youth unemployment progressively rose to 33% especially those who were not in employment, education, or training (NEET), implying lack of macroeconomic policies that influence the social and economic position of the state with the provision of potential job opportunities (Statistics South Africa, 2019, p. 8).

1.2 Background

The parties met at the Convention for a Democratic South Africa (CODESA) in 1991, paving way for the development of the Constitution. This commitment led all agreeing parties to sign the “declaration of intent”, which intended “to strive to improve the quality of life of South African people through policies that were meant to promote economic growth, human development, and ensure equal opportunities and social justice for all South Africans” (CODESA, 1991). Admittedly, all parties that signed the declaration of intent agreed to the socio-economic rights as an intricate part of the negotiations. However, several scholars do not embrace the South African socio-economic rights as part of the CODESA talks (CODESA, 1991). Socio-economic rights seemed to emerge from the 1994 Constitution and other international frameworks, such as the Universal Declaration of Human Rights (UDHR), International Covenant on Economic, Social and Cultural Rights (ICESCR), amongst others.

Within the three years of CODESA agreement the first election took place in 1994, giving rise to the introduction of the new Constitution, which became the prime law of the Republic of South Africa, with binding legislative, executive, and judicial powers. Its primary objective was justice for all, and socio-economic rights, especially for the poor (Constitution, 1996). During that period, there was a gradual shift in political power, however, the social and economic revolution remained persistently elusive (Mosala et al., 2017, p. 328). The emergence of a democratic government highlighted the glaring challenges of transforming the economy. The government sought to face these challenges through radical economic transformation by gradually maturing political power in conjunction, with the nationalising efforts. This attempt of political control would be achieved by promoting the macro-economic development via a liberal path (Mosala et al., 2017, p. 328).

This research examined alternative ways in which government could bring about economic freedom and transformation, by creating common understanding of the macroeconomic policies: the RDP (1994), GEAR (1996), AsgiSA (2006), and the NDP (2013). In contrast to the promises of the Freedom Charter (1955), South African economic transformation had been driven by neo-liberal principles, which has resulted in many scholars rejecting the impact of its delivery from which signs of economic policy decline and devastation projected external and internal macro-economic policy uncertainties (Mosala et al., 2017, p. 338).

Against this backdrop, this research aimed at understanding the varying notions of economic freedom and produce the much-needed clarity of its concept usage within the macroeconomic policies mentioned above, especially from 1994 (Mosala et al., 2017, p. 328). Following the political changes in 1994, it became evident that government and political players were beginning to realise that to tackle the tripartite (unemployment, inequality, and poverty) problems that faced South Africa, it was important to realise economic transformation and deliver South Africa into a non-sexist, non-racial, and egalitarian society. Transformation, partly, seems to accentuate the liberal approach for the promotion of macroeconomic development principles, as opposed to the desired radical distribution approach, which had guided the liberation struggle from inception. Consequently, the government's concept of macroeconomic policies was to foster prospects of an egalitarian society through economic development, to enable the public to make free choices about their lives to access economic markets and build their livelihoods (Mosala et al., 2017, p. 328).

Adopting the macroeconomic policy meant a plan of action that would focus the country's economy by managing employment and production levels, determining levels of income and expenditure, limiting inflation, and ensuring economic growth (Mosala et al., 2017, p. 331). These policies formed a foundation to deepen the tenets of the Freedom Charter (1955) as embedded in the Constitution of the Republic of South Africa (1996), and the Bill of Rights (1996), to ensure the eradication of unemployment, the problem that resemble a tripartite socio-economic hindrance for citizens, and thus, restore the dignity of all South Africans within the market economy. One of the sentiments depicted in the Freedom Charter: "The national wealth of our country, the heritage of all South Africans, shall be restored to the people; The mineral wealth beneath the soil, the banks and monopoly industry shall be transferred to the ownership of the people as a whole" (Congress of the People, 1955, p. 2).

In view of past two decades, the macroeconomic policies according to the Fraser Institute and Gwartney (2018), conceded to the notion of economic freedom as having to contain: the idea of property rights and individual rights to choose how talents can be expended through voluntary exchanges, freedom to access markets and compete, and the security of both individuals and privately owned property (Gwartney, Lawson, Hall & Murphy, 2018, p. 1). As a measure of economic freedom, the index contains twenty-four (24) components against the five areas: government size, legal construct, and security of property rights, legible to sound money, freedom to trade international, and regulation of credit, labour, and business, while labour output surrogates for productivity growth (Gwartney, et al., 2018, p. 3).

Song and Taamouti (2019) cited Granger (1969), in an empirical analysis, studying what was known as the Granger causality function used for predictability testing. They describe this test as was broadly used by economists and policymakers for the testing of the various causes of any phenomenal, irrespective of the variables ordered (Song & Taamouti, 2019, p. 3). Pasara and Garidzirai (2020) in

their “Causality effects among Gross Capital Formation”, Unemployment and Economic Growth in South Africa relates to socio-economic challenges that have been stagnant and persistent for some time. They illustrated the various attempts that government had taken to eradicate the unemployment and economic growth through the various macroeconomic policies: Accelerated and Shared Growth Initiative (ASGISA, 2006), Reconstruction and Development Programme (RDP, 1994), and the Growth, Employment, and Redistribution programme (GEAR, 1996). Regardless, of this effort some sectors failed to provide jobs: mining, construction, agriculture, and the manufacturing sectors. They used the Granger causality function to test these variables having effects on the unemployment and economic growth levels. Their research findings suggested that gross capital formation had influenced greater levels of economic growth and unemployment when applied within a country. To simplify this view, economic growth improves investment levels in South Africa, and this view will be further discussed in the knowledge gap section (Pasara & Garidzirai, 2020, p. 1:10).

1.3 Problem Statement

After the 1994 democratic state transition, South Africa sought to resolve the national question, the three challenging problems: unemployment, inequality, and poverty. The RDP (1994) as the first policy implemented within a socialist framework failed to achieve the employment needed. Between 2014 and 2024 the formal sector in South African accounts for 68.9% of the total Over a period of five (5) years the Public Works Programme provided employment to about 240 000 people in the building and roads construction, sanitation, and water supplies. Five years later around 2000 the quality of the buildings where criticised with 30% complying with the standards. When government failed to prioritise the RDP by building state capacity and integrate the RDP as the guiding principle of the socioeconomic policies, it was replaced with GEAR (1996). Consequently, GEAR being viewed as a neo-liberal policy, focusing away from socio-economic policies, stood to stimulate faster economic growth, social investments, and reducing barriers to trade.

When employment and economic growth do not always provide a direct link to high unemployment and inflation, access to goods and services become increasingly difficult for the poor. According to the Labour Market in South Africa (2020), South Africa’s wage inequality recorded a warping 0.69 in 2014 (Mosomi and Wittenberg, 2020). Some of the issues inherent in this wage inequality lie in the failure of the broader South African economy to address efficiencies and equity. If the economic debate is focused on employment, development and the Financial Institutions to describe the GDP growth, why government policies fail to address these disparities to influence levels of investment, production and employment? There is a close resonance between poverty and lack of education. Therefore, lack of good education, and access to services have increased lack of access for South Africans to public goods and thereby have yielded an undignified outcomes to have freely available choices. For example, transport and housing have become increasingly expensive and unachievable in

this lifetime. Hence, social welfare contrasts the effects of market failures, including the social capital networks by providing social support and security through several programmes, such as cash transfers, grants, and security benefits (RDP, 1994, p. 58:62).

In 2005 GEAR was replaced with Accelerated and Shared Growth Initiative for South Africa which recognised the halving of unemployment by 2014 from 28% to 14% by 2012 and foster an integrated economy. This too, recorded very low success and registered concerns of ever continuing to being a future programme. Whilst the NDP (2012) meant faster economic growth its failure to convince the South African society in reducing poverty and inequality brought about limited choices to access the free market economy.

Through all the failed policies it became clear that policymakers were unable to make the necessary impact to deliver the South African society from the plight of poverty and inequality. Needless to say, the policies discussed above, seemed insufficient to provide clarity on the notion of economic freedom and its usage within macroeconomic policies. This has created lack of uncertainty regarding its translation from philosophical theory into economic policy. For instance, the White Paper of Local Government published in 1998 aimed at resolving critical basic services to all residents, failed at the helm of leadership due to increased corrupt and maladministration. This became evident at whether our leaders understood what “Batho Pele” meant (Havenga, Mehana & Visagie, 2011, p. 12272).

As a result, the influence of economic freedom on the macroeconomic policies seems dampened, and its relationship – if any – to the chosen employment policies (National Treasury Annual Report, 2019). This research will focus on how definitions of economic freedom influence policies, especially in relation to youth unemployment, and how to facilitate common understanding towards its use. This will be done by comparing the macroeconomic policies pursued at different timelines to assess commonalities and differences based on their outcomes.

1.4 Purpose Statement

The purpose of this study is to examine how macroeconomic policies in South Africa have evolved in the past decades and how particular policies meant to guide economic development have interpreted the idea of economic freedom.

To achieve this, this study has conceptualised the idea of economic freedom in relation to the South African policies RDP, GEAR, AsgiSA, the NDP, and what it means for the individual South African. This study also considers the types of policies within these macroeconomic plans, that are informed by economic freedom. The rationale of this study lies in the contribution it will make to the

development of various ideas formulated to understand economic freedom, as it impacts all marginalised South Africans and their own social settings.

1.5 Knowledge Gap

This research reveals a lack of conceptualisation on how or if economic freedom influences macroeconomic policies in South Africa (National Treasury Annual Report, 2019:56). Further to this, the different notions of economic freedom fail to create a common view from which to tackle unemployment through the macroeconomic plans and bring about the transformation South Africa needs.

According to Gwartney, et. al. (2018) in the Economic Freedom of the World asserts that; improving productivity growth levels, countries with institutions and policies are more likely to attract investments and improve freedom to trade internationally, access to funding, and minimise government size (Gwartney, et al., 2018, p. 2 & 3). Importantly, African governments must pursue policies that allow for reduced cost of imports and exports, stable inflation rate, and reduced government spending (Gwartney, et al., 2018, p. 3). Further, economic freedom is unlikely to make the necessary impact if it is providing limited choices for society to access markets through goods and services.

1.6 Research Question

- 1) **What are the different notions of economic freedom within the macroeconomic policies under review?**
 - a) What are the different notions of economic freedom and their approaches to unemployment pertaining to the various macroeconomic policies?

2 CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This study examined various macroeconomic policies to explore sufficient clarity of economic freedom and its usage within the macroeconomic policies, and to provide sufficient understanding of economic freedom and its influence on the macroeconomic policies, in order to facilitate common understanding towards its use and amplify agreeable sentiments and ambiguities. The discourse around economic freedom is conceptualised through the government's lens, with its policies based on the following framework: the legal structure and security of property rights, negative and positive rights, equality of opportunities, trade liberalisation, and the free market system (Gwartney, et al., 2018, p. 3).

For decades, governments' conception of economic freedom has been premised on the concept of transformation – sometimes referred to as “radical transformation”. In pursuit of this ideal, South Africa has been on the backdrop of combating poverty and reducing systemic inequality in the country. Highlighted as major concern for international aid agencies, local governments, academics, and the civil society alike, policymakers have not found impactful convergence of the latter. Notably, political actors appear to have taken a common dominant ruling position that social protection for citizens is at best to address the issues of poverty. Ulriksen (2012) cited the World Bank (2001) and IMF argued for the protection of the vulnerable people from market disasters calling for social protection and security for the impoverished to curb human devastations. In contrast, there has been multiple blends of social and economic policies that have positively affected poverty and inequality in the developing economies, including South Africa (Ulriksen, 2012, p. 3). Reconnecting with the world post-1994, South Africa remained partially reliant on international aid, even when there were contrasting claims. International loans from the World Bank and IMF have been provided to South Africa several times to invest in internal social assistance programmes; health care, education, cash transfers and others (Schmitt, 2020, p. 7). In other instances, South Africa's social policies had been funded through domestically mobilised resources, to which in 2013, about 16 million people benefitted from social grants (Plagerson, Ulriksen, Patel, Hochfeld, 2015, p. 8)

The policy contradictions promoted in the last three decades, flowing out of the White Paper for Social Welfare (Republic of South Africa, 1997) document, formed the basis for several discussions on social policy developments since 1996, and translated into future policy and legislation in the field. Policy texts, by their nature, are authoritative giving rise to commitment to citizens or certain causes, focus is often placed on a particular gender (women or children), and with specific objectives (Republic of South Africa, 1997, p. 1). To understand the social policies promoted in the last few decades, it is important to contextualise the White Paper (1999) and trace policy definitions and their

normative concepts and discuss the question of economic freedom and how it can contribute to solving the stubborn issues of employment, inequality, and poverty through varied notions of economic freedom depicted below (Developmental Social Welfare Services, 1999, p. 5).

The literature below depicts the various notions of economic freedom as described in the various policies since 1994. The conceptual framework discussed below, depicts different approaches to discuss the research topic. The themes compiled herein, are extracted out of the policies, GEAR, RDP, AsgiSA, and NDP, and clustered under the following themes: Trade for Economic Growth, Policy Monitoring and Control, Equal Opportunities, Employment Creation and Monitoring, and Social Policy Focus.

2.2 Concepts of Economics

Many economies around the world had been experiencing serious economic challenges and the current frameworks are failing with no alternative provisions. New economic frameworks need to be crafted for present day application, globally, especially because the international and local societies have exhibited greater “silent suffering” due to inhumane exclusions, resulting in the quality of life compromised. Therefore, according to Van Niekerk (2019), inclusive change for economic transformation had to start with a sound theoretical basis and adjustments (Van Niekerk, 2019, p. 1).

Van Niekerk (2019) argued for inclusive economic theory as a conceptual framework, to which new concepts of “inclusive economy”, “well-being economy”, “sharing economy”, “social capital” could be constructed to underpin new theoretical concepts. Through the latter concepts, Van Niekerk (2019), responded to concerns inherent in the neoliberal capitalist model’s failures globally, and searched for a workable alternative, without falling into traps of existing conventional models, limitations, and weaknesses. Consumption-driven capitalism is not healthy for economies and mostly unsustainable, it widens the state of inequality and decline growth and consumption, known as “secular stagnation” (Van Niekerk, 2019, p. 1).

