

# What is the Role of the State in Fostering Development

Posted on August 20, 2019

## Introduction

A state plays an important role in the development of any country. Not only the state but also civil and private societies play crucial roles and duties in the development of a state. The main aim of this paper is to examine the role of the government in fostering development through theoretical debates as well as historical experiences.

The divide nation imagery was critically highlighted, showing the extent of inequality levels during the post-apartheid in South Africa. Mbeki's two-nation portrayal provides a current analysis of South Africa. Not only racial income was evident, but also the wage discrimination in the country. After the 1994 democratization, the statutory racial last vestiges of discrimination were ended. The available data states that the Gini coefficient was stable in the 1990s as interracial decreased; however, the intra-racial increased sharply (Baskin).

## Liberalism and State Development

Liberalism refers to limiting the state's role in the economy and reducing the state's predatory functions. Also, democracy's introduction reduced the state's predatory functions as politicians had to pay attention to the opinions of the voters. As a result, the period between 1776 and 1929 was a liberal idea triumph that directed the intervention of the state in the economy to have harmful effects. The liberal countries' economic success confirms the major liberalism postulates. The start of the 20<sup>th</sup> the intervention of the state seemed bad and market was good, at the same time the period between 1815 and 1914 was the most peaceful time recorded in the history of human beings. Liberal democracy never allowed the total usage of the state's potential to foster the economy (Baskin). Trade liberalization is one of the liberalization aspects that has promoted advancement among the elites or developed countries (Adler & Webster). However, when focusing on the way it works in developing countries, it explains the reason for the strong opposition against it.

Trade liberalization is required to promote the income of a country by forcing the less productive resources to move to a more reproductive state. The economist refers to this as the utilization of the comparative advantage. However, moving the low reproductive resources to the worse situation does not contribute to the development a country. One of the immediate effects of trade liberalization is job destruction. New jobs are to be created after this destruction. However, in most countries, these programs have worsened the state since there is a lack of capital to transform these low reproductive

resources.

The fact of trade liberalization is that it can lead to unemployment. This is the main reason trade liberalization is opposed. Countries, especially those from East Asia, took advantage of globalization in trade liberalization and started in a slow manner (Baskin). However, the Western countries that emphasize trade liberalization push it for those commodities that they mainly export and protect sectors that the developing countries have petitioned and threatened their economy. This created opposition to many trade negotiations, such as those in Seattle, that aimed at the development and advancement of the industries. However, neoliberal the alternative where modification is done.

## Debates

The state is responsible for setting the minimum wages through the two mechanism means. The first, used from 2002 to 2003, the Employment Condition Commission (ECC) recommends the sectorial least wages that are gazetted by the labor ministry on basic employment condition acts. Currently, the labor ministry, as well as the ECC, set the minimum wages as eleven sectors including the wholesales as well as retails, forestry, private security, taxi, hospitality, and domestic workers. Civil engineering, farm work as well as hospitality. This method serves in setting minimum wages in many sectors where most workers are not organized into trade unions that are strong.

## Labor Policy and Minimum Wages

Another mechanism used to set minimum wages entails the labor ministry extending collective contracts that are negotiated between the various unions and the employees in negotiating council establishment as in labor Relation Act. An example is that of the contracts in the metalworking as well as clothing industries.

There are three approaches involved in national minimum salary. First, the liberal or free market view that is advocated by the Free Market Foundation. This approach suggests that wage regulations need to be opposed, partial because the salary rules inhibit job creations as well as economic growth. As a result, the labor market should be given its freedom in choosing their wages since the two mechanisms are all bad, and the national minimum salary is the worst as well. An opposite argument that Coleman suggest is that the national minimum salary should be compulsory and needs to be higher than an existing sectorial minimum salary. The range of R4800 to R 6000 in every mount. This range was achieved by using 40 percent to 50 percent of medium salary. Therefore, the major argument of Coleman is that more minimum salary may not only decrease low-paid workers exploitation and also it may generate job by consumption-fuelled development. The last approach is the middle view. In this view, the wages may be controlled in situations such as of that of South Africa through the level of meeting minimum salary need to consider the negative effects that are associated with employment. These wage rules may include sectorial minima as well as minimum

wages (Adler & Webster). This minimum wages should not cause a large amount of job resulting higher salary reducing workers groups that might cause unemployment.

## State Capacity and Development

Liberal capitalism failure provoked once more a discussion about the state's role in development. The state should build capable, effective as well as an intelligent state. A capable, effective, and intelligent state works with civil and private societies to agree and redefine its mandate, challenges, and mission in the entire country's aspirations in socio-politico-economic terms. The changes that are experienced in these aspects must be diagnosed, analyzed, agreed upon, and discussed through participation and consultations with the population in cross-sectional ways (Adler & Webster).

The state should restore peace, security as well as the stability of the state. The state plays a vital role in ensuring the security, peace as well as the stability of a nation. Other private, as well as a civil society, may be involved in achieving these factors in the state. However, it is a challenge as well in the developing countries where their political establishment promotes the opposite of this expectation.

## Constitutionalism and Public Institutions

The state should enforce constitutionalism as well as the law that rules the country and strengthen and modernize the system of the national judiciary for fair affordable as well as accessible justice. Enforcement of the constitution, as well as the law, is the foundation of any development of a country. The power of the rule of laws can eliminate poverty the constitutional making procedure is important. At the same time, justice should be established in every resource and fair affordable as well as accessible justice (Adler & Webster).

Finally, the state should sustain as well as strengthen accountability, trust as well as state institution legitimacy through ethics, transparency, leadership, accountability, integrity as well as professionalism. The state should encourage the ethics, transparency, leadership, accountability, integrity as well as professionalism in every aspect. Therefore, development of the state in the social, political and economic status will be evident.

In conclusion, the state's has a role to play in fostering development. Liberalism involves the limitation thus neoliberal being the solution. This is a better way of ensuring development, however, is faced with some opposition. Thus this shows the roles of the state in development such as strengthen accountability, trust as well as state institution legitimacy by ethics, transparency, leadership, accountability, integrity as well as professionalism, build capable, effective as well as an intelligent state are important.

## Work Cited

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