South Africa Today

How do we characterise the social formation?

Papers from the 2011 ILRIG April Conference

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Roger Ronnie,
SAMWU and ILRIG Board
Welcome Address

Welcome to the 2011 ILRIG April Conference. The theme for the conference is 'South Africa Today: How do we characterise the social formation?'

In the 17th year of the achievement of democracy in South Africa, we've seen a triumph of the neoliberal order. Redistributing income in our country has been aimed at particular strata in our society, focused on the creation or broadening of that layer within our society. Under apartheid capitalism this had been restricted, with black business people unable to flourish to the extent that they desired. Post 1994, this has been opened up and black business can do that. But the only way this could happen at all was to rely on the people who had economic power and wealth under apartheid –white monopoly capital. So the deals that have been made and the way in which they are struck, is simply a continuation of what existed before 1994. Those of us who have experience of working for companies that are black-owned see no difference between the conduct of black capitalists and white capitalists. They are all capitalists and they all treat workers in the same way.

In fact, workers who find themselves in the sectors of the economy most affected by black economic empowerment (BEE), find themselves facing far more difficult working conditions than those working for companies established prior to 1994. This is not a new phenomenon Comrades. Given the pressure to bring down the apartheid capitalist state, it was clear that the struggles of the 1970s and the 1980s would not only bring about the fall of apartheid, but also the fall of capitalism. Prior to 1994, white monopoly capitalism recognized this. So in order for capitalism to survive, they needed to create a buffer between the working class and the capitalist class. So BEE began even before 1994/5, although it gained greater momentum post 1994/5.

So Comrades, this highlights the need to examine and understand the nature

of the South African state. What is the reason that forces realign themselves in the way that they have? Why is it that some organisations that previously took very strong positions against capitalism now appear to be watering down these positions, focusing solely on dealing with what we term the legacy of apartheid as if capitalism itself has not played any part in the inequalities, poverty and suffering experienced by the broader working class in this country? At the ILRIG April Conference a few years ago we looked at new forms of organisation. It is interesting to observe that many of the 'new' organisations (who are older now because they have been around for quite a few years) have started to demonstrate some of the characteristics of older organisations! Disillusionment and alienation had resulted in people setting up new organisations, which are now starting to display some of the same characteristics and tendencies that people had complained about – a lack of democracy, bureaucractic tendency, urban bias, the 'leader' syndrome where one person runs the organisation, and so on.

We need to ask why these patterns and tendencies are starting to emerge amongst 'new' organisations. What are those forces acting on these organisations? What is the role of the 'old' organisations? To what extent do they contribute towards the entrenchment of a system which basically continues to impose horrendous conditions on a large segment of the population? What can we read into the actions of the South African Police Services in dealing with protests by workers, communities and others? Are they merely responding to danger or are they the iron hand of the state clamping down to suppress any form of protest against unjust policies and practices? Why is this allowed by a government which claims to be democratic and elected by the majority of the population? These are the kinds of issues that we intend to discuss and tease out during the conference.

Comrades, we need to look at the developments in the Arab world of North Africa and the Middle East recently, where two governments have effectively been removed by citizens. These were governments that steadfastly pursued neoliberal policies and were strongly liberal in outlook; for years their people had tolerated these governments, notwithstanding grumblings about how they operated. There was clearly a lack of freedoms in these countries. Now people have spoken out and the spontaneity of protest led to the overthrow of these

regimes. To what extent is there the possibility of another Egypt occurring in South Africa in the near future? Why will it or will it not emerge? What do we think will prevent that or promote that kind of situation? Closer to home we see developments in Swaziland that suggest what could happen in South Africa. To what extent can we learn from the forms of organisation that have emerged in Swaziland to take forward our struggles in South Africa.

Comrades, it is our hope that this conference will bring to the fore some of these issues, and that other issues, experiences and perspectives will be contributed and shared by comrades from our day-to-day struggles. It is hoped that this will enrich our understanding about this 'new' South Africa, post 1994 and in 2011, and suggest prospects and possibilities for radical transformation. If we achieve this, then the conference will have played a small part in taking forward the struggles of the people.

On behalf of the ILRIG Board, I want to thank the staff of ILRIG for their hard work under difficult circumstances in hosting this important conference. I also want to thank all of you comrades who, at very short notice, agreed to attend, provide inputs and participate actively in the discussions and breakaway groups.

On behalf of ILRIG, I would like to thank the Canadian Auto Workers Social Justice Fund for their support for and solidarity with this important event.

Leonard Gentle, ILRIG
Introduction

S o you've come to a conference that asks: "What is the South African social formation today?" The question is: why does this matter? Of what significance is it to all of us to try and answer that question? I'm going to say that it is an important question.

Comrades, if you look at how in the media, amongst all the politicians and the ruling party, we are presented with the dominant view of the new South Africa, and invited to buy into it. In this dominant view, apartheid is over. It ended in 1994 and it's gone. This idea of the end of apartheid is, of course, coupled with two myths – that the transition to democracy from apartheid was a 'miracle'; and that, as a consequence of that miracle, we have the 'best Constitution in the world'. This latter, uncritical, celebration of the Constitution implicitly invites us to re-invent the struggle against apartheid as a 'human rights' struggle, so with the peaceful end of apartheid and the best constitution in the world, we now live in a 'rights-based' society. So I suppose one answer to the question: "What is the South African social formation today?"is that South Africa is a non-racial, non-sexist constitutional democracy.