Historically, economics as a concept originated from the Greek work *okimonos*, which referred to household management and equitable distribution of resources and, gradually, the concept expanded to micro-level and then macro-level in economic sense. Aristotle contrasted *oikonomos* with *chrematistics*, which tackled property and wealth by maximising an owner’s short-term monetary exchange value and, consequently, he considered the “*chrematist*” view of unlimited accumulation as an unnatural and threatening to the fair distribution of resources (Van Niekerk, 2019, p. 1 &2). Further, Van Niekerk (2019) cited Lauderdale (1819) one of the proponents of resource distribution, cautioned against this concept of *okimonos*, pointing out critical distinction between “public wealth” and “private riches”,

inferring disadvantages of society in the expansion of private riches which has a converse impact to dwindle public wealth in resource distribution efforts (Van Niekerk, 2019, p. 2).

The concept of *oikonomos* displays fair judgement and resolutions in resource distribution by considering the well-being of citizens. It highlights three characteristics: promoting long-term as opposed to the short-term view benefits where not only the transacting parties are sought but everyone. It further supports or prioritise the restraint for accumulation of wealth (economy of enough) as opposed to unlimited accumulation (economy of more). This “economics for community” is considered the true character of the economy flowing out of inclusive participation and shared responsibility. Van Niekerk (2019) cited the “*The Theory of Moral Sentiments*” (2008), where Adam Smith highlighted the risks of exploitative economy, where moral capital depletion can be impacted by markets that are less concerned with people. Further they insisted on inclusive economy where economic decisions are made, ensuring that markets are a resource distribution and wealth creation tool, as opposed to dominant powers squeezing for profits. This approach is salient of development and growth, thus accentuating morality as integral to economics. Such that, if values as related to morality, conscience, and values are ignored from the market, *oikonomos* turns into *chrematistics* (greed and exploitation), resulting into consumption-driven system with consequent externalities (Van Niekerk, 2019, p. 2).

The first concept of a “well-being economy”, “improving the quality and effectiveness of human-to-human and human-to-ecosystem interactions, supported by appropriate enabling technologies surpass economic growth; compared with consumption-based development model which are reliant on increased consumption and standardisation. Where a well-being-based model relates to citizens’ values and motives to making sound decisions. Consequently, “consumers” assumes “co-producers” status in entrepreneurial-driven initiatives and “open source” production, with the latter enhanced, when social, natural, or ecological capital is bolstered for human development and inclusive growth. There is also a distinction between constructive and destructive inequality. Van Niekerk cites Birdsall (2001) in how constructive inequality relates micro-level incentives – and where income concentration is meant for rapid investment in growth, individual efforts, productivity, and innovation – whereas, destructive inequality relates to disproportional opportunities, social immobility, and inhibition of growth, affecting the collective well-being (Van Niekerk, 2019, p. 2).

The second concept, a “sharing economy”, community collectivistic consciousness, reflecting rich social relations with others as a condition for collective prosperity, but also connecting with the ecosystem. The sharing economy considered low-impact production processes, thus reducing potential waste and bolstering interrelationships for inclusive production. Hence, “technological revolution is promoting new model of “sharing economy” which thrives on collaborative efforts as opposed to reductive competition.” This concept has led to the development of “smart villages” in Asia and Africa,

promoting shared renewable energy and agro-ecology systems for the communities, considered as sharing economy or “access economy”, which relies on networks to thrive. This concept is embedded on the people’s equal relations where goods and services are traded directly (horizontal process) with the absence of companies or middle players but collaborative networks. Citizens exchange goods and services directly creating an “inclusive-micro-economy” as opposed to assets managed by centralised organisations, but ecosystems managed by platforms. Capabilities at this point become minimised as ownership and control are excluded and access is amplified (Van Niekerk, 2019, p. 4).

Then an inclusive economy, considered a third concept, known as a “responsible economy of care”. It highlights values of being human in two ways, reciprocal community members (economic participants), and receiving and sharing resources from nature. Production is viewed as “Productive labour” which is considered an “object of care”, and reciprocally where environment is neglected and uncared, economical loss results. Hence, the “shared ethics”, resembling care and responsibility becomes the optimal collective economic benefits, finding expression through alleviating suffering and poverty within a community setup. It accentuates “*an economy of enough*” discouraging excess-consumption and excess-production (waste). Van Niekerk (2019) relates the research that was conducted by the Netherlands Scientific Council for Government Policy (1983) on growth strategies, which depicted contrasting views from the “*economy of enough*” and the export-led growth driven by excess-consumption, where the former exhibited potential to dwindle unemployment and poverty and the latter was to expand the unemployment trajectory. He further cites the researchers at Harvard Medical School, who captured that the happy and healthy life of people is embedded in people’s connection, the quality of their social and natural environment. Where care, integrated communities, and embrace of a healthy ecosystem, increases their quality of life. This transition, a caring economy demands for “a better system of rewards and incentives, underpinned by different values” (Van Niekerk, 2019, p. 4).

Inclusive economics, the fourth description of a “well-being economy” it is described as social or conscious capital, which produces public goods for a common good, for both tangible (public spaces and private property) and intangible (role players and human capital) goods. The value of resources is brought alive by the nature of interrelationships of people between them resembling reciprocity of trust and social norms, maintained by the concept of rational choice theory. “Social participation” is important for collective collaboration within communities and social networks. Where in corporations, social capital build shareholder value for the community and stakeholders (partner, employees, customers, and suppliers), to create an inclusive economy (Van Niekerk, 2019, p. 4).

2.3 Economic Freedom and Growth in South Africa

Economic freedom has been described as the incentivising instrument for building socio-political landscapes, including the establishment of a competitive environment, to which the human creativity

and innovations are rewarded and amplified for the smart utilisation of scarce resources. It allows people the freedom of choice in whatever they deem necessary to produce and consume, and inspired by the invisible hand, they are empowered to follow their interest and potential cooperative structures voluntarily (Coetzee & Kleynhans, 2017, p. 169).

The differences in economic performance and prosperity between countries are defined by the collective illustrative employment and income growth experiences, where some countries may be highly performing than others. These differences are based on the country's level of technological development, competitive advantage, development funding, the type of human capital, levels of corruption, and general uncertainty. In consideration to the measure of economic freedom, Coetzee, and Kleynhans (2017) cited Gwartney and Lawson (2002), equating levels of prosperity to increased levels of income for the poor within a country. In addition, they cited Duts and Hayri (2000) as confirming the relationship of competitive policies in a country which impacts economic development. For some reason, the importance of estimated wide economic competition is closely associated with unexplained growth, as an "incentive" for a country's general economic growth (Coetzee & Kleynhans, 2017, p. 170).

Coetzee, and Kleynhans (2017), they cited Fredrick von Hayek (1960) in "*The Constitution of Liberty*", discussing the conceptualised notion of economic freedom, and proper legislative framework which promotes the freedom of economic agents. He further cited that economic freedom should not be seen as the absence of government behaviour, but freedom within the law with force to coerce and enforce government rules for economic role-players to derive economic advantages. In most instance, freedom is defined as the lack of coercion, which protects individuals from either public or private coercion. Excessive power of monopoly governments can manipulate people's economic and entrepreneurial behaviour if not controlled by the legislation, thus infringing on the rights of economic players in realising their own economic objectives. As a result, economic players must be afforded freedom to develop their own productive capacities and wealth far from unnecessary interferences to gain optimal participation. Hence, according to Voigt (1998) as cited by Coetzee, and Kleynhans (2017), the legal principles must limit government's coercive behaviour and foster individual liberty through the rule of law (Coetzee & Kleynhans, 2017, p. 171).

Coetzee and Kleynhans (2017), cited Kapas and Czegledi (2007), describing the integrated economic freedom as having potential for innovation and free market participation, enabling people to reach their economic potential in the marketplace through innovation with the result of economic growth. Thus, creating undiscovered profit opportunities for other entrepreneurs with their associated entrepreneurial behaviour. In other words, entrepreneurial activity reciprocates economic opportunities for other

entrepreneurs, and therefore economic freedom manifest and bolster economic growth (Coetzee & Kleynhans, 2017, p. 172).

Kapas and Czegledi (2010) they cited Hayek (1960) discussing the question of conceptualising economic freedom in relation to the classical liberal notion of government intervention. They recognised that “the rule of law provides the criterion which enables us to distinguish between those measures which are, and those which are not compatible with a free system”. Arguably the question of the “extent of economic freedom” was reduced to how government apply its coercive powers. Hence, the conceptual criterion of a “free system” makes a distinction between essential coercive actions necessary for economic freedom (freedom-compatible coercive actions) from the reductive actions (freedom-non-compatible coercive actions), in view of understanding how and why economic growth is impacted by economic freedom and government actions (Kapas & Czegledi, 2010, p. 16 & 17). Theoretically, growth economics is associated with level effects and growth effects of various variables and those of government intervention. However, Kapas and Czegledi (2010) cited Slow (1956), arguing that Jones (2005) and Barro (1990) discussed the neoclassical framework, in which they reject the growth effects as pertaining to the government interventions, whilst in contrast the growth theory presents some parameters hypothesised to have long-term growth effects through government intervention. Therefore, through the rule of law, it may be worth separating the two kinds of coercive actions since the bad quality of freedom-compatible coercive actions by the government maybe be harmful to growth and levels of income (Kapas & Czegledi, 2010, p. 17).

2.4 Economic Freedom and Government

According to Kapas and Czegledi (2010), they cite how the framework for economic freedom had been of great interest to Hayek (1960) than any other economists. This framework, referred to as the Hayekian notion of freedom, because it resembles the economic freedom long-run income and growth concept (Kapas & Czegledi, 2010, p. 1). The Hayekian framework categorises government’s action from a viewpoint of economic freedom and the effects of coercive government actions arising from the rule of law which is focussed on government’s reliance on abstract rule, efficiency, and enhanced growth (Kapas & Czegledi, 2010, p. 5). The distinction of this framework lies in the discussion of “efficiency” and “economic freedom” against which government actions must be evaluated. This far-reaching argument of economic freedom and the view that it increases growth, does not present any thought as to *why* and *how* it enhances growth or long-running income. So therefore, the *why* and *how* is examined against which components of economic freedom index translate to growth to a greater extent (Kapas & Czegledi, 2010, p. 17).

The lack of empirical literature to examine economic freedom’s growth-enhancing effects, lacks the theory itself of economic freedom to answer the *why* and *how* question, despite the availability of

economic freedom index. According to Kapas and Czegledi (2010), citing Block (2006) in the Economic Freedom of the World (EFW) Index, attesting to the construction of the index itself as having been constructed to tackle the operational and measurement considerations as opposed to the economic freedom's theory or its effects. Regardless of the latter, the index remains the source for currently used concepts, to which its construct was supported by distinguished scholars out of several conference engagements. Unfortunately, it was noted that not much had been discussed on the measurement of economic freedom or the question of *why* and *how*. As a result, scholars agree that further developments are needed on deriving the theory of economic freedom with conceptual framework (Kapas & Czegledi, 2010, p. 2).

Kapas and Czegledi (2010) cited Locke (1660), regarding the importance of protecting private property for individuals within the state of nature. They further asserted that in a state of perfect freedom people should be able to order their actions, and relinquish their possessions as they deem fit, without depending on the will of others. This would be supported and anchored under the rule of law where government would ensure the protection of property rights. Further, Locke (1660) and Hume (1773), argued for "limited government" where in contrast, Lock's idea was government protection of people's natural rights, and while Hume's idea was securing peace and property rights. Kapas and Czegledi (2010) cited Adam Smith (1776), in his recognition of economic freedom responding to the question of why rich nations are richer than other nations, and what are the effects of economic freedom on growth. In contrast Kapas and Czegledi (2010) further pointed out Mill (1860), where concerned with generating ideas on the nature and limits of power that could be used to manage individuals within a society (Kapas & Czegledi, 2010, p. 4).

Kapas and Czegledi (2010) discussed the Hayekian (1960) propositions in relation to government limits and freedom. They further acknowledged that the size of government was not important but rather what government was allowed to do and how its character is shaped by its actions as related to economic freedom. Secondly, the character of government action relies on evaluation of the abstract composition of the general rules known upfront in exercising coercive power through arbitrary actions and criteria that is embedded in the rule of law. Drawing from the latter, the rule of law does not equate to the legal system nor reflects components of economic freedom, instead it operates as a guide on the use of coercive power. As a result, policies or institutions may be evaluated differently because their economic policies would seek to address different objectives based on the rule of law. Essentially, theorising on economic freedom involves theorising on the state, coercion, and the rule of law (Kapas & Czegledi, 2010, p. 5).

Kapas and Czegledi (2010), describes coercion as the use of special enforced power by government to gain competitive advantage over agents, by imposing its will on others, and by imposing punishment

for non-compliance through the instruments of demands. In contrast, private parties reject outright institutionalised coercion as a morally unacceptable concept, unless if it is freely consented. The only acceptable instance that government coercive power is tolerated, it is when the state protects lives and property from private coercion, such as the predatory bandits or mafias (Kapas & Czegledi, 2010, p. 6). Economic freedom presents a perfect state for individuals to decide what they want to produce to realise their plans in the market and amass wealth. However, the more wealth they generate, the more legible they become to paying their taxes to the state. Remarkably, these individuals are free to decide who to work with in the market, for a price of their choosing. Kapas and Czegledi (2010) stated that Hayek (1945) asserted that individuals achieve better if their productive knowledge is invested freely in areas of interest. Therefore, well deployed entrepreneurial activities provide market participants opportunities to apply their own economic plans and skills to achieve higher levels of economic freedom, consumer options, and increased profitability (Kapas & Czegledi, 2010, p. 9).

Further Kapas and Czegledi (2010), cited Hayek (1960) as he argued that eliminating all kinds of private coercion, laws must be obeyed as encoded through abstract rules, as a result people become subject to free will. Thus, authority must be limited in its coercive power through the rule of law to effect equality in its application including those in power. Hence, the rule of law limits discretionary powers of individuals preventing abuse of power and enables people to pursue private interests and expands economic freedom pursuits. Therefore, entrepreneurial activities and economic freedom must be protected by general rules to ensure coercive actions are not used for private ends, otherwise arbitrary activities can be disruptive. These are known as freedom-non-compatible coercive activities (Kapas & Czegledi, 2010, p. 12 & 13).

In addition to the above, Kapas and Czegledi (2010) discussed the Freedom-compatible activities in relation to the coercive activities. These coercive activities protected individuals from private coercion, related to the enforcement of contracts, independent judiciary, security of property rights, and the national security. It included general regulations and standards encoded in the form of rules, in conformance to the rule of law. These regulations-controlled production activities that may, render health, production and general safety hazards to people as precautionary measures and thus prohibited dangerous activities. Whilst on the other hand, freedom-non-compatible actions are coercive activities that government cannot achieve through abstract rules, but instead involve arbitrary discrimination between people. However, Kapas and Czegledi (2010) referred to Hayek (1960) discussing the three types of government actions of control related to the freedom-non-compatible actions: such as price, quantity, and wage control. As a result, this presented an obstacle for freely contracting agents, as infringing their rights in their private activities. Secondly, monopolies on markets are very harmful because they limit market competition and entrepreneurial activities. Thirdly, subsidies and transfers to firms is another form of government coercive actions, forcing recipients to concede to the will of

government and not their own plans. Where subsidies are provided to private or state and controlled through various requirements, thus contradicting the idea of equality in law. Transfers on the other hand, when provided they are made to seem free but are not: such as housing benefits and food stamps (Kapas & Czegledi, 2010, p. 14).

Khalid, Akalpler, Khan, Hussain Shah and Khan (2021) highlighted unemployment as a major macroeconomic problem in South Africa. Where price stability, unemployment reduction, and economic growth are the main economic indicators that remain elusive and needs to be managed and controlled. Therefore, a stable exchange rate needs to be relooked as it could facilitates better access to markets and improve entrepreneurship activities including improving the conditions of poverty and inequalities (Akalpler, Khan, Hussain Shah & Khan, 2021, p. 3).

2.5 Employment and Inequality Outcomes in South Africa

Leibbrandt and Woolard (2010), argued that employment creation in South Africa has been a great challenge since 1994. This was alluded by the introduction of a policy framework: Accelerated and Shared Growth Initiative for South Africa (ASGISA, 2006), which aimed at removing constraints to affect the reduction of unemployment by 2014. With focus on inequality and growth mechanisms, the labour market needed to respond to the way employment and remuneration could be strengthened within the private sector. In addition, fiscal revenue had to be strengthened and stabilised through growth and attract the necessary available funding needed for social policy and poverty alleviation. In post-apartheid South Africa, the working-age population in the labour market aged between 16 and 64 was 23 million in 1995 and increased to 29 million in 2008. As a result, the share of Africans participating in the labour market increased, especially for women and the youth. Unfortunately, most participation flowed from the unskilled people, as African females were embarked into the labour market to rectify their neglect from the past. Hence the labour market failed to attract the productive workforce and as a result, the South African human capital policies was failing those that had been disadvantaged by apartheid, leaving them unable to fend for themselves (Leibbrandt & Woolard, 2010, p. 4)

Government has given prominence to the public works programme as an employment creation mitigation. Since 2004, the programme has had little success regardless that it had been scaled up for labour provision through infrastructure and community services within the public sector. In this way the jobless people would be targeted into the labour market as new jobs were created. In spite education, the youth found it difficult to enter the job markets because of the non-relevant skills set, as a result policy adjustments to accommodate the youth had been proposed to match the labour demands and the market demands to help crowd the labour market. This includes the proposed wage subsidy to enable the lowering of the costs to employers, and the hiring of the new entrants. For example, one of the considerations to these policies is to close the gap of those unemployed living far from the place of employment, thus bridging the gap of transport costs (Leibbrandt & Woolard, 2010, p. 5). However, in

the argument made by Locke and Nozick (2019), they placed emphasis on the free-market system to achieve justice political and economic redistribution. This was evident with one of the leading entrepreneurs of the 21st century, Richard Maponya. Early in the 1950s against the backdrop of South Africa's restrictive and suppressive Apartheid policies, Maponya cast what became as an unbelievable success in the business landscape. He built leadership prowess over a long period against adversity, delivering milk to consumers in the under-developed Soweto. Such modes of production developed an incredible business value chain encompassing the logistics to transport and deliver the milk to consumers. This mode of production drove the birth of various economic activities that followed this business model. Herman Mashaba emerged as a brand in 1985 for a well-known hair care called Black Like Me, which stimulated a new industry of hair outlets. Ephraim Tshabalala emerged with an entertainment industry called Eyethu in 1969, which provided film entertainment to the Soweto community. These modes of production were prosperous and created alternative access to informal markets, amounting to increased economic choices and employment.

2.6 The Unemployment Cost

Feldmann in the *Economic Freedom of the World* (2010) depicts the unemployment as costly to the economy and society, including individuals and families that cannot fend for themselves. It leads to loss of income and production outputs. He further asserts that in the long run, unemployment diminishes the technical and social skills of the affected people, thus dwindling their chances of being ever employed. As a result, this may tend to cause permanent loss of human capital and potential productivity outcome. Hence, the shrinking employment benefits especially at short term periods, creates a persistent and often irreversible poverty outcomes, with consequences of homelessness and living in impoverished conditions. As unemployment soars, government, through the fiscal policy is obligated to absorb the cost of the unemployed and their assumed responsibilities to health, education, and shelter to their families. This has negative impact to the Revenue collection as related to the income tax and the value added tax, due to the reduced production output and income that potentially could have been earned (Feldmann, 2010, p. 187). Furthermore, it is noteworthy that, rising unemployment, threatens the fiscal policy to increase government spending associated with the welfare transfers to curb the outpouring effects of unemployment. Feldmann, used the *Economic Freedom of the World Index* (2010) to study the effects of economic freedoms and his main findings had been summarised in the paragraphs that follow below (Feldmann, 2010, p. 191).

2.6.1 Size of government

Feldmann (2010) discussed the effects of economic freedoms through the index of the "Economic Freedom of the World", he argued the size of the government sector as having an impact in the increase of unemployment (Feldmann, 2010, p. 191). Feldmann (2007) cited Alesina and Perotti (1997) argued that when the government sector is larger than the private sector, consequently there is a potential for

reduced international competitiveness (Feldmann, 2007, p. 165). This is because of high taxes intended to fund the large government sector expenses, which may have cascading effects on investors and their potential to export private investment. In contrast, smaller government sector size, is likely to reduce unemployment, impacting especially the youth and the total labour force (Feldmann, 2007, p. 165). Austerity has been an indicator for the unemployment cost as the state aims at controlling the debt and growth problems through economic stagnation to balance the budget. The Institute for Economic Justice Research Policy Advocacy (2019) described the global financial crisis of 2007/8 austerity programme, as one of the harsh lessons for South Africa. The impact of its reduction in spending and regressive tax increases, had exacerbated the rising unemployment, drop of incomes and increased inequality. Its provisions are purely neoliberal both in the monetary policy and the fiscal policy, thereby marginalising the poor masses who rely solely on social policies. A study conducted by the World Bank (2010), “Finding the Tipping Point – When Sovereign Debt Turns Bad” indicated the point at which debt turns negative on growth, at 77% debt-GDP ratio over a period of time. As a result, governments turn to austerity measures to balance the budget to which has severe consequences particularly on the poor and low-income households (Institute for Economic Justice Working Paper, 2019).

2.6.2 Rule of law and security of property rights

A solid state of the rule of law offers increased protection on the property rights which favourably affect unemployment (Feldmann, 2010, p. 191). The legal system once strengthened, it exhibits strong features of noticeable labour market effects. For instance, Feldmann (2007) illustrates that if Italy, rated 6.8 in the rule of law index, had compared to the United States rule of law index, rated at 8.5, its unemployment rate for women and youth would have been 1.9 percent and 1.7 percent lower of the total labour force (Feldmann, 2007, p. 165). The legal-driven system expressed through the rule of law, tends to provide efficient distribution of resources, such that the labour market can produce adequate employment levels. Thus, people tend to enjoy a great sense of purpose and incentive when employed, because their income multiplies their opportunities. For instance, in potential legal disputes, they can be afforded an opportunity to pay for their legal fees and contest any legal case in court at relatively affordable costs. Similarly, enterprises under the rule of law, possess the ability to participate in the labour market and indirectly contribute to the tax revenue through legitimate workforce. On the contrary, the poor rule of law constrains employment and the enterprise’s ability to innovate and participate in the labour market, thus increasing levels of unemployment (Feldmann, 2007, p. 165:166). In addition, if capital is exported from home country to another developing country, unemployment in the home country is likely to exhibit job losses which has a consequent effect on the home economy. (Feldmann, 2007, p. 166).

2.6.3 Regulation

Like the rule of law, Feldmann (2007) draws attention to regulations and incite that when it is poorly administered it will directly impact the employment outlook, especially the youth. Furthermore, cited Blanchard and Giavazzi (2003) reflected how the liberalisation of international economic relations may impact unemployment in the short-term through the liberalisation of national credit, labour, and products in the markets. When this happens, enterprises are likely to reduce staff, exacerbating the unemployment levels and the falling of the market barriers which will reduce the bargaining power of labour and real wages. On the other hand, Feldmann (2007) cited Davis and Wilson (1999) arguing the extensive deregulations of individual industries as having potential causal effects on job losses. Conversely, whether deregulation or less stricter regulations both have illustrated the same effects of reduced employment levels in reference to the many empirical studies (Feldmann, 2007, p. 166).

2.6.4 Sound money and freedom to trade internationally

Feldmann (2007) cited Akerlof, Dickens, and Perry (1996) with regards to the unemployment and its effects arising from inflation. Foreign trade and the movement of international capital can in a long term reduce the effects of unemployment out of redistributive efficiencies, but little effects of short-term unemployment. For instance, the industry protectionist approach towards foreign competition, tariffs, and trade barriers, may bring about joblessness. This is due to the liberalising of the capital, exporting it to foreign countries, where jobs are sometimes relocated to foreign countries, thus causing skills shortage and the soaring of unemployment (Feldmann, 2007, p. 166).

2.7 Equal Opportunities and Employment Creation in South Africa

Regardless of any indicators, measuring inequality in the world, South Africa remains the most unequal country in the world. Importantly, South Africa's inequality, unemployment, and the uneven distribution of wealth is largely driven by the effects of the labour market. Unfortunately, the South African policy responses have failed to address these issues in addressing the living standards. This includes the ineffective mitigations towards the influencing of the "inequality of opportunities" in view of improving the "inequality of income, wealth distribution, and the housing distribution for better living outcomes" (South African Presidential Economic Advisory Council, 2020, p. 1). It is notable that the problems of the South African citizens, began with their gender or race, their background, and their unmatched education system, which all were a disqualifying factor to the labour market and thus lacked to influence fair redistribution of labour in the labour market. Despite the progress made in overcoming inequality through a progressive tax system, social welfare and the employment equity legislation, the South African outlook registers stubbornly high inequalities (Republic of South Africa, 2020, p. 1).

Consequently, the income distribution for the low real wages and the increasing wage growth at the top has resulted with the middle distribution being hallowed. The National Development Plan was

responsible for lowering the cost of the impoverished households, with social welfare mitigation: education, healthcare, transport, etc., but the real wage of workers continued to diminish and was unable to match the cost of such social wage packages. For instance, technological changes in the reproductive sector, has shifted the required skills within the economy and thus affecting the “middle” distribution. Hence, the wage inequality (wage Gini) increased from 0.58 in 1995 to 0.69 in 2014. (Republic of South Africa, 2020, p. 2).

Moreover, the Joint Initiative on Priority Skills Acquisition (2006) which focussed on skills shortage in South Africa for short-term operational plan, was constructed to define critical skills priorities and to engage the private sector and organised labour to increase the supply such skills. The Joint Initiative on Priority Skills Acquisition (JIPSA, 2006) was launched on the backdrop of the state of the poor education system and the skills deficiencies which had been the binding constraints on economic development. Based on these constraints, government introduced JIPSA to support the targets set out in the Accelerated Shared Growth Initiative (ASGISA, 2006) national plan. The bases of ASGISA were set on partnership with social partners in which to find practical approaches in the country’s problems and resolutions. In part, Siyenza Manje (2006) was a programme which was facilitated by the Development Bank of South Africa (DBSA), in which critical skills of the retired professionals were identified for potential recalling back to municipal service. Development strategies like this have partially helped to maintain the quality of jobs and while new coordinated and integrated strategies are being promoted (Joint Initiative on Priority Skills Acquisition, 2008).

3 CHAPTER 3: METHODOLOGY

The qualitative research approach applied in this research, was about a technique aimed at interrogating the well implemented South African macroeconomic policy documents for review. In this way, the various policy documents were selected for review: the RDP, ASGISA, GEAR, and NDP. South Africa and many other political proponents recognised the idea that 1994, was the dispensation for political power rather than economic power, and that growth through political power was not sufficient to expand the rift between the poor and the rich. This reality produced a strong view for economic transformation through the establishment of macroeconomic policies to address the economic growth aimed at alleviating poverty, inequality, and unemployment.

3.1 The Macroeconomic Policies

This research was focused on four macroeconomic policies: the RDP, ASGISA, GEAR, and NDP, to answer the research question on conceptualising the idea of economic freedom in relation to these macroeconomic policies and how it impacts unemployment. From inception, the macroeconomic policies were envisaged as a path to narrow the widened gap between the rich and the poor, with the policies implemented at various periods of economic challenges within South Africa. A brief outline below describes what these macroeconomic policies were intended to achieve.

3.1.1 Reconstruction and Development Plan (RDP)

The RDP (1994) became a policy instrument that was directed at progress of the transformation strategy and constructed upon a national consensus, the embodied vision of a future social policy (RDP, 1994). Through this policy, government devoted to the redistribution of resources, the provision of basic services to address inherited inequalities. Equally, government devoted to economic growth, especially stimulating sustainable employment, and promoting small and medium-sized enterprises. The primary goal was to mobilise citizens towards a democratic future, non-racial and non-sexist, to produce broad-based transformation (Reconstruction and Development Programme, 1994).