However, when this dominant view is mapped onto our lived experience of a South Africa – a country of vast, and growing, inequalities and where these inequalities follow many of the patterns of apartheid in terms of who is rich and who is poor; who has gained from the 1994 transition and so on – we need to grapple with this idea of a South Africa with a human rights culture and notions of a rainbow nation and democracy.

If one accepts the dominant view then the experiences we have of inequality, racism and violence are either isolated exceptions or we are somehow at fault for not coming to terms with the new human rights-based South Africa. In this latter case the problem is that sometimes we don't know about these rights. So we need to be told about these rights we have, we need to be educated. There is no lack of

institutions and NGOs whose brief is to educate people about their rights.

But other times the blame lies with public officials. For some reason or other the state may not be very efficient in enforcing these rights. So all we need to do – it's like opening up the water tap – is insist on our rights, they're already there. This view uncritically endorses the legitimacy of the current order and proposes instead that we may not be so legitimate. In other words, we are bad citizens.

The institutions of the current order – and I include everything from the government, parliament, the judiciary, the army, the police, the schooling system – are legitimate. They are the products of a transition that gave birth to these institutions and therefore they are legitimate. In many deep ways we ourselves accept this legitimacy because it wasn't just the negotiators at the Kempton Park World Trade Centre who delivered this outcome, it was also our struggles in the townships, workplaces and schools. And so we conflate the legitimacy of our struggles for freedom with the legitimacy of the outcome of the deals made at Kempton Park. So when we see struggles, many of which you are involved in, or hear or read or watch or know about struggles all over the community and in the country, these are struggles that are forms of negotiation with the current order, which we expect should be able to voices of our aspirations and desires. Even when Andries Tatane is shot and killed by the police, our response is shock because how can our democratic police kill somebody who's only exercising his rights after all? So even in our acts of revulsion, we recognise the legitimacy of this order without answering the question posed at this conference: What is the South African social formation? We are therefore limiting all our struggles to a form of negotiations with the current order rather than questioning the legitimacy of the current order itself.

If our water gets cut off, we struggle to get it on because it's our right to have water. If we get evicted from housing, well we protest it because it's our right. So deep down in that is a sense of legitimacy of how things are. Accepting the legitimacy of the current order also doesn't mean that there aren't voices critical of some of the features of this order. In fact there are political debates of this kind which can be categorised as either criticisms of aberrations within the current order or criticisms which speak to how there is still a legacy of apartheid.

Firstly they are debates about what I refer to as past scars. Apartheid is seen as something that existed in the past but like an old wound, sometimes it still hurts a little bit today. But like many wounds, if you wait long enough it will be gone. So it's a scar that refers to the past and therefore you will hear often NGOs and others institutes – almost like religious orders – promote this idea of 'healing'. You know. We are still hurting a little bit from the past, but in time if we confess and open up a bit, then we will heal.

Or if things don't happen the way they are supposed to, perhaps it is just a technical problem – a little bit of inefficiency in the system. The Treasury in this country is very good at that – you know. Trevor Manuel and Pravin Gordhan proclaim themselves as doing a very good job, it's just that local level councillors and metros are very inefficient in implementing the very good work that Trevor is doing. That's what we are told, alright! Or that there is an aberration like 'corruption'; how often is that word and mantra repeated – that the quality of our lives is not good because there is corruption. In other words we are asked to assume that there is a clear, right way of doing things that we all know; it's just that some people are corrupt and are doing things in a bad way. But we don't question the institutions and the structures. Those are legitimate.

We will also sometimes find find voices from COSATU, like Zwelenzima Vavi, who speak about reactionary forces who are holding back the African National Congress (ANC) – i.e. there are dark unknown forces out there, like the infamous Class of '96, that are reactionary and are responsible for this. But this still recognises the legitimacy of the institutions that frame our society. It's just foreign forces or reactionary elements that are doing these things to us. That's the dominant message from the good news at the top all the way to the slightly bad news at the bottom.

But isn't there a more far reaching and radical perspective on the new South Africa? One that doesn't take the legitimacy of the new order as a point of departure, that doesn't presume that apartheid is over and only the scars remain. This is a perspective that was deeply rooted within the liberation movement by the time the mass struggles peaked in the mid 1980s – a perspective that examined the links between apartheid and capitalism – that has, strangely,

all but disappeared from the language and analyses of the main parties and academics in South Africa today. This is what we hope to bring to the fore at this conference amongst a whole new generation of activists.

Let's start by looking at a snapshot of some things in South Africa today: Firstly, as Roger Ronnie was saying, South Africa is the most unequal society in the world today. Secondly, and this is an important one for me, the geography of apartheid still structures our society. People live in the old 'Group Areas' that they lived in before. People still live close to or are institutionally arranged around the old Bantustan formations that existed before. And yet on the other hand, South Africa is a new global power. South Africa is part of what is called the BRICS – a group of countries consisting of Brazil, Russia, India, China and South Africa who are attempting to shape the world in the context of the decline of the USA as the dominant imperialist power for almost 80 years.

South Africa's currency – the Rand – is one of the most tradeable currencies in the world today, and it's a very strong currency. It's not the joke currency that people think it is. It's a very strong currency. Investors are very impressed and they are buying Rands because they are making a fortune out of the Rand today.

So there are these two extreme sets of facts about South Africa. Extreme inequality, extreme poverty, the continuation of apartheid, but, on the other hand, South Africa is an enormous success. From a country that was isolated, that was a small industrialised part of the southern African continent, its now one of the big players in the world.

Okay now I want to take you back to debates within the liberation movement on a question that continues to haunt us today. I am hoping that comrades who are going to give input at this conference will speak to this question. That is the debate about the nature of the relationship between apartheid and capitalism, probably the biggest debate that confronted every activist during the struggles of the last 30 years.

Of course I am excluding from this presentation the dominant ideological justification for apartheid peddled by the state and all its apologists. This idea that South Africa was simply a country of many nations and that the role of the white nation was to protect the competing tribes from killing one another was

not only state ideology but also found its way into all aspects of South African thinking throughout the periods of apartheid and segregation. But that will not be the subject of much reconsideration here. Instead I am here confining my review to those critical of apartheid.

Within that debate, I will broadly delineate two broad perspectives. I will then take the second perspective and break it into two further views. The main view in the English media and academia who were critical of apartheid then, and that was a very liberal one, was that apartheid was irrational. It was brought about by the Boers – Afrikaners who were hurt and emotional about developments in the hinterland after struggles against the British and other than that anti-rationality, they had racist ideas in their heads etc. etc. The liberal view therefore tended to suggest that in time capitalism would do away with these irrational ideas. So it posed a modernistic development of capitalism that would do away with racism and apartheid. Many within the liberation movement also took this view – at least until the 1950s – but within the movement there were two strands of radical views. The one emanated from within the South African Communist Party and argued that apartheid was linked to an incomplete capitalism. It was a capitalism that was stifled by colonialism and therefore it needed to break free from these colonial fetters in order to be a free capitalism. That is why they called it a National Democratic Revolution (NDR). When there is a proper free democratic capitalism then our national question would be resolved. So you hear comrades speaking about the NDR and so on and so forth.

On the other side there were voices within the movement that began to argue that apartheid was in fact a form of racial capitalism – one which made possible the growth of capital accumulation on such a scale that apartheid South Africa could build huge capitalist monopolies, initially based on mining but later making the leap into manufacture and finance, and a white middle class lifestyle that was the envy of the developed world. Apartheid capitalism was very sophisticated and very organised – not irrational at all, and you could not get rid of apartheid without getting rid of capitalism. Now if you take both of those last two views and relate them to this conference, capitalism was not destroyed

in 1994. So what are we saying? What kind of society is this? Why are we quiet about debating these questions?

Today we see new struggles – the ongoing service delivery revolts. We sometimes hear occasional voices of conscience within the Alliance and so on who speak about the predator state and corruption and so on. But in general there is a huge space between the experience of most activists who are now the ones conducting protests, and the so-called political activists, which is a term that I don't like, but refers to all activists within political parties and NGOs – people who speak and write about left-wing issues.

There's a very huge gap between struggling communities and working class activists and that layer – very different from the struggle days where there was a close organic relationship. And lastly, and this is why for me and as ILRIG we were prompted to hold this particular conference, there's a silence about this thing that has been created today. In the main we criticise; all perspectives, even people in the left, say very critical things but they are quiet in analysing. What is this order? What is its nature? In the main we accept that it is a liberal order that has brought about the end of apartheid and we repeat these myths about the best Constitution in the world and so on. In South Africa we have highly successful capitalism. Neoliberalism is the policy of the government. All the parliamentary parties embrace neoliberalism. Neoliberalism was not introduced because the IMF or World Bank forced us to do so. It was home grown. It emerged and was driven very strongly by the South African ruling class. No sword was held over our heads to force us to do this. And it also did not start with GEAR, the Growth Employment and Redistribution policy of the ANC government in 1996. The seeds of GEAR and neoliberalism were already there. ISCOR was privatised in 1987. ESKOM was commercialised in 1987. The sale of township houses as government policy was already effected in 1983. So this idea that the market must shape everything predates 1996.

We would like to know what capital accumulation looks like today? How do the capitalists make their wealth today? Are we still shaped by the cheap labour power requirements of what we used to refer to as the mining era – the needs of mining capital. Is it still like that today?

What does the bourgeoisie look like today? Are they black or are they white, grey or non-racial? Are they South Africans or other people given the exodus of the major South African monopolies to London, New York listings?

What is the state of the working class? What does the working class look like? The working class was overwhelmingly and almost exclusively black in the past. Is that still the case? What is the gendered nature of the working class? How is it distributed across the country?

What do the middle classes look like? People often use this word 'the middle classes' who have sold out and are part of BEE, but nurses and teachers are also middle class and they are also sometimes the ones going on strike. How do we understand that? How do we understand the changing nature of the African National Congress, an organisation rooted in the working class in the 1950s and certainly in the 1970s and 1980s. Is that still the case? Or is it now the ANC of BEE and the Cyril Ramaphosas of this world?