3.1.2 Growth, Employment, and Redistribution (GEAR)

GEAR in 1996, was introduced as a macroeconomic policy framework to stimulate faster growth to attract social investment within the economy (GEAR, 1996). Gelb (2007) in his article, “Transformation Critical Perspectives on Southern Africa” reflected on how the ‘left’, the Tripartite Alliance criticised the GEAR policy as a ‘neo-liberal’ framework, which had broken principles and strategies from the then RDP, as a result they felt marginalised from the process of the policy formulation. The South African Communist Party (SACP) claimed that GEAR risked reducing and cutting on social services needed by the impoverished and widen the gap between the rich and poor (Gelb, 2017, p. 1). This was corroborated in the article of Mosal, Venter, and Bain (2017) wherein, they cited the failures of GEAR

through Habib (2013) in which the level of poverty and inequality are said to have increased dramatically in 2001. They further incited the growth rate that GEAR promised: 6%, but the economy could never exceed the growth rate of 5% and was accompanied by a devastating 30% of unemployment (Mosala et al., 2017, p. 333).

3.1.3 Accelerated and Shared Growth Initiative (AsgiSA)

AsgiSA (1996), introduced in February 2006, with intention of promoting the base of Black Economic Empowerment (BEE, 2004) and the inception of black business class, in addressing the inequalities of what became known as the first and second economies. This would be achieved through creating broader access to public goods and services, improving the business environment through the cost reduction of transport and communication, and reducing unemployment through labour intensive exports in services (Gelb, 2017, p. 5 & 8).

3.1.4 National Development Plan (NDP)

The NDP (2013) serves the latest macroeconomic policy blueprint intended to eliminating poverty and reducing inequalities in South Africa by 2030 (The Presidency, 2014). The policy objectives emphasised inclusive economic growth, and the development human capabilities, enhancing the capacity of the state, and promoting leadership and active citizenship throughout society. This included focus on promoting gender-based opportunities for women and youth for a transformative socio-economic agenda outcome (National Development Plan, 2013). This research study follows with the analysis of the macroeconomic documents: the RDP, GEAR, ASGISA, and the NDP through a method referred to as the ATLAS.ti.

The data collection method used is referred to as the analysis of documents that contains information about the topic under study (Bowen, 2009, p. 32). Document analysis as applied below is contains skimming, reading, and interpretation. This process involves an iterative procedure culminating both the elements of content analysis and thematic analysis, where content analysis is concerned with organizing information into categories to answer the question the research, however, content analysis is best applied in the quantification measurement where the codes are usually numeric and may represents a metric variable (Bowen, 2009, p. 32; Neuendorf, 2018, p. 212). Bowen (2009) cited Fereday and Muir-Cochrane (2006) in describing thematic analysis as structure of information data arranged into recognisable patterns accentuating themes to produce categories for analysis (Bowen, 2009, p. 32). Where this process, contained more attentive re-reading and review of the document data selected for the codes and category compiled as anchored on the data characteristics, to formulate associated themes as pertaining to economic freedom and unemployment. Further, Bowen describes how the codes and themes are symbiotic in their relationship as data becomes integrated between them through a method, in this case the ATLAS.ti (Bowen, 2009, p. 32).

This review process was carried out using a software system, ATLAS.ti. The method of analysis was carried out by coding every document selected under review. Quotations arising from the policies that were consistent with the research question were selected to form a meaning, referred to as a code. The code, which is a descriptor of meaning, was associated with all selected quotations from the reviewed policies. ATLAS.ti aims to facilitate the qualitative data analysis under review, making it easy to extract quotations and readily analyse data. Data from the policies was selected segment by segment, in relation to the research question and saved as a quotation. Every quotation was analysed, and any overlapping quotations were identified and allocated codes in relation to the economic freedom and unemployment. Once the codes were allocated, overlapping codes were grouped together to form one code and each time a code overlaps it adds up to a specific number showing how many codes were grouped, with an aggregated total number of codes. All codes were assigned a different colour for ease of identifying their differences and ease of grouping. Neuendorf (2018) describes end results of the thematic analysis as forming a “constellation” of meaning out of the codes and themes compiled (Neuendorf, 2018, p. 212)

During the first iteration process of the production of the codes, 147 codes were produced. Upon deeper assessment, similar codes were further identified and grouped to reduce their number from the initial production, and this resulted in 127 codes. A further reduction was carried out and ultimately, the research resulted in 21 codes, which was considered a reasonable number for analysis.

The research then proceeded to the second stage of the distribution of codes across the selected policies to examine the spread of the codes into the four policies described above. Subsequently, certain codes were selected and pronounced suitably relevant from each policy and where some lacked inclusion. Every code distributed in the policies highlighted significant concepts and phenomena that were studied. The distribution of the codes was ultimately added up to examine their significance in the research, and a higher number in “total codes” meant the issue was significant enough for government to address and focus on. For instance, electrification, economic growth, job creation, and transport ranked the highest among the codes, proving their significance and urgency within the general narrative by policymakers.

Lastly, the clustering process envisaged creating well-contested themes that account for the similar focus and outcomes of codes. Five clusters were formulated: ***Trade for economic growth; Policy monitoring and control; Equal opportunities; Employment creation and monitoring; and Social policy focus.*** These clusters were determined by correlating the themes to the research topic, “Economic Freedom and its failure to find common meaning with its usage among policymakers”. This process produced convergent and divergent themes from the data collected and simultaneously analysed to formulate agreeable themes. Where themes were agreeable, they were clustered under a suitable category, and were considered convergences, and likewise to the non-agreeable themes, which were

referred to as divergences. At the end the clusters were summed up and resulted with the following: *Trade for economic growth (28); Policy monitoring and control (25); Equal opportunities (41); Employment creation and monitoring (17); and social policy (16).*

The following sections discussed the research paradigm concept, research approach, research tools, the application and sampling, the process of data analysis, as well as describing the limitations, and positionality of the research. These aspects of the research followed a qualitative method which aimed at generating interpretation and meaning.

3.2 Research Paradigms

Krauss (2005) describes the research paradigm as broadly represented by the emergence of multiple realities, thus contributing to the knowledge base of a particular phenomenon studied. In as much as knowledge produces meaning, it is about the process of how knowledge result in the production of reality and therefore meaning (Krauss, 2005, p. 759). In the case of knowledge, the question is always how we know what we know and what counts as knowledge (Krauss, 2005, p. 1244). According to Patton (2002:176 and 213), “When researchers operate from different frameworks, their results will not be readily interpretable by or meaningful to each other.” Various research paradigms, such as positivism, interpretivism, and critical theory, were engaged with to understand how to situate this research on economic freedom.

3.2.1 Positivism

Alharthi and Rehman (2016) describe positivism as separate from reality and the experiences of humans. Therefore, to understand the social world around, the positivist takes a position of realism so that they may understand both the social world and the natural world alike. The natural state presents the cause-effect relationship between the matters being studied, so that the future can be predicted with improved accuracy. Especially that reality does not inhibit boundaries, a study being conducted in different times and places will present similar outcomes for researchers. As a result, positivists hold a general view that about the social laws of reality and by applying scientific methods researcher may formulate these laws and present facts around the phenomenon studied (Alharthi & Rehman, 2016, p. 56).

3.2.2 Interpretivism

Alharthi and Rehman (2016) argued that the interpretivism foundation of constructing social multiple realities, validates the idea of truth and reality as being created not discovered. They further cited Cohen, Manion, and Morrison (2007) conceding to the interpretive approach, where the socially studied phenomenon, is grounded “through the eyes of the participants rather than the researcher”, this includes understanding the context of the social phenomenon (Cohen, Manion & Morrison, 2007, p. 21).

Therefore, analysing data, the researcher must attempt to finding the patterns in the data, collapsed into themes to establish suitable theories. Alharthi and Rehman (2016) cited Grix (2004) in discussing the deductive approach, wherein the research begins at identifying patterns and themes prior the data collection process, then the researcher searches for words in the data, statements, and events, resembling codes, patterns, and themes. Further, he argued that the interpretivists approach is usually inductive because “they tend to see theory as deriving from data collection and not as the driving force of research” (Alhathi & Rehman, 2016, p. 56). Within interpretive approach data collection methods is sourced, producing qualitative data, either through open ended interviews with varying degrees of structure (standardised or semi-standardised open-ended interviews or informal conversational interviews), observation, filed notes, personal notes, or documents (Alhathi & Rehman, 2016, p. 56).

3.2.3 Critical theory

Considering the critical theory, the existence of reality is shaped by various factors: cultural, political, ethnic, gender and religious factors which are symbiotic and relational to creating a social system. Through the knowledge system, critical theory is subjective, such that it relies on the phenomenon studied and the researcher. As a result, knowledge produced by political players is classified critical for society. As a result, any body of knowledge that is legitimised and deligitimised must be scrutinised for authenticity. Alharthi and Rehman (2016) cited Kincheloe (2008) remarked about how people should be enquiring about: “How did I get stuck with this body of knowledge and these lenses through which to see the world?”. Alharthi and Rehman (2016), further cited Guba and Lincoln (1994), discusses the critical methodology, relating the how the investigator engages with the subjects of the study to facilitate change in their social systems that keep them deprived of intellectual and social needs. To ensure inclusivity of the research participants, researchers engage the participants through formulated questions, data collection, and analysis (Alhathi & Rehman, 2016, p. 57).

This research has taken the view of using the interpretive paradigm because this paradigm relies on data collection from the documents under review. Patton (2015) cited Stanfield (2006) through Denzin (2010), where he describes the primary view of this approach is to pave the quality of life for the oppressed, marginalised, stigmatised, and ignored, and to bring about restoration, reconciliation, and healing between the researcher and the researched (Patton, 2015, p. 1001). From the selected documents, this research made enquiries uncovering perceptions of economic freedom and the macroeconomic policies, as it concerns itself with multiple realities in deriving meaning, especially related to social, political and historical context.

3.3 Research Approach

This study adopted a qualitative research approach framed in terms of using data collected through observing a set of documents under review: the RDP, AsgiSA, GEAR, and NDP. This approach

explored the meaning ascribed to social problems emerging from the research question and inductively analysed data, from general themes, after which the researcher proceeded to making meaning of the interpreted data. Exploring the perceptions and understanding of economic freedom, the public and political players demanded that this notion be assessed and clarified in relation to the language used in the macroeconomic policies and explore why the policies continue to produce lack of clarity for policymakers and the youth and examine the reasons unemployment continues to be uncontrollable. It is important to note that since this topic on economic freedom is relatively new, the researcher did not know the important variables to examine, hence the strategy applied, the discourse analysis, exploring the perceptions and understanding public and political players on the notion of economic freedom, and how it relates to their choices and employment.

The primary data, collected through quantitative research techniques, has assisted in determining how the macroeconomic policies describe the notion of economic freedom and how this relates to their notions of unemployment. This study has undertaken the path of discourse analysis to examine the language function and the meaning created in different social contexts, especially the language expressed within the policy documents. Further to examine the learnings that inform or challenge the existing conceptions of meaning within which to process and provide an opportunity for acquiring new meaning or confirming currently held views (Krauss, 2005, p. 763).

The qualitative method enables an approach facilitating in-depth, open, and detailed inquiry. Furthermore, it increases the depth of understanding of the cases and situations studied, while reducing generalisability.

3.4 Research Tools and Their Application

Luo (2019) describes the discourse analysis (document analysis) as a qualitative and interpretive method of analysing texts with systematic methods like ATLAS.ti. It analyses interpretation based on both the details of the material itself and contextual knowledge. There are many different approaches and techniques that can be used to conduct discourse/document analysis and they can be approached in the following way: define the research question; select the range of material that is appropriate for answering the question; gather “factual” information and theory on the context from the literature in question; and construct a theoretical framework through codes and clustering to guide the analysis. After clustering, collate similar codes that resemble similar meaning, and analyse the content by formulating themes that express similar meanings to the literature, and that respond to the research question, to review contents for results and draw conclusions (Luo, 2019).

Bowen (2009) cited Corbin and Strauss (2008) describing the discourse analysis, as a process to examine and interpreting data to extract meaning, gain understanding and developing empirical

knowledge just like the analytic method found in qualitative research (Bowen, 2009, p. 27). The macroeconomic policies (RDP, GEAR, AsgiSA and NDP) will be engaged to see if the economic freedom and choices the youth face in relation to unemployment are expressed in these macroeconomic policies.

3.5 Sampling

This study pursued a qualitative research strategy, the nature of sampling was non-probability sampling and, more specifically, purposive sampling, which is described as the selection of units that have a direct relevance to the questions being asked (Alan Bryman, 2014).

The proposed study reviewed the data source of the macroeconomic policies to understand the context of the language used within the policies in relation to economic freedom, as well as public perception, especially amongst the youth. The macroeconomic policies selected for this review are the RDP, GEAR, AsgiSA and NDP.

3.6 Process of Analysis

According to Krauss (2005) cited Becker (1996) discussing the quest of the research as should be concerned with maximizing the potential for generating meaning through the process of qualitative data analysis (Becker, 1996, p. 766). This research was also focused on data collection, the coding and then categorizing the data in clusters to generate meaning by applying a process: ATLAS.ti. The analysis included themes that are related in meaning, as associated with quotations arising from the policies. Krauss (2005) cited Becker (1996) arguing the usefulness of qualitative data analysis to generating meaning in the lives of people. Remarkably, they also discuss the positionality of the researcher, quoting “There is a common assumption that things look to me as they would look to you if you were standing where I am standing as a shared setting” (Krauss, 2005, p. 765). Additionally, the analysis examined common notions of economic freedom in an attempt to understand the research question by comparing it to the Gwartney’s framework as concerned with the legal structure and security of property rights, negative and positive rights, equality of opportunities, trade liberalisation, and the free market system (Gwartney, et al., 2018, p. 3).

Mogalakwe (2006) cited Bailey (1994) depicting the documentary research method as an alternative analysis process, which is largely focused on the analysis that contains information about the phenomenon being studied (Mogalakwe, 2006, p. 221). The documentary research method is used in investigating and categorising physical sources, most written documents, whether in the private or public domain (Payne & Payne, 2004). Data analysed leads to putting the collected data into codes, then clusters representing themes, and suggesting how it might be analysed and interpreted, as related to the macroeconomic data.

3.7 Limitations, Feasibility and Positionality

This study has been carried out by examining previously implemented South African policies related to the plight of poverty, unemployment, and inequality. This study has been focused on the economic freedom envisaged by the youth, and how these policies respond to their livelihoods and their daily encounter with socio-economic realities. This study collected data from the policies (RDP, GEAR, NDP, and AsgiSA) and utilised the ATLAS.ti software to examine the data for potential meaning in every policy. The outcome of this analysis is based on understanding the South Africa's economic transformation and ensuring the applicability of the Constitution to the rest of its citizens. Further, to test if the macroeconomic policies and fiscal policies have achieved the intended impact of the redistribution of wealth for greater prosperity (Mosala et al. 2017, p. 327-340).