What do these things then say about our tasks as activists? We are trying to ensure that these debates are not merely academic, but inform what we do as activists. And the final question I would like to pose, to tie all this together, is: How legitimate is this order?

Setting the context: Change and Continuity – South African Capital and Financialisation[1]

Top 20 companies in SA (2009)

- BHP Billiton
- Imperial Holdings
- SAB Miller
- Absa
- Anglo American Plc
- Telkom
- SASOL
- Nedbank
- Sanlam
- Barloworld
- Bidvest Group
- Shoprite
- Standard Bank Group
- Sappi
- Old Mutual
- Anglo Plat
- MTN Group
- Pick & Pay stores
- First Rand
- P & P holdings

85% of shares on JSE 1980s

- Anglo American
- Rembrandt Group
- Sanlam
- Old Mutual
- Standard-Liberty
- Anglovaal

Principal owner 1980s

- Anglo – Anglo, FNB, Southern Life, JCI
- JCI - SAB, Southern Suns, Edgars
- Sanlam – Trustbank, Metropolitan, Gencor
- Old Mutual – Nedbank, SA Perm, Barlow Rand
- Rembrandt – RMB, Goldfields
- StanLib – Standard, Liberty Life

Evolution of SA economy

Classical apartheid

- Capital accumulation centred on mining
- Based on forced cheap black labour power
- SA bourgeoisie white and "national"
- Greater monopolisation in 1960s
- Concentration and centralisation across sectors

Apartheid reforms 1970s and 1980s

- Adoption of neo-liberal policies in 1980s
- Mass urbanisation, proletarianisation and Mass struggles
- Big business supports apartheid economy through state security structures and bolstering the economy
- Global shift towards triumphant neo-liberalism and financialisation

Transition to democracy – 1990s …

- Mass struggles and new strategies of capital encourage support for political changes
- However, continuation and entrenchment of neo-liberal policies

- Trade and financial integration into global economy
- Business restructuring and internationalisation of capital

Early neoliberalism in SA
- Privatisation of ISCOR and commercialisation of SA Railways and ESCOM in 1987
- Stopping the building of new public housing, making Black Local Authorities responsible for services from revenue which they must raise themselves, and encouraging the selling off of the state's housing stock.
- The Independence of the Reserve Bank in 1987
- First moves to make it possible for big SA businesses to start setting up off-shore investments (e.g. share-swopping)
- Anglo sets up Minorco to house overseas assets, followed by Rambrandt setting up Richemont.

Globalisation / neoliberalism

Globalisation / Neoliberalism is a strategy of capitalism to respond to a crisis in the 1960s and 70s. Neoliberalism can be defined by:
- Financialisation
- Commercialisation / Privatisation of the public sector
- Intensification of labour exploitation through new labour processes

What is financialisation?
- Investment flows overwhelmingly into money markets / speculation instead of into production
- Securitisation of debt (also domination of bonds)
- Cross-border trade is not so much trade in goods but the movement of money-capital
- Stock markets no longer marshal "savings" to be used for fixed investment but instead are geared towards 'shareholder value' – returns on investment based on share prices.

- Companies' performance no longer express links between operational profit and share prices - share process may even go up when operational profits are down.
- Shareholders in hedge funds, private equity etc are dominant and many have no long-terrm interest in the performance of firms.
- SA's monopolies go financialisation route
- Focus on "core business" to release "shareholder value e.g. Anglo unbundles (gets rid of JCI and SAB, and focuses on mining). Sanlam unbundles to Gencor (which later merges with BHP to create BHP Billiton)
- SA's key monopolies request offshore listing and this is embraced by Manuel and Reserve bank – Anglo, De Beers, SAB, SA Mutual, Didata, Gencor / Billiton go offshore to London – opens for speculation, money markets etc on global level
- Opens spaces in unbundled companies for BEE deals (Sanlam starts in 1993 with Metropolitan and NAIL, followed by Anglo with JCI etc)
- Note this is not a break-up of the monopolies by the state or competition authorities or the levering open of spaces for black capital by the state but is as a result of SA capital going the route of financialisation
- The government made this possible by freeing exchange controls, making the rand tradeable and maintaining high interest rates

Financialisation in SA

How the SA ruling class "looks":

- The big white monopolies have unbundled, focused on their core business and "releasing share-holder value" and some have relocated their principal listing to the London Stock Exchange – in keeping with trends towards financialisation everywhere.
- The big monopolies and the state have all gone into Africa in a dominant way and SA has become the biggest exporter of capital into the rest of Africa and the source of an imperialist pursuit.
- BHP Billiton is now a shell investment company but is the largest resources company in the world, Anglogold is the 2nd largest gold company but was

the subject of a hostile takeover bid from Xsrata - another SA co), SAB Miller is second biggest beer co in the world.

- From 85% market capitalisation domination on the JSE the big six are now of the order of 25%.
- There is a significant involvement now of institutional investors – marshalling money from hedge funds and pension/provident funds. They have very little direct interest in the operational side of companies but only in the share price – which is the source of their profits. Two new players have become today the largest owners of share traded on the JSE – private equity forms like Allen Gray and the state's investment fund – Public Investment Corporation (PIC) – set up by Trevor Manuel as then Minister of Finance). Both of these involve the use of money capital from hedge and pension/provident funds etc to speculate.
- The commitment of the SA state to its policy of inflation targeting and high interest rates can be directly tied to the fact that inflation depreciates money capital (and profiteering through the trade in money globally is crucially dependent on having low inflation), whilst high interest rates attract investment in bonds/gilts.
- There have been few instances of take-overs the other way round e.g. Barclays taking majority shares in ABSA, Standard merging with Chinese bank.
- The state has also intervened in the form of the commercialised parastatals – Eskom (and Eskom enterprises) is a key example.
- The Global Crisis of capitalism of 2008 onwards is notable for its unevenness – the epicentre has been the USA – but Europe has had to carry the worst of the bail-outs granted to save the financiers. South Africa's insertion in the imperial chain has actually been to its, temporary, benefit. US and EU low interest rates and quantitative easing has seen a major inflow of capital into bonds in certain countries – including South Africa.
- This has accentuated financialisation as SA exiled corporations have used cheap money to but SA bonds – to record levels over 2010/2011, driving the rand upwards, but increasing SA's "foreign" debt.
- The big monopolies and the private equity managers are overwhelmingly

white (out of the top 50 Rich list in 2008, only 16 were black, and they're all in debt) and South African.

- Their South African-ness is still significant insofar as they seek to ensure accumulation through maintaining relations with their client state, which is the SA state – not only in the sphere of the state's role in the control over and reproduction of the working class, but also in regard to specific issues of mining rights, property rights, interest rates, monetary and fiscal policy etc.
- It is the SA state – under Jacob Zuma – that has been actively involved in further rounds of exchange control de-regulation (despite the New Growth Strategy), as opposed to any form of capital controls compare with Brazil, India, Indonesia and China)
- The bourgeoisie is dominated by the new financial oligarchs – controlling private equity funds and banks , who have strong continuity with the old monopolies but also benefiting from the profitability of telecommunications and mining, especially in Africa.
- The SA bourgeoisie is the dominant social force in Africa, fighting for imperial hegemony
- A rapid rise in SA foreign debt in the 2000s.

Endnotes
1   This is based on a powerpoint presentation providing key facts about South African capital and financialisation to set the context for discussion at the Conference.

Part 1
The State and Capital

Eugene Cairncross[1]

Post-Apartheid South African Economy: The Triumph of Capital?

Introduction

To speak about a post-apartheid economy we have to remind ourselves of the main features of the apartheid economic system, that is, the relationship between the system of legislated racial discrimination and economic exploitation. I think it was Jack Woddis, the British Communist, who wrote in the 1960s that the root of fruit of racial discrimination is profit (*Africa, the Roots of Revolt.* Citadel, 1962). During that same period, arch capitalist and mining magnate Michael O'Dowd, of Anglo American and De Beers fame, opined that apartheid and the development of capitalism in South Africa were in contradiction to each other, and that the economic growth of the capitalist system would inevitably lead to the demise of apartheid (the so-called "O'Dowd thesis"). Post-1994, apartheid, at least in the formal legal sense, is gone but capitalism in South Africa is thriving as never before.

Does today's post-apartheid economy contradict either or neither of these two historical views? In what sense should we understand the current economic system as 'post-apartheid'? Which features of current economic and political reality, and more specifically class relations, embody our colonial and apartheid legacy but are modified by a now dominant neoliberal economic order?

Access to land and availability of labour

We need to recall the past. Racial discrimination, colonialist thinking and oppression date back before the rise of Verwoerd and the Nationalist Party in the

1930s and 1940s, to the vagrancy and pass laws of the 18th and 19th centuries, systems designed by the colonisers to exact labour from the indigenous people. The discovery of diamonds and gold in the 19th century, and the expanding farms required to feed the resultant population influx, accelerated the demand for cheap labour. To force indigenous subsistence farmers off their land and create a pool of cheap labour for the mines and farms, additional measures were needed, such as a variety of taxes and the hostel/ migrant labour system. 'Non-whites' did not have the franchise, and were confined, except when their labour was required, to 'Native Reserves', later 'Bantustans/ Independent Homelands'. This migrant labour system was the font of wealth of the mining empire which became the Anglo American Corporation in the 20th century.

The (Natives) Land Act of 1913 denied 'natives' the right to own land outside of designated 'reserves', which constituted about 7% of the land area (later, from 1936 onwards, about 13%). The Land Act of 1913 was only repealed by the Abolition of Racially Based Land Measures Act No 108 of 1991. Since 1994, the Land Reform and Land Re-distribution Programs have transferred less than 2% of white-owned land to blacks. Thus, under the 1996 South African Constitution and the practice of successive governments since then, the pattern of land ownership dating back to the 1930s has essentially been preserved through to the present.

The early gains of the post-1994 period in terms of the social wage – improvements in access to water, electricity, health care, education, municipal services and housing – have been eroded in more recent years, mitigated only in part by a reluctantly developed and corruption-plagued social grant system. In the rural areas, home to about 50% of the population, successive African National Congress (ANC) administrations not only failed to protect farm workers from super-exploitative conditions but were mere spectators to the eviction of hundreds of thousands (4 million over the period 1984 to 2005) of farm workers and their dependents, turning these workers into 'seasonal' and 'casual' workers without access to land. 'Land reform' is essentially non-existent, as may be expected under the 'willing buyer – willing seller' agreement that the ANC accepted during the pre-1994 negotiations.