This research will not engage with any participants as the scope for doing so may not be reached due to the large range of potential participants. As a result, policy documents form part of the assessment and analysis to which all range of participants of interest may infer their views in the production of the policies described above.

3.8 Ethics

A research protocol will be developed and submitted to the Wits Ethics Committee for review. As no interviews will be conducted and no potential harm posed, exemption will be requested from the committee and for the researcher to submit a waiver form. The ethics component will be conducted with reference to the attached "ethics waiver application".

3.9 Confidentiality and Harm to Participants

The research did not require participants needing protection against harm or a breach in confidentiality. The research study evaluates and assess macroeconomic policies to find context in the language used in the policies and compare them to the interpretation held by the youth and policymakers and how this impacts unemployment.

Consent was not required as the study does not include research participants.

4 CHAPTER 4: ANALYSIS

4.1 Overview

This research, "the different notion of economic freedom within the macroeconomic policies" has been approached through coding extracted quotations from literature to formulate themes that could be assessed and analysed. Five documents (RDP, RDP Challenges, GEAR, ASGISA, and the NDP) underwent a review process from which the first level considered was coding these extracts through a

software called ATLAS.ti to defining distinct concepts and categories in the data for each document in relation to the research question. These paragraph extracts were highlighted (See Annexure A), giving each extract or paragraph patterns identified for repeatability, forming common extracts as they emerged, and ultimately producing a basic context for analysis in alignment with the research question. The focus was to produce themes out of these extracts, making it possible to analyse the data. Below are three main tables extracted from ATLAS.ti software: codes table, distribution of codes into various policies, and then clustering of the collected data to produce meaningful data for analyses. The main documents that this research was concerned with relates to the policy documents RDP, Challenges of RDP, AsgiSA, GEAR, and NDP, which, in reference to the research question, reflected divergent and convergent meaning to the three challenges faced by South Africa: poverty, inequality and unemployment.

ATLAS.ti is a software that communicates and examines directly the documents under review and provides the ability to code these documents through a process intended by the researcher. It further provides customized analysis of the intended researched goals to produce highly relevant codes and results related to qualitative data.

The coding extracted from these policy documents was measured in the following order: how many times the phrases or extracts formed convergent view in all documents relating to the same code; how these extracts would be repeated to become a point of interest in the research process; and what codes constitutes common meaning to economic freedom and its usage among policymakers.

4.2 Data Analysis Process

This research has focused on the table below (***Policy Documents Coding***) for the development of codes of interest relating to the research question per policy review. In the first iterative process on the production of the codes, 147 codes were identified from the extracted quotations that were of interest. Once they were analysed it was found that some of the codes were not really answering the research question and as a result, they had to be eliminated from the study. In further examining the extracts, similar codes were grouped together and downsized into areas of interest, resulting in 129 for potential analysis distributed across the various policies. As a result, the table resulted in 21 codes aggregated for all policies, as shown below (See Annexure A). These codes were considered essential for the research analysis and that became the final 21 codes to work with. These codes were selected because of convergence of the codes and repeated across the policies, in response to the research question, “*the different notion of economic freedom within the macroeconomic policies*”, and thus, focusing the research interest on areas strongly associated with addressing economic freedom and the plight of poverty, inequality and unemployment for analysis. The table below represents the extracted codes from the five policies considered.

Table 4.1 Policy documents coding

Item no.	Description of the Codes	Codes
1	Access to markets	3
2	Beneficiation	4
3	Civil Society Participation	4
4	Economic Growth	11
5	Economic policy coordination	3
6	Education and Skills Programmes	2
7	Energy and Electrification	6
8	Government Corrupt Officials	3
9	Health Care	18
10	Improve household income	1
11	Industrial Policy Reforms	8
12	Integrated Housing & Human Settlement Development	7
13	Job Creation	13
14	Land reform	9
15	Open Markets	1
16	Peace and Security	8
17	Promote Labour Policies	3
18	Strong Welfare System	3
19	Technological Developments	3
20	Transport	6
21	Youth Development	13
TOTAL CODES		129

4.3 Data Distribution of Codes by Policy

The next table shows the description of codes with a spread of the codes across the policies, indicating the prevalence of the code description in each policy as a concept and meaning. Each description of the code exhibited a particular meaning and context in each policy to which corresponding extracts to the codes. This was further compared to the period at which South Africa would have been at that stage of the pronouncement of the policy decision and intent. Every code distributed in the policy highlighted significant concept and phenomenon studied.

The RDP codes through the analysis placed emphasis on social priorities in order of importance: economic growth, energy and electrification, health care, job creation, land reform, peace and security, and the transport system as the fundamental transformative elements within the economy. Further, this study focused on the notion of economic freedom and how it impacts unemployment. In addition, discussed below, are the relevant codes associated with the research question.

Table 4.2 Distribution of codes by policy

Item no.	Description of the Codes	AsgiSA (2006)	NDP 2030	GEAR	RDP Challenges	RDP (1996)	Total Count
1	Access to markets	0	2	0	1	0	3
2	Beneficiation	2	2	0	0	0	4
3	Civil Society Participation	0	3	0	0	1	4
4	Economic Growth	1	6	4	0	0	11
5	Economic policy coordination	0	3	0	0	0	3

Item no.	Description of the Codes	AsgiSA (2006)	NDP 2030	GEAR	RDP Challenges	RDP (1996)	Total Count
6	Education and Skills Programmes	0	1	0	0	1	2
7	Energy and Electrification	2	1	0	0	3	6
8	Government Corrupt Officials	0	1	0	2	0	3
9	Health Care	0	10	1	0	7	18
10	Improve household income	0	0	0	0	1	1
11	Industrial Policy Reforms	0	3	5	0	0	8
12	Integrated Housing and Human Settlement Development	7	0	0	0	0	7
13	Job Creation	0	3	5	0	5	13
14	Land reform	0	0	1	0	8	9
15	Open Markets	0	0	1	0	0	1
16	Peace and Security	0	5	0	1	2	8
17	Promote Labour Policies	0	3	0	0	0	3
18	Strong Welfare System	0	1	0	0	2	3
19	Technological Developments	0	3	0	0	0	3
20	Transport	0	0	0	0	6	6
21	Youth Development	1	7	0	0	5	13
	TOTAL BY POLICY DISTRIBUTION	14	55	17	4	37	129

4.3.1 Summary of the policies in relation to the codes and research question

The RDP (1994) represented focused goals of strengthening economic transformation into non-racial, non-sexist, egalitarian, united democratic state. To achieve this, it was crucial for government to promote the socio-economic policy, for equal society, and to strengthen democracy for South Africans. This policy was successful in certain areas of the welfare system: such as social security. The transformation of the economy remained a huge challenge for the newly formed government, to which the National Democratic Revolution (NDR) ideologies were seen to be that of the collective Tripartite Alliance (African National Congress, South African Communist Party, and Congress of South African Trade Unions). Transformation in, their view, encompassed measures of nationalism, compared to the liberal route they envisaged political control and economic power as the promotion of the macroeconomic development and growth of company earnings (Mosala et al. 2017, p. 327 & 332). The RDP pronounced a more radical distributive transformation, branding this ideology as the first ever social policy that was more inclusive and pro-black than all the other policies that were introduced later.

In consideration of National Development Plan (NDP, 2013), regardless of its radical transformation promises, driven by neo-liberal principles, political proponents suggested in contrast that South African economic fortunes were rather declining. The result of this decline was the mounting external pressures and internal policy uncertainty, which resembled a discord between the original ideological objectives and the NDP (2013).

The table attached, **Appendix A**, comprises codes and associated quotations from the literature, illustrating the convergence of the common themes, thus bringing context to the research question for analysis.

4.3.2 Themes and redistribution of codes

The qualitative research suggests that when all codes have been determined, it is common cause to examine this data through the collection of themes out of the 21 codes determined, from to build an understanding towards thematic analysis since common themes may repeat themselves, showing some significance in the literature and giving rise to a pattern of meaning. Since the codes represent the themes in the literature, this research has collated similar themes (as set out in **Annexure A**) from similar codes to analyse the data below in relation to the prospects of economic freedom and the concepts used to find common meaning for socio-economic development and growth.

This level of analysis has clustered codes into theoretical codes which may be referred to as themes: ***Trade for economic growth; Policy monitoring and control; Equal opportunities; Employment creation and monitoring; and social policy focus***. These themes were determined by correlating the themes to the research topic, “*the different notion of economic freedom within the macroeconomic policies*”. This process would enable the analysis of convergent and divergent themes from the collected data identified throughout the literature. The convergence from the previous studies validates the current theories under review, informing this study. Five clusters have been developed and provided with new descriptions of the themes as set out above and, in the table, below.

Table 4.3 Policy codes clustered into themes.

Item no.	CLUSTER 1	CLUSTER 2	CLUSTER 3	CLUSTER 4	CLUSTER 5
	TRADE FOR ECONOMIC GROWTH (28)	POLICY MONITORING AND CONTROLS (25)	EQUAL OPPORTUNITIES (34)	FINANCING EMPLOYMENT CREATION AND MONITORING (26)	SOCIAL POLICY FOCUS (16)
1	Access to markets (3)	Economic policy coordination (3)	Beneficiation (4)	Strong Welfare System (3)	Peace and Security (8)
2	Economic growth (11)	Industrial Policy Reforms (8)	Health Care (18)	Youth Development (13)	Improvehousehold income (1)
3	Job Creation (13)	Promote Labour Policies (3)	Transport (6)	Technological Developments (3)	Government Corrupt Officials (3)
4	Open Markets (1)	Land reform (9)	Energy and Electrification (6)	Integrated Housing and Human Settlement Development (7)	Civil Society Participation (4)
5		Education and Skills Programmes (2)			

5 CHAPTER 5: DATA ANALYSIS

This study examined the different notions and approaches of economic freedom related to unemployment within macroeconomic policies. Only relevant clusters are discussed in the analysis, as they associate to the research question. According to these clusters, **“Trade for Economic Growth”**, and **“Financing Employment Creation and Monitoring”** are discussed in exclusion of the rest (clusters 2, 3 & 5). These clusters are discussed because of their relevance to the study and the research question, and because they provide the basis for the argument on economic freedom and unemployment as pertaining to their influence on the various notions and their common use in relation to economic freedom and unemployment. Between the first and fourth cluster, four codes are discussed and analysed: **“Trade for Economic Growth”**, and **“Financing Employment Creation and Monitoring”**, respectively.

The exclusions (clusters 2, 3 & 5) were initially considered, because they seemed to support themes related to the research question. However, after further examination, it was found that they were not sufficient to directly answer the research question, resulting in exclusion. Therefore, two clusters were favoured by the process for further discussion and analysis, because they provided sufficient surrounding context associated with the policies under review.

5.1 Trade and Economic Growth

Trade and economic growth cluster depicted three policies in their analysis: the NDP, GEAR, and the RDP. Through which “access to markets” and “job creation” were indicative of the role of trade policy and economic growth. Regardless of the cited failures of these policies to address the three stubborn problems of South Africa: poverty, inequality, and unemployment (Mosala et al., 2017, p. 332). Regrettably, the NDP (2013) and the RDP (1994) pronounced on “access to markets” from the acquired codes, but nothing related to this code discusses trade and investment efforts, instead internal access efforts to services and access to food. Whilst on the “job creation” three policies as referenced, the NDP, GEAR, and RDP, does make mention of development of jobs in the various sectors, such as agriculture, the improvement of labour standards, the promotion of education and skills development.

However, these policies do not distinctly address the role of export diversification in promoting employment and other social outcomes. Further they do not address the implications of international trade at the microeconomic level. These documents address distributional issues, albeit briefly, in relation to urban-rural asymmetries. This is a prominent issue for Africa, where the rural-urban divide and the incidence of poverty are vast and persistent. Interestingly, despite having health and social vulnerability within the South African state, the NDP (2013) did not distinctly address poverty and inequality issues, or the effects of trade on vulnerable populations. Regarding risk, the document recognised Lesotho’s vulnerability to international trade and movements in the exchange rate linked to

the South African Rand. This risk was viewed as a consequence of international factors such as price fluctuation and changes in demand, as well as the importance of development assistance and the unpredictability of disbursements. The NDP also considered the impact on retail prices and the effect of trade on employment. More details are discussed below with regards to access to globalised markets, economic growth, job creation, and open markets.

5.1.1 Access to (globalised) markets

Globalisation helps developing countries to deal with economic growth problems to solve those countries' poverty-related problems. Previously, developing countries were unable to access the world economy due to trade barriers and could not participate in the same economy for growth. With the emergence of globalisation, World Bank and International Monetary Fund persuaded developing countries to make market reforms through large loans. Through the latter developing nations opened their markets by removing tariffs and freeing up their economies, allowing investments flows, and job opportunities. Remarkably, countries like China and India's growth, has had an impact to reduce poverty through globalising effect, as relationships between the developed and the developing nations increases. Hamdi (2021) cited Thirlwall (2003) describing the dependence of the developing countries to the developed: "Developing countries depend on developed countries for resource flows and technology, but developed countries depend heavily on developing countries for raw materials, food and oil, and as markets for industrial goods" (Hamdi, 2021, p. 142).

The RDP (1994) document conceded through the General Agreement on Trade and Tariffs (GATT) that the raw material demand had dwindled and as a result it had to be revised to achieve substantial reduction in the levels of tariffs (RDP, 1994, p. 14). GATT requirements had been a strategic instrument for trade policy with focus of reducing tariffs on imports. Hence, the South African government committed to revising the policy and improve the tariff structure to protect and reduce unemployment and socio-economic disruptions. Rapidly, South Africa had to restructure its relationship with its neighbours, constituting 20% of its exports. However, to increase its economic growth, it was crucial to increase its domestic production rate, relying on its domestic raw material and minerals for broad manufacturing sector.

This document highlighted the aspiration of the government, the growth economy relies in the trade and industrial policy focus to meet the reconstruction and development aspirations. Hence, industrial expansion should extend infrastructure development in the urban, peri-urban, and rural constituencies. In addition, industrial expansion should expand the exports of manufactured goods whilst industrial policy must promote internationally competitive industries to create more capacity until business networks are strengthened (RDP, 1994, p. 89 & 90).