Shortly before 1994, the system of controls of migration from impoverished rural areas (mainly the ex 'homelands') to urban areas was removed. This factor, combined with a lack of economic development and jobs in the rural areas, resulted in the rapid growth of pre-existing informal settlements around the major cities and towns, and the establishment of a plethora of new informal settlements, constituting an army of mainly unemployed people living in dire circumstances.

In addition, the mechanization of agriculture – in the 1980s and 1990s through to the present – has seen fewer and fewer people employed. The right of people to live on farms was supposed to be preserved through a change in the law, but the net effect has been the forced displacement of about 4 million people between 1984 and 2005. Farm workers were no longer regarded as permanent workers on farms, and were evicted to become unemployed or seasonal workers. In that sense the situation on farms for farm workers is worse than before. Previously they at least had the right to live on a farm while they worked, or even the right to a part of the land. That situation will not change as long as the willing buyer/willing seller policy is in place.

Mining

The story of mining in South Africa, and its past and continued centrality to the economy, can be illustrated through the history of the Anglo American Corporation (now plc). Wikipedia (accessed April 2011) describes Anglo American thus:

> **"Anglo American plc** is a global mining company headquartered in London, United Kingdom. It is a major producer of diamonds, copper, nickel, iron ore and metallurgical and thermal coal and the world's largest producer of platinum, with around 40% of world output. It has operations in Africa, Asia, Australasia, Europe, North America and South America."

But that is far from the whole story. Although the company was only formed in 1917, Anglo American is/was a South African company with its origins in

the diamond and gold rushes of the 19th century. Over the decades, with its diamond subsidiary De Beers, it became the dominant conglomerate in the South African economy. In 1999, through a special mechanism created by the Reserve Bank and the Ministry of Finance, Anglo American was allowed to transfer its accumulated wealth to London, to list on the London Stock Exchange as a British company.

Similarly Gencor, once the Afrikaner counterpart of Anglo American, with interests in gold, coal, pulp and paper, aluminium smelting (Alusaf/ Richard's Bay Minerals) and ferrosteel, merged with/acquired Billiton, transferred its wealth to London and listed on the London Stock Exchange around 1999. Its successor, BHP Billiton is now the largest mining company in the world.

Post-apartheid economic policy has not only preserved the private ownership of land and mines, but entrenched these ownership relations in the new Constitution. There has been a continuity of concessions to these industries by successive ANC governments, in the form of massive infrastructure development to subsidise production (for example through subsidisation of electrical power) and to facilitate export of mainly unprocessed minerals through expansion of rail and port facilities. Tax concessions, especially to the gold mining industry, have been preserved, and through a laissez faire attitude to environmental burdens and occupational health and safety. Sasol, a major strategic investment by the apartheid state, was privatised for a song, and now reaps windfall profits as a privatised company, with the post-apartheid state foregoing the opportunity to tax these windfall profits to recoup some of its capital investment.

Ownership and control of land, mines and major industries not only remains concentrated in the hands of a handful of capitalists as in the past, but ownership of major economic activities has been systematically transferred to foreign capitals, either directly or through the liberalised stock exchange.

The fig leaf that support of (more correctly subsidies to) the mining industry is done in the interests of preserving or creating jobs dropped away completely during the current post-2008 recession. The same subsidised mine owners retrenched thousands of workers in a twinkle of the eye, with scant protest from the government or hindrance by the supposedly rigid labour laws.

The much vaunted attempts to lure foreign direct investment by creating an 'investor friendly' climate through, among other things, the relaxation of exchange controls, have reaped few successes. Foreign investment in the banking and steel sectors, for example, has mainly taken the form of the purchase of existing assets; any foreign exchange used to purchase these assets is immediately recycled by way of dividends to external shareholders.

The relaxation of exchange controls had another devastating consequence. During the period 1998 to 2002, the six largest corporations – Anglo American, Gencor/BHP Billiton (mining conglomerates), Old Mutual, SAB (SA Breweries), and Liberty – moved tens of billions of Rand offshore, and listed as 'foreign' companies. Two major consequences of these actions are the initial movement of a vast amount of capital offshore, out of the control of present or future South African governments, and that future profits made in South Africa would be exported to the now externally listed and domiciled companies. The current balance of payments deficit is to a significant extent attributable to the continued export of profits and dividends to these (and other) now 'foreign' companies.

A succession of post-1994 ANC governments have continued the apartheid era support, subsidization and promotion of heavy industry (oil refineries, synthetic fuels [Sasol], the petrochemical industries, iron and steel, aluminium, cement, coal and nuclear power and motor manufacturing) industry, whilst at the same time presiding over the ruthless destruction of local clothing and textile industries and other small-scale manufacturing industries, with a corresponding reduction in manufacturing jobs that do not fit the neoliberal economic model. The formerly state-owned enterprises Sasol and Iskor (Iron and Steel) were not only privatised at bargain basement prices, but, along with the other heavy industries, have been allowed to continue operating under an essentially self-regulatory environmental regime. The semi-privatised Transnet and South African Airways belong to this list.

These partly or wholly foreign owned industries continue to use environmental resources wastefully, and to poison the air, water and land with the excuse that industries in a 'developing' country should not be expected to comply with 'first world' environmental and safety standards. Alternatively,

they threaten to shut down and move production elsewhere if forced to comply with stricter environmental and/ or labour standards. These arguments – that there is a trade-off between protection of workers and the environment and 'competitiveness' (in reality, profitability) – are implicitly or explicitly accepted by government. Indeed government has, post-1994, increased South Africa's vulnerability to these threats by relaxing exchange controls, floating the Rand, allowing speculation in the Rand by both local and foreign capital. This self-created vulnerability is used to excuse their lack of action to protect workers and the environment.

In all of this, the pervasive influence of a ruling party with an 'investment arm' worth in excess of R1.9 billion, and a small core of new black capitalists who have shares in beneficiary companies, and/or who sit on the boards of directors of both local and foreign companies, has yet to be fully uncovered.

Basic facts about the SA economy

Basic data²:
Population (2009 estimate), about 50 million.

Gross Domestic Product (GDP): US$277.4 billion (approx. R2 000 billion at R7.5=1US$) (2009) (nominal); $488.6 billion (2009) (PPP – Purchasing Power Parity)

Per capita income: $5,684 (nominal; ranked 76th); $10,136 (PPP; ranked 79th) (2009)

Economically active population: 17.32 million (2009 estimate)

Main economic sectors: mining (world's largest producer of platinum(80% of world production), chromium(40%), major producer of gold(about 10%), major exporter of coal, 3rd largest), automobile assembly, metalworking, machinery, textiles, iron and steel, chemicals, fertilizer, foodstuffs, commercial ship repair.

Main exports: gold, diamonds, platinum, other metals and minerals, machinery and equipment.

External public debt: $67.93 billion (R500 million)(2009 estimate)
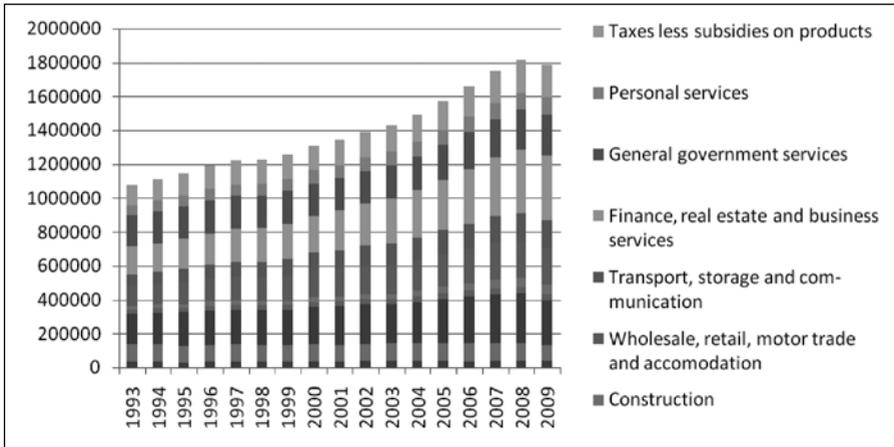
Figure 1: Gross domestic product by industry at constant 2005 prices
(R million). **Source:** Statistics South Africa. *Quarterly Labour Force Survey*: Quarter
2 (April to June), 2010. July 2010. www.statssa.gov.za
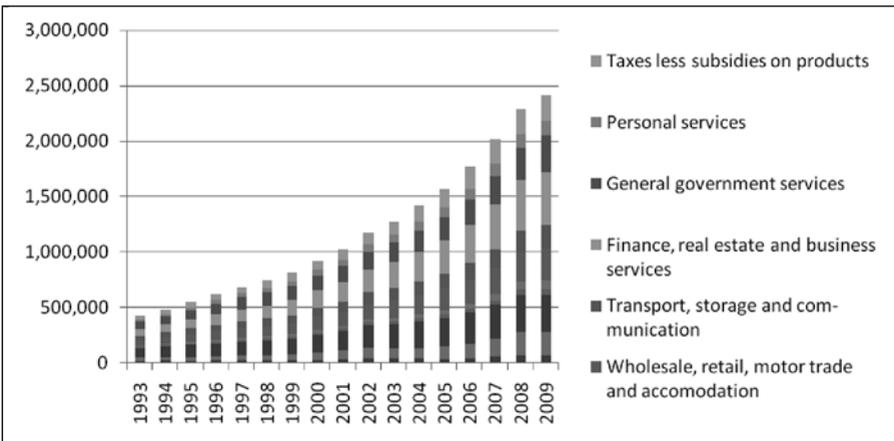
Figure 2: Gross domestic product by industry at current prices (R million)
(includes nominal price changes)
Source: H. Bhorat, presentation on Poverty, Inequality and the Nature of
Economic Growth in South Africa, consultative meeting convened by the Minister
of Economic Development, 8 October 2009. www.pmg.org.za/report/20091008.

Some comments on the basic data

Figures 1 and 2 show an apparently significant increase in gross domestic product (GDP) over the time period, but if population growth is taken into account, the picture is quite different. The total population increased from about 41.0 million in 1995 to about 49.3 million in 2009, an overall increase of 20%, or an annual average increase of about 1.4% per year over the 14-year period. Over the same period, the per capita GDP increased from approximately R27700 to R36100 in 2009 (constant 2005 prices), an increase of 30.6% or less than 2% per year on average.