The NDP (2013) recognised how economies such as China, India, and Brazil, emerged from under-developed state and were growing fast, resulting in mitigating the effects of inequalities between

nations. In contrast, the advanced economies were experiencing a slowing down of their economies due to low demand, and remarkably, South Africa's trade balance improved due to high commodity prices. According to the NDP (2013), access to markets broadly impacted trade, with high flow of people, capital, ideas, technologies, and skills across borders. This globalising effect improved the development landscape for the poor and the developing countries. Further, the globalising effect increased the "interconnectedness" of countries, thus lowering barriers of entry and created knowledge outreach. Despite improved conditions created by globalization, the world affairs faced complex risks, in dealing with financial market volatility and the migration of skilled people from poor countries. Therefore, the shifting of power dynamics between states and capital, led to various tangible and intangible experiences that the globalising effects exhibited. This includes in the case of South Africa, high levels of debt, low savings, and low flows of investments. As a result, most developing economies increased their dependence on capital inflows, leaving the domestic economy most volatile (NDP, 2013, p. 20 & 21). The risk for policymakers is that present day demands from emerging markets are weighed towards commodities and raw materials, rather than a more diversified basket of products required by developed countries (NDP, 2013, p. 21).

To overcome weaknesses in the African states, and overcome unemployment and poor living standards, Africa must promote its commodities and create demand to the world. It is crucial to strengthen already weak institutions, such as legal institutions and the poor governance standards, to promote high levels of investment. Regional cooperation is crucial for overcoming the stubborn constraints of exchanges through trade, for instance, South Africa is a water scarce country, but our neighbouring countries have abundant supply. Disappointingly, developed countries very often invest in developing countries in bad faith, by setting up polluting intensive industries, taking advantage of low wages and the poor exchange rate levels, poor pollution control, consequently, pollution effects are most felt by the poor who cannot fend for themselves (NDP, 2013, p. 22).

GEAR (1996), in its policy "Core elements of its integrated package", describes the access to markets through the "consolidation of trade and industrial policy reforms, incorporating a lower tariff" compensating for real depreciation, introducing tax incentives in stimulating investments, campaigning to boost the development of small and medium enterprises. Accelerating growth, required a depreciating rand for the economy to achieve a competitive edge, resulting in higher sustained growth levels. Although higher import prices negatively affected importing firms in the short term, the advantages of lower rand for producers in the export and domestic markets, presented a window of opportunities for few years (GEAR, 1996, p. 4).

GEAR (1996) government's intentions in improving accelerating growth, were faced with managing inflationary challenges, promoting climate for investor confidence, and accelerating infrastructure

development. The risk of increasing the rate of inflation amid the wage-price increases presented a threat to the expansion of the strategy. Suppressing inflationary pressures required stabilizing measures: lowering tariffs, deficit improvements, tighter monetary policy, but mostly, productivity-linked wage increases (GEAR, 1996, p. 5).

Hamdi (2015) describes the advantages of globalization as having been able to transport goods, services, and people between countries, faster. Whilst free trade between countries have added remarkable experiences, by increasing levels of peacetimes and reduction in wars. Equally the growth in telecommunication investment efforts, for companies and people, increased the use of online and free trade between countries, leading to greater economic growth. The unforeseen disadvantages of free trade in efforts in globalising the world, resulted in poor countries being losers due to agreements that were not favourable to their settings. As a result, this has led to many poor countries to be suspicious of any cooperative efforts with rich countries, indicating that the benefits of globalisation are not universal; the rich are getting richer, and the poor are becoming poorer (Hamdi, 2015, p. 142).

According to Van Niekerk (2019) citing Fioramonti (2017) in the concept of a “well-being economy”, he describes it as promoting interaction between human-to-human and human-to-ecosystem anchored by appropriate enabling technologies. Through the economic growth goals, this concept is linked to the values and motives of citizens and optimises individual and collective interest. This view emphasises freedom and a shift of accessing of goods and services becoming valuable without people owning them. As a result, there is a great relation between the NDP (2013) to this view, with regards to Southern African regional cooperation to address several challenges that the nation faces in markets access. Surin (2012) argued the distinct features of economically polarized worlds, where the rich and poor nations are so different. In citing the distortions arising from the “Washington Consensus”, pledging poor nations to adopt “open” markets, driving inflation down, privatization and deregulation policies, where in contrast, they have done nothing for the poor nations and sometimes made things worse (Van Niekerk, 2019, p. 3). Hence, developing countries are beginning to revolt against these measures, beginning to seek ways to decouple from the current economic policies as they can see who the winners and losses are (Surin, 2012, p. 55&56).

Further Van Niekerk (2019), argued for the global household inclusivity into the economy, where the pursuit of growth should benefit every part of society. More efforts should be explored to enable people to participate in the productive employment to improve income for the poor and the excluded and the standards of living (Van Niekerk, 2019, p. 8). Contrary, the neglect of the informal economy has shown crucial benefits to exchange goods and services among the less privileged people, attenuating marginalisation, and social tensions. The different pursuits of the informal economy have been indicative of filling the gaps within the formal economy, as it provides services that formal businesses

are no longer interested in because profit margins are limited. Unfortunately, the design of economic policies for growth often over-emphasises the performance of large corporations at the cost of society and nature (Van Niekerk, 2019, p. 4).

5.1.2 Economic growth

According to Luiz (2007), in 1995, South African that were living in poverty were estimated at 58% and 68% of black Africans were seriously impacted. Mitigating this problem government resolved to respond with social wage, by increasing paying the social grants and access to social services. Between 1993 and 2004, social services resulted with the tripling of social grants from approximately R10 billion to R34.8 billion, creating an outreach of about 2.6 and 6.8 billion respectively. With redistribution reforms, by 2003, about R50 billion of assets were transferred to the impoverished households, through land reforms, and access to housing (Luiz, 2007, p. 6). According to Plagerson et al. (2015) cited Seekings (2013) arguing the failure of RDP (1994) that based on its tenets for social and economic development, it was socially focused at strong redistributive efforts. Upon its failure, GEAR (1996) was soon mobilized to promote strong fiscal austerity measures and build a globally competitive economy (Mosala et al., 2017, p. 7)

AsgiSA (2006), South Africa experienced expanded high rates of economic growth and investment greater than any other previously experienced, with growth greater than 4.5%. The goal of ASGISA in accelerating economic growth, presented the creation of viable and sustainable economic enterprises largely aimed at promoting local economies and creating quality jobs and higher income for individual entrepreneurs, workers, and their families. This programme, aimed at producing 300 000 viable enterprises by enabling self-help groups, co-operatives, and micro-enterprises. Through these enterprises, the “Jobs for Growth Programme” was an attempt to increase interdepartmental co-ordination to attain “off-take agreements” from several key national buyers to create new market opportunities and entry points into supply chains for marginal producers and co-operatives. These Agreements were achieved with various corporations: Score, Mr. Price Home, Umgeni Products, Woolworths, and Shoprite/Checkers, while others were still under discussion. This was a key area of expansion for Jobs for Growth and attempts to bridge the gap between small producers in marginal local economies and wider opportunities in external markets, whether in agroprocessing or niche products. AsgiSA prioritised high-level planning and engineering skills for the network industries to achieve a growth rate of 6% per year but realised that South Africa required the construction of infrastructure (particularly energy, transport, water, and communications) to achieve growth (ASGISA, 2006, p. 39).

Under ASGISA (2006), The Joint Initiative for Priority Skills Acquisition (JIPSA, 2006) was established as one programme aimed at helping South Africa to achieve economic growth through the filling up the skills shortage with experienced artisans. Through measurement of research and

consultation, JIPSA (2006) quantified and identified the shortfall of artisans within the system, as having devastating effects on development and training. Artisan acquisition was achieved through collaboration with the labour department, education, including stakeholders such as organised business and organised labour. Tourism was also a crucial sector to achieve accelerated and shared economic growth and development (JIPSA, 2006, p. 15).

In the NDP (2013), improved education was viewed as a path to higher employment and earnings, linking capabilities, employment opportunities socially and improved living conditions. Higher employment is anchored on a growing economy and improved quality of education or spatial settlement to form inclusive socio-economic conditions for all. In achieving the latter, the economy may easily prompt higher rates of investment and competitiveness thus presenting increased production and exports levels. NDP (2013) Commission recognized growing youthful and urban population and the importance of boosting economic growth that would increase employment and reduce poverty (NDP, 2013, p. 16:19). Remarkably, the New Growth Path (2010) was established to support the NDP (2013) with the primary goal to create five (5) million jobs from 2010 leading to 2022. This was envisaged through an economy of labour absorbing if growth and development were to be achieved. Unfortunately, NGP (2010) failed to deliver on its promises when it delivered devastating loss of 2.2 million jobs in 2020, resulting with about 14 million employed (NDP, 2013, p. 28). In the same year, the official national rate of unemployment including the youth stood at 34.5% (Statistic South Africa, 2020).

The New Growth Path (2010) had a targeting “instrument” to the crucial sectors, called the “job drivers”, which aimed at massive investment in infrastructure, and the creation of 25 000 jobs.

This includes energy, transport, communication, whilst water and housing, and the “main economic sectors” aimed at five key areas: Agriculture, agro-processing, manufacturing, and tourism. These areas were to facilitate massive employment opportunities by 2020. Further it identified strengthening the capacity of the state through developing 30 000 rare skills in the engineering sector by 2014. In bolstering this effort, high school math and science were seen as crucial to deliver 50 000 artisans by 2015, targeted at Eskom and Transnet (NGP, 2010, p. 8:10).

GEAR (1996) discussed integrated strategy linking to its “core elements”, promoting growth and employment. Fortunately, this effort was supported by the depreciation of the rand, laying the condition for improved competitive economy, for both export and domestic markets producers, with several opportunities for sustainable higher growth. Some of the improvements in economic growth, were expected to be realized in the tax administration, which would lead to a strong increase in tax revenue relative to GDP. Thus, an envisaged reductions in then rates of personal and corporate taxation, while maintaining a ratio of tax to GDP of about 25%. In relation to the monetary and exchange rate policy, lower inflation is associated with higher economic growth, and the creation of employment opportunities is associated with increased equitable distribution of income. As a result, trade

liberalisation promoted the containment of domestic prices, through moderate wage-settings and improved industrial relations that kept cost increases in check (GEAR, 1996, p. 5:11).

Statistics South Africa (2023) reported the second quarter growth rate sitting at 0.6% of GDP (Statistics SA, 2020, p. 2). South Africa's reliance on imports to feed its consumption demand, and support production and employment, development was traditionally viewed as associated with growth, and the accumulation of wealth as presenting signs of progress. The GDP, the prime measure of growth, has conveniently neglected humans in its social and environmental costs, and as a result, this process has helped politicians and business leaders herald growth as the silver bullet. Through this process, neoliberal champions seem to have benefitted enormously from this approach of growth which disregarded all "externalities" – that is, the human, social and environmental impacts of economic activity. Had these cost factors been included, in the measurements of growth, neoliberalism would have been discredited from the get-go (Van Niekerk, 2019, p. 6).

The NDP (2013), AsgiSA (2006), and GEAR (1996) agree on infrastructure investment and the increase in skills and training to ensure conducive growth and job creation. The NDP makes a strong pronouncement on regional cooperation, which is likely to ensure access to markets and thereby leverage cooperation for economic growth and employment (NDP, 2013; ASGISA, 2006; GEAR, 1996).

5.1.3 Job creation

According to ASGISA (1996) citing the primary segment of the labour market development was the establishing of the new Labour Relations Act 66 of 1995, promoting four key features. This came with the development of a single industrial relations system, to assert the collective bargaining of employees, through organisational rights for trade unions. Further it made provisions for the dispute resolution forum, aimed at employer to employee joint participation in engaging on workplace issues. Remarkably, after its implementation, incidence of industrial action reduced significantly for a period of two years, confirming the success due to this consideration (ASGISA, 1996, p. 17 & 18).

Understanding the labour market trends for income distribution, an assessment was made to determine the black wage income in the non-primary economic sectors. It was found that the economy had increased by 4.5 percent annually because of the rising average wages. The impact of this result, first it shifted the poverty line of households, secondly, it shifted the higher income classes, attributing to improved education, training, and experience and lastly, increase productivity. Employment growth according to ASGISA (2006), has increased by 1.2% annually, impacting black wage income significantly, but thereafter, it virtually collapsed for over a decade. Fortunately, through the slow pace of employment, some of the unemployed have been cautioned by some household members having access to productive employment. However, some households regretfully do not have a breadwinner,

or the breadwinner is unable to find a job. If in 1993 an average household received wages amounting to R1 360 monthly, this was still not sufficient if transport had to be factored as displacing what potentially could be a survival line (ASGISA, 2006, p. 33). Hence, most job seekers seemed discouraged to look for jobs.

By 1994, the RDP (1994) had started focusing special attention on youth employment problems in terms of developing human resource potential. This would be achieved through training, education, and job creation programmes, ensuring that the youth is placed to play a crucial role in the reconstruction and development of society. The RDP (1994) recognized that household income was a problem and planned to boosting production and improving the conditions of employment, including an array of opportunities. “Building the Economy” for job creation included several reforms related to land, housing and services, water and sanitation, energy and electrification, telecommunications, transport, health care, social security, and social welfare (RDP, 1994, p. 13:19).

Growth, Employment and Redistribution (GEAR, 1996) envisaged favourable employment to fast-track growth. This was bolstered by effective public sector programmes, with an ambition to grow 400 000 jobs per annum by the year 2000. While the municipal infrastructure upgrades were considered important for public investments, social benefits were possible if labour demands and lower inflation would be achieved (GEAR, 1996, p. 8).

The NDP (2013) envisaged transforming the economy for the expansion of jobs by increasing exports, focusing on endowments and comparative advantages such as mining, construction, mid-skill manufacturing, agriculture and agro-processing, higher education, tourism, and business services. This would include efficient and competitive infrastructure to facilitate economic activity conducive to growth and job creation. Further, creating increased number of jobs, labour markets must improve, relaxing rules for small enterprises, managing conflicts, and managing dismissal and misconduct procedures. Increased focus to training and upskilling workers must be promoted to impact career paths of workers (ASGISA, 2006, p. 28 & 29).

The NDP (2013) contains proposals for tackling the problems of poverty, inequality, and unemployment to grow exports by an ambitious target of 6% annually leading to 2030. It outlines interventions that can put the economy on a better footing, with the target for additional job creation set at 11 million towards 2030, which will require the economy to grow threefold (NDP, 2013, p. 54). The Artisans shortage of skills in the country, will unlock the job constraints leveraging on the skills development programme efforts to bolster the labour force needed to deliver critical skills, especially in the vocational learnerships (JIPSA, 2017, 2008, p. 15).

5.1.4 Open markets

GEAR (1996) focused on attracting foreign capital to drive the development process, but the depreciation of the rand through the forces of intense speculation in the foreign market indicated weaknesses in the economic policy due to somewhat overvalued rand. This in part, was because adequate stocks of foreign reserves had been ignored. Hence, it became crucial keeping real exchange rate of the rand at competitive levels. Thus, maintaining safe foreign exchange market, the Reserve Bank in 1995 increased foreign reserves by R9.1 billion to counteract the effects of the rand to increase in real terms, and protect the Bank's exposure (GEAR. 1996, p. 13 & 31).

5.2 Financing Employment Creation and Monitoring

According to Khadiagala (2011) discussing the "Role of Development Finance Institutions (DFIs) in Building South Africa's Democratic Developmental State", he describes the crucial role of the three financial institutions that exhibited efforts to create direct employment for the new democratic society: the Land Bank,

In discussing the Land Bank, constituted in the 1912 to assist rural and agricultural development for white farmers. In 1990, the Land Bank for the first time was opened to support black famers, through the newly established Special Mortgage Bond at a fixed interest rate of 15% and later at 12%. This allowed black farmers to borrow R250 000, and this has had crucial benefits for black farmers to even the small-scale famers. However, the efforts of the Land Bank have not been able to sustain since 1990, confronted with huge challenges that even reversed the benefits of previous records, while it has received criticism that it continues to service its historical clients, the white commercial farmers. In 2008, the Land Bank exhibiting continued failures, it was relinquished to the National Treasury to reverse its failures. However, its continued assistance to the distressed farmers, the Land Bank has been allocated huge resources since 2009, 2010, and 2012 in hope it will be resuscitated (Khadiagala, 2011, p. 8).

Further, Khadiagala (2011) discussed the Development Bank of South Africa (DBSA, 1997), a government instrument to coordinate economic development since 1983. Post 1994, the Bank was reorganized towards infrastructure financing through the DBSA Act of 1997. The Act emphasized economic growth and service delivery, human resources development institutional capacity. In their five-year plan (2010) they resolved to support government with funding its initiatives to excite in the health, energy, education, and rural development sectors. Through its financial management savvy, they have received good ratings through the Moody's in 1999, making the DBSA fundable by European Investment Bank and others. Since then, the DBSA has strong cooperative relationships with the world, and it became trusted to deliver on local and regional infrastructure finance and job creation (Khadiagala, 2011, p. 8).

Lastly, Khadiagala (2011) describes how the Khula Enterprise Finance established in 1996 through the Department of Trade and Industry (DTI) provided finance indirectly through collateral for small businesses by applying for loans from commercial banks. In observing market failures preventing small businesses from start-ups, it managed to facilitate about R1 billions of credits to small businesses and created over 100 000 jobs. Through this initiative 51% black small businesses benefited from this outreach and 38% companies that received assistance were premised in the rural areas, including women owned business that received about 49% assistance (Khadiagala, 2011, p. 8).

The discourse on monitoring and evaluation in development practice posit the idea that evaluation and monitoring is usually conducted at the end of the developmental intervention. Usually this is done to consolidate the results of the intervention to inform the decisions by decision-makers on ways to improve implemented projects to achieve increased benefits for beneficiaries and future based interventions. It also helps mitigate unintended consequences for which was unplanned for in the project. The need for this approach is largely underpinned by the potential benefits accruing from adopting this practice (Kabonga, 2019, p. 2 & 3). The issue for most African countries including South Africa, there is a strong weakness in the governance and administration area of the state.

According to Plaatjies and Nicolaou-Manias (2005) they cited that the two policies: RDP (1994) and GEAR (1996) paved the path towards economic growth, development, and redistribution. They further acclaimed that in achieving the latter, a mix of public and private goods and services were needed to ensure South Africa citizens become economically and socially active members of society. They argued that if social security had been ignored for the poor and vulnerable, participating in the economy was going to be disastrous. Regardless, of the efforts to distribute social grant, government continue to face capacity problems for social assistance distribution. Persistence, towards this effort has proven successful through efficient redistribution, thereby curbing poverty and income vulnerabilities. The success of distributing social assistance is exhibited in the number of people the initiative has been able to reach, making 9 million beneficiaries, or 20% of the population. The remarkable achievement of social transfers to mitigate income disparities, the fiscal remains at risk to address other social and welfare challenges and counter the growth of the economy and jobs (Plaatjies & Nicolaou-Manias, 2005, p. 6).

The next section examines whether success was achieved in promoting economic freedom for the necessary outreach in relation to a strong welfare system, youth development, technological developments, and the effectiveness, efficiency, impact and sustainability of the integrated housing and human settlement development (NDP, 2013).

5.2.1 Strong welfare system

The NDP (2013) adopted the adage, “I cannot be without you, without you this South African community is an incomplete community, without one single person, without one single group, without the region or the continent, we are not the best that we can be”. Revolving around this adage, the NDP (2013) through the welfare services, attempted to build support for poor communities that presented high levels of crime and violence. Further to enable poor communities to experience having homes through integrated home schemes within compact and urban environments, leveraging public facilities and work or business opportunities (NDP, 2013, p. 9 & 18). According to Van Niekerk (2019), social policy is based on support for the well-being of citizens provided through an inclusive economic theory. Through this inclusive economy, interests of both the well-being and individual interests can be acclaimed for balancing efforts. Despite the constraints of inclusive economy, especially in resolving all potential conflicts, it inhibits practical benefits for public policy designed to promote well-being. Social policy does not only refer to academic study, but it also refers to the social action taken by policymakers in the real world (Van Niekerk, 2019, p. 7 & 8).

NDP (2013) corroborates the aspiration of the welfare state, seeking to promote development and communication cohesion by resolving skills deficit within social welfare sector. Where education and training for social practitioners is provided including the funding for non-profit organisations. Overall, the NDP (2013) priorities in fighting corruption within the welfare system in pursuit of a corruption free society, requires strong response by promoting agencies such as National Anti-Corruption Forum, the Public Protector, Auditor General, including the protection of whistle-blowers. Creating these restraints and measures for political players, protects the legitimacy of our democratic state and the functioning of the key areas of wealth distribution levers from being abused further (NDP, 2013, p. 65).

RDP (1994) prioritises meeting basic needs for society through establishing several programmes especially the health care and social welfare system to ensure access to well dignified living standards. It further, accentuates the previous apartheid welfare system as having been destructive to many families, requiring transformation to social welfare policies, programmes, and delivery systems for providing every South African with basic welfare rights, especially those previously marginalized. The RDP (1994) sought to distribute goods and services to all citizens as a public responsibility, to promote a non-racial, unitary, and democratic welfare system (RDP, 1994, p. 56).

The RDP (1994) substantiates the need for access to social security services which posits that poverty cannot be measured by income alone, nor can an anti-poverty programme solely enhance income challenges. This necessitates a multi-sectoral and an integrated approach. In some areas education and training can provide mechanisms to address employment and income issues, through the development of knowledge and skills. There is a close association between poverty and lack of education and as a

result, lack of education, employment opportunities, and access to services have deprived many people of their dignity and ability to look after themselves. These factors necessitate the need for additional support mechanisms to allow people to live in some degree of comfort and security. Welfare counters the effects of market failures and including the social capital networks by providing social support and security through several programmes, such as cash transfers, grants, and security benefits (RDP, 1994, p. 58:62).

Further, the social welfare policies and programmes providing all sorts of cash transfers or grants have shown success in some areas and have failed in other areas. These social development programmes are crucial to provide investment in the lives of citizens leading to tangible economic gains and, in turn, leading to economic growth through the attainment of justice for all, peace and security (RDP, 1994, p. 12). The Statistics South Africa (Stats SA, 2023) cited unemployment to be at staggering at rates of 34.5% in 2022 (Statistic South Africa, 2023, p. 1). It is from the latter view that the RDP (1994), through the National Policy and Planning, seeks to conduct integrated welfare and development planning focused on interprovincial and intersectoral collaboration, to assist with provisions for the unemployed to make a meaningful living.

5.2.2 Youth development

The RDP (1994) admittedly, resolved to deal with youth unemployment through special programmes such as the National Youth Service Programme, which provided them with structured work experience throughout their education and training. In developing youth and capacity building, this programme was more than just a job creation effort, crucial to keep workers in permanent employment. As a result, the National Youth Council responsible for coordinating youth employment matters, must be supported for influencing the rights of the youth locally and internationally (RDP, 1994, p. 75 & 76).

The NDP (2013) recognises high levels of youth unemployment, and special provisions towards broader opportunities must be made for young people (NDP, 2013, p. 51). Even where the NDP (2013) makes pronouncements on supporting youth employment, nothing is mentioned on the “six interlinked priorities” relating to youth focus. However, in the “Women and the Plan”, focus is made on the creation of public employment specifically for the youth and women. Preceding this distinction, the former statement indicates focus and priorities which links both the youth and women, but both continue to suffer unemployment at faster rate than anticipated (NDP, 2013, p. 16 & 33). What is worse, is that where the youth and women are mentioned in the policy, more emphasis is drawn to link their programmes to “Community safety centres” or “Community-based programmes”, but nothing is mentioned about mainstream economic priorities that can chart the youth on a developmental path (NDP, 2013, p. 20).

5.2.3 Technological development

According to Chakravorti and Chaturvedi (2019), the demand for digital businesses and institutional environment within the emerging markets has been broadly supported by regulatory measures, whilst South Africa enjoyed strong regional leadership in the “Ease of creating Digital Jobs”. They further described how the South African social security had been delivered through the deployment of new technologies such as biometric data and payment cards, creating favourable environment for innovation (Chakravorti & Chaturvedi, 2019, p. 6). According to Nomfanelo, Rajagopaul, Chui, and Singh (2019) in the report titled “Digitisation, productivity and job creation”, they assert the view of embracing the Fourth Industrial Revolution (4IR) to embark on broad economic growth and transformation in an effort of creating large numbers of quality jobs across the private and public sectors. Rekindling the economy will require new sets of skills, beefed up by the demand for improved and focused education to drive the digital economy. Remarkably, three sectors have already embraced these technological opportunities: mining, retail, and banking (Nomfanelo, Rajagopaul, Chui, & Singh, 2019, p. 6). Irrefutable as it is that the digital economy will shed jobs, it is also undeniable that technological landscape has changed and with this shift, more jobs will be required in the highly skilled areas such as programming, maintenance, controlling, etc. The future of digitalization, presides in the generation and trading of products and services through digitalized data, information, and knowledge (Cascio & Montealegre, 2016, p. 351)

The NDP (2013), through science and technology, envisaged a way to revolutionise the production goods and services and how they can be traded. Using technology, science is breaking new ground in fighting diseases through non-invasive detection and highly complex surgical procedures. Further, technology in South Africa has the potential to resolve educational and health challenges with the introduction of a patient record system and monitoring. Fixed-line telephony has long been outdated, and cellphone networks now provide a range of wireless services, placing new entrants to innovate within this space and attract technological opportunities. On other fronts, digital communication has altered the face of society in impeccably. Social media has been embraced by young people exhibiting remarkable potential of building inclusive society (NDP, 2013, p. 23).

The NDP (2013) highlighted the high cost of broad-band internet connection as a major hindrance to acquiring information and knowledge. Therefore, the institutional structure to manage the information, communications, and technology (ICT) environment requires to be well-structured to avoid South Africans falling into the “digital divide” (NDP, 2013, p. 23). Currently, informal settlements continue to marginalise communities through the digital divide making access to technology and its benefits difficult to reach communities for distribution, especially that since covid new jobs have been realised through social media.

5.2.4 Integrated housing and human settlement development

The Mixed Income Housing (MIH) is an Integrated Housing Settlements for low-income earners aimed at integrating previously impoverished communities. The idea of an MIH is meant to transform and integrate the good neighbourhood to enable shared living standards, where previously well-developed cities having roads, clinics, schools and amenities areas can be shared with the impoverished. According to Simbanegavi and Ijasa (2016), the cited Kempen and Bolt (2009), arguing the poor urban concentration and its effects of being too isolated from good urban neighbourhoods and being far removed from sites of economic activities, as having unintended consequences associated with high levels of crime, and potential high levels of unemployment (Simbanegavi & Ijasa, 2016, p. 3 & 4). They further cited Galster et al. (2010) describing the Nederland model of 'mixed districts', which had been developed to integrate mixed residence, in pursuit of creating opportunities for the poor to adapt in high income environments to exchange living standard with the affluent people. In citing Delorenzi (2006) and Galster et al. (2010), they also discussed the Swedish mixed income housing meant to improve the living standards and social inclusion of the disadvantaged groups (Simbanegavi & Ijasa, 2016, p. 5). These are the examples of several integrated and transforming housing settlements which various societies had envisaged to address the problems associated with poverty, inequalities, and building inclusive societies.

Remarkably, AsgiSA (1996) through the Integrated Housing and Human Settlement Development Grant, describes its largest infrastructure development grants in the government's budget. This grant indicated provisions in the budget for provinces, and the budget was raised at R6,5 billion in 2006/2007, accounting for 24% of the budget for provinces. The provincial expenditure in the Department of Housing reported the grant budget at a staggering 96% in 2006/2007, with approved subsidies and housing units completed of about 166 523 and 271 219 respectively. By September 2007, Cape Town N2 Gateway, Alexandra Far East Ext 7, Doornkop Greenfields and Cosmo City, became the largest constructions to be recorded (AsgiSA, 1996, p. 11).

This model, integrated housing, and human settlement, attempts to narrow the class divide and, at the same time, provide livable spatial settings which are accompanied by several advantages: being close to places of trade, minimising class divides, access to health care, and access to transport and places of work. However, the demand for MIH is outstripping supply, especially with the sharp rise in land costs, and property. The MIH in South Africa have proven successful largely because the residential markets have been able to attract investments within the context of mixed income housing. Simbanegavi and Ijasa (2016), cited Verster (2009) corroborating with other researchers, that for mixed-income housing to gain prominence and success, location was important for potential residents to be close to social amenities and to have good support of the infrastructure system. The South African challenge lies in

the policy changes to upgrade the subsidy, where previously the subsidy was matched with housing floor units of 40 m², the contrast is that for the MIH to be successful, it will have to be blended with affluent neighbourhood such as Sandton. Such affluent areas, will be highly priced and to avoid resistance from residents to build mixed housing which do not blend with their neighbourhood, government is obliged to match the market demand of the areas and increase the subsidy (Simbanegavi & Ijason, 2016, 18:20)

Furthermore, the current energy crisis is already an indication of business's inability to absorb poor sales, with most shedding jobs and closing down. Subsidies for MIHs as a low-income concept in relation to the size of the house and the location of the house do not support the legible recipient subsidy amount, where targeted affluent neighbourhoods (including their services) are more expensive. The AsgiSA policy may have made achievements in the implementation of this initiative, but amenities remain inaccessible and the concept of MIH in relation to ownership doesn't seem to attract the right candidates as most candidates rent out these premises only as a desperate move to access employment.

6 CHAPTER 6: CONCLUSION

This research concludes with the question posed: "What are the different notions of economic freedom within the macroeconomic policies under review?"; a question which seeks to address various notions of economic freedom and their application to problems related to unemployment, poverty and inequality. The macroeconomic policies: RDP (1994), GEAR (1996), AsgiSA (2006), and NDP (2013), were reviewed to establish whether they facilitated a common understanding towards the use of the term "economic freedom", to further test if "economic freedom" and its use in the public domain translates into employment especially for the youth and women (gender-based outcomes), and whether this term has the potential to influence these policies. This conclusion will discuss the two themes that most closely relate to the research question: "Trade for Economic Growth" and "Financing Employment Creation and Monitoring". The other themes, "Policy Monitoring and Controls", "Equal Opportunities", and "Social Policy", will not be analysed further due to their nature as supporting themes to the main conclusions of this research. The latter, in some ways, create suitable conditions for employment but do not directly affect it.

6.1 Trade for Economic Growth

All the policies indicate that there is common understanding when examining issues related to trade for economic growth. The emphasis is conveyed in all four policies; however, very little focus is given to the nature of the economy in relation to skills-based growth. The policies make strong pronouncements on the emancipation of women and the youth with a push for numbers, but little emphasis on meritocratic influence. Leadership in the South African government has been occupied with widespread corruption which has wrecked state institutions, state-owned enterprises, as well as major corporations. This is further accentuated by an education system that seems to produce deficit models for the broader industries and organisations or is simply not adequate for the world of work, considering the large number of unemployed graduates. This type of outcome indicates a bureaucratic type of leadership that responds with little urgency to the needs of an economy to produce faster investment delivery and socio-economic development. For instance, the NDP (2013) has been criticised for being dead as a blueprint since 2014, whilst the job summits that have taken place since 2018 have failed to attract investments, despite the presence of and pledges from organised business. Dr Reuel Khoza (2019), in his article, “Leadership Facing Political Economy”, cites the government as having long elaborate plans but failing on implementation (Khoza, 2019, p. 1).

GEAR (1996) envisaged a shift in development strategy and proposed three trajectories that would be pursued to promote employment strategies: the tariff restrictions, the expansion of markets through preferential trade agreements, and the concessionary industrial finance through the Industrial Development Corporations (IDC).

The process of tariffs was seen as an outward-phasing strategy which but considered for certain sensitive sectors. Through this strategy the tariff structure would be concerned with halving the number of tariff lines over a period of five (5) years. Secondly, the expansion of markets related to the trade agreements with industrial countries with the signing of the following: the Marrakesh Agreement and known as the World Trade Organisation Agreement, signed by 124 nations in Morocco in April of 1994. This agreement covered the trade related matters of intellectual property and trade barriers. Thirdly, the concessionary industrial finance, which relooked the job schemes for small businesses, promoting employment.

Edwards (2020) in the “Exports, Growth and Employment in South Africa” described the importance of raising export for South Africa to offset the increasing import bill associated with higher rates of investment, production, and consumption. To achieve the growth rate of 6%, exports will need to be increased to 8% per year, commencing from 2011 (Edwards, 2020, p. 1). However, this growth must be targeted at employment absorptive initiatives to ensure wealth distribution. GEAR (1996), contrary envisaged the trade liberalization with the prospect of economic recovery in exports. While increased open markets attracted capital inflows and foreign direct investments, South Africa’s interest rates

remain high and discourages investments (GEAR, 1996, p. 56). The contributory factors to this slow economic upsurge, is premised on two areas: the rating agencies that have downgraded the South African economy to below investment grade and with negative outlook. Whilst on the other hand, the debt problems had been one of the growth inhibitors from trade expansion, with a Debt to GDP ratio of about 77% in 2020. The two problems have reduced the spent in the welfare due to high interests that must be paid to all loans.

Technology has been rapidly advancing with the new Fourth Industrial Revolution depicting Artificial Intelligence (AI) as changing the landscape across all industries. The efforts of development have shaped the way in which people consume services related to the production sectors such as manufacturing, energy, and mobility. Technology in these sectors can play a significant role in building new skills that can shape the new employment landscape of highly and semi-skilled women and the youth.

When considering trade for economic growth, Van Niekerk (2019) cited Fioramonti (2017), highlighting great concept under his conceptual framework, asserting an interest of his concept application: the “well-being economy”. It proposed an “effectiveness of human-to-human and human-to-ecosystem interaction supported by appropriate enabling technologies” with the goal of creating “co-producers”, an entrepreneurial initiative with an “open source” production. It defies the consumption-based development model which appears to be devastating for economies (Van Niekerk, 2019, p. 3). South Africa’s economy has been stubbornly degenerating despite efforts to open trade and markets. In part, our economy has relentlessly shown a society that is consumption-based, with a currency that is worsening the situation as imports are the backbone of our economy. A situation in which huge currency exchanges impact commodities that cannot be manufactured within the borders of our economy; commodities such as technology, IT related systems, clothing, etc., become expensive to buy internationally.

Gwartney, Lawson, Hall, and Murphy (2018), they assert that Freedom to Trade Internationally is associated with cross boundary exchanges, where people can trade freely to produce the effect of economic freedom. They argue that when governments impose any restrictions to these free exchanges, the ability to exchange voluntarily becomes also limited, and thereby restricting economic freedom. They equally cite the factors that limits freedom to exchange voluntarily as concerned with tariffs, quotas, controls of exchange rates and movement of capital (Gwartney, Lawson, Hall, Murphy, 2002, p. 5). Coetzee (2017) in Economic Freedom and Economic Growth in South Africa, cited Fredrick von Hayek (1960), developed a conceptual framework that discussed the idea of freedom (economic freedom) in *The Constitution of Liberty*. Discussing legislative framework, the primary element of freedom for economic agents (Coetzee, 2017, p. 3). Coetzee discussed the idea of mobilising individuals subjective, and local knowledge, promoting advantages that trade presents, leading to an array of

opportunities (Coetzee, 2017, p. 8). Further in citing Voigt (1998) in discussing the idea of ideal freedom, the rule of law, where the principles that govern the constraints of government behaviour should be limited to achieve freedom and liberty so that unemployment can be realised (Coetzee, 2017, p. 4).

The authors above, along with the EFW Index, formulate unilateral concepts that agree with this notion of economic freedom and continue to formulate a common understanding towards trade for economic freedom and its associated components, with which the RDP (1994), GEAR (1996), and NDP (2013) are outlined. Thus, the research question on economic freedom can be aligned to the components (access to globalised markets, economic growth, job creation, and open markets) of trade for economic growth to facilitate improved employment conditions and its consequent results for limited choices.

6.2 Financing Employment Creation and Monitoring

Employment creation is defined as long-term employment and often results in long lasting economic activity associated with any sector or industry, with the goal of ensuring the distribution of wealth. Within the theme above, the NDP (2013) and RDP (1994) policies they indicate concurrence on the issue of a “strong welfare system” and “youth development”. Under the NDP (2013), policymakers are seemingly still trying to find a common understanding of “technological developments”. With “integrated housing and human settlement development”, AsgiSA seems to be the only policy pronouncing this effort through the integration of society as way to promote equality and de-racialise housing settlements.

Van Niekerk (2013) described the failures of South Africa’s social policy reform as government’s failure to achieve the egalitarian objectives as agreed in the Freedom Charter of 1955. He further notes that because of this, political commentators had to find answers and approaches from the “neoliberal” economic and social policies and, as a result, they had to abandon the historical commitments of redistribution of wealth contained in the Freedom Charter of 1955 (Van Niekerk, 2013, p. 125). “Neoliberal” refers to those economic strategies and political objectives that privileged the market over the state to promote privatisation of state assets. Van Niekerk (2013) redistributive and fiscal expansive policies described in the pre-election RDP (1994) document and the one discussed in the GEAR (1996), which described economic growth stability through social development. After the election, there was a shift in the principles of the RDP (1994) manifesto. Where the manifesto policies agreed to the terms of equitable redistribution through social policies, which should not be consumption based but as a path to social investment. This notion was viewed as a social democratic welfare state (Van Niekerk, 2013, p. 139).

If this order of inequality among citizens persisted, the state and society had to recompense those who bear the brunt of “disservice”, as the history of health and welfare in South Africa suggests a racialised state of diswelfare (Van Niekerk, 2013, p. 7).

Van Niekerk (2013) quoted former president Jacob Zuma (Sowetan, 2011), engaging Cape Town business, refuting the idea that South Africa was a welfare state. Further he asserted that because of the limited provisions and the demand for social grants, South Africa have social grants as a permanent feature as the state cannot sustain. These views had been repeated in policy discussions, and in major policy gatherings (Van Niekerk, 2013, p. 116).

At the “Strategy and Tactics” session of the ANC’s 52nd National Conference of 2007, the national democratic society discussed the redistributive mechanism of the fiscus to avail safety net for the poor. To build into social policy comprehensive social security system such as social wage (social grants), free basic services, education, health care, subsidised public transport, and basic accommodation. Van Niekerk (2013) referred to the welfare state, as a key attribute to social welfare in post-apartheid South Africa (Van Niekerk, 2013, p. 116).

The RDP (1994), five key policy programmes (the meeting of basic needs, developing human resources, building the economy, democratising the state and society and implementing the RDP), located an interventionist role for government within the economy, to play an enabling role in guiding the economy and the market towards reconstruction and development, through government intervention, the private sector, and civil society. These social policy proposals of the RDP, founded on an ethic of social justice, constitutionally guaranteed social rights which are compatible with social democratic welfare state, and reflected similar principle adopted prior 1940s interventionist state, which prioritised social policy and established economic mechanisms finance such as social policies (RDP, 1994, p. 11: Van Niekerk, 2013, p. 134).

At the introduction of the New Growth Path (NGP, 2010) according to Minister Ibrahim Patel, the GEAR (1996) and ASGISA (2006) both contained similar concepts and lacked innovative ideas. Understanding why he mentioned that we need to examine what the NGP promised to deliver. In consideration to the “financing employment creation” we discuss the taxbase, skills and training, and poor policy implementation.

The NGP (2010) discusses taxpayers in South Africa as amounted to 5.9 million against the 50 million population, in 2010. Given the high levels of the impoverished, high taxes for business carried huge burden and limiting business to creating jobs within the private sector. Government’s inability to collecting sizeable taxes, meant that low tax base, created the inability for government to fund the welfare through infrastructure development, the most important investment that promotes job creation

faster. Further, through NGP (2010), where the infrastructure development had been an important sector, several other sectors were identified as potential job creation sectors: agriculture, rural development, mining, manufacturing, and tourism. From these sectors, 5 million jobs were set to be created by 2020, thus reducing unemployment from 24% to 15%. Further to embark on a skills training programme that would benefit 100 000 unskilled people, especially women and the youth. Through this programme specific skills were identified through the DBSA programme, where 300 000 engineers were identified for training including 50 000 artisans. Whilst the process was underway for implementation, the NGP (2010) continued to receive criticism, with contrasting the NGP plan to that of its vision. In this way implementation would seem elusive in some areas while other areas the programme continued (NGP, 2010).

Finally, this research concludes that macroeconomic policies under discussion (RDP, GEAR, AsgiSA, and the NDP), since implementation, have not resulted in the much-expected success of producing employment, nor the pronouncement of an envisioned economic growth that is aimed at the three problems facing South Africa: poverty, inequality, and employment. These failures cast a glaring discourse of interpretation on how these policies had been interpreted to create an understanding towards their achievement – if any – of economic freedom. Policymakers adopted each policy following the state of the affairs at the time and hoped to address the economic failures South Africa faced. Unfortunately, each policy failed to address the problems recorded at each milestone of policy implementation and, as such, South African citizens had to find alternatives to survive, and this further meant translating the economic conditions into new alternatives (understandings) of economic freedom. Thus, many economic opportunities emerged that, in some instances, were considered as the “second” or “underground” economy. These opportunities resided outside the policy initiatives as people got frustrated with the process of being guided by the policies. This gave rise to a lack of clarity for policymakers regarding the various notions of economic freedom, and how to utilise these notions to produce effective influence on policies aimed at resolving the problems facing society. As a result, the rate of unemployment in what was deemed the first or formal economy remained high, and the chosen employment policies failed to impact economic transformation.

The definitions of economic freedom that arose from the coding exercise were considered as the various notions of economic freedom. These notions required examination to assess how they could be translated into the macroeconomic policies in such a way as to affect change and economic transformation, especially for the youth. It is for this reason that the two themes, “Trade for Economic Growth” and “Financing Employment Creation and Monitoring”, were highlighted as the most important catalysts for economic transformation, which could be used to facilitate a common understanding towards the attainment of economic freedom. Facilitating the understanding of these two notions should be seen as creating influence and common understanding of economic freedom, and a

concerted effort at impacting employment, especially for the youth. In doing so, innovation will play a great role in sustainable economic growth through the multi-skilling and up-skilling that can arise from global technological transfers. The Fourth Industrial Development is making promises of changing the economic landscape and how citizens can interpret these changes. Government must engage strongly on this issue to ensure that people are not left behind during this great transition. This could be done through identifying the key areas of focus for government to ensure that every citizen can galvanise around the idea of transition. Identifying the sectors relevant will be crucial, especially agriculture, manufacturing, and energy. These would be the most important aspects of our economic concession.

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