The 2009 per capita income of about US$10 000 (R75 000, PPP basis) or about $4 700 (R45 000, exchange rate basis) per annum, for example, masks the huge disparities between the highest earners, who receive in excess of R10 million per year, and the more than 40% unemployed, with negligible wage income.

Although poverty levels declined modestly between 1995 and 2005, income inequality increased markedly during the same period, reflected in an increase in South Africa's Gini Coefficient from 0.64 in 1995 to 0.69 in 2005 (a Gini Coefficient of 1.0 constitutes 100% inequality). This made South Africa one of the most unequal developing societies in the world.[3] Even if the income from social grants is included in the estimate of poverty levels, absolute poverty (the percentage of the population living below the 'poverty level') remains high (above 30–40%), and the Gini Coefficient has tended to increase not decline in more recent years.[4] In 1995, the employees' share of the national income was 56% but in 2009 it had declined to 51%.[5] The rich have become richer and the poor have become poorer.

Maximilian Hagemes, writing for the World Bank's Private Sector Development Blog,[6,7] illustrated the problem that average per capita income, based on aggregate national income and population figures, do not reflect income inequality (see Figure 3).
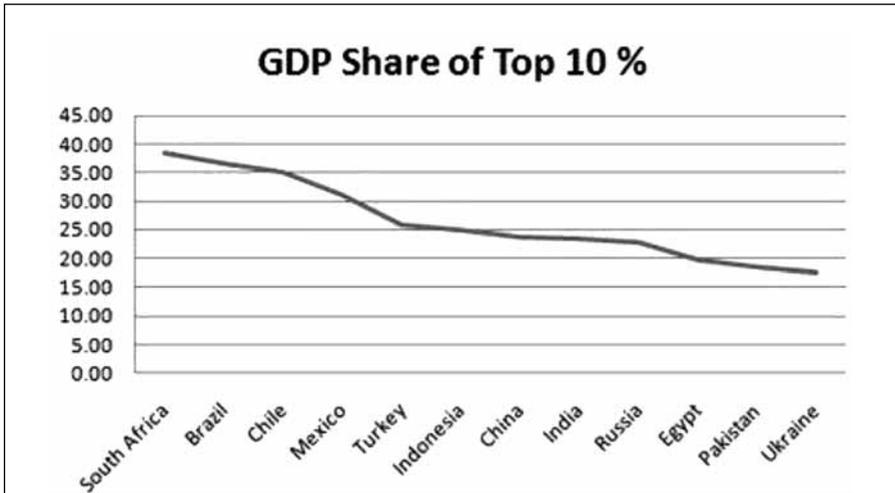
Figure 3: Share of the top 10% earners, selected developing countries

By this measure, of the selected countries South Africa's top 10% earners have the highest share of the national income, nearly 40%. Note that the graph is based on 2007 tax data, and may well underestimate the real income disparities due to the tax avoidance measures of the top earners. In addition, the measurement of GDP does not distinguish between unproductive and even destructive economic activity, let alone the environmental debt left behind by activities such as mining.

The 'public debt' of about R500 billion (25% of annual GDP), equivalent to about R10 000 per person, is deemed (by international capital) to be the responsibility of the population as a whole yet we have little insight as to how this debt was incurred, or what it was used for (the import of arms was one of the items). This puts into perspective Eskom's intention to borrow a further R500 billion over the next five years, thus doubling the external debt, and to refund the payment of this additional debt by increasing electricity tariffs by 2.5 times over the next three years. Talk of borrowing further trillions of rand to fund further expansion of electricity production through the construction of nuclear and coal powered power stations will increase the public debt to

'debt trap' levels, a situation in which a greater and greater share of a country's product is needed to repay interest and capital on external debt, leading to less and less money being available for social services.

Unemployment and employment

South Africa is currently faced with one of the highest unemployment rates in the world.

Employment and unemployment data are highly dependent on the definitions used for these terms and the methodology used to measure the data. The "economically active" are those that are *employed* plus *the unemployed*; the "labour market" is defined as those who are employed, those who are unemployed and those who are not economically active. The definition of an "employed" person is instructive:

"Persons employed in market production activities are those (aged 15–64 years) who *during the reference week, even if it was for only one hour*, did any of the following:

a) Worked for a wage, salary, commission or payment in kind (including paid domestic work)

b) Ran any kind of business, big or small, on their own or with one or more partners

c) Helped *without being paid* in a business run by another household member. Persons helping unpaid in such businesses who were temporarily absent in the reference week are not considered as employed, they are routed eventually to questions about: job search activities; their desire to work; and their availability to work – to determine whether they are unemployed or inactive."

In other words, a person is classified as "employed" if s/he worked for one hour during the week before the survey, whether or not that person was paid for that work!

The 1997 Statistics South Africa (StatsSA) study into employment and unemployment,[8] reveals the startlingly low employment rate, and correspondingly

high unemployment rate, during the first few post-apartheid years. The StatsSA report concluded that:

- Unemployment in South Africa has increased since 1995. The *official* unemployment rate was 20.0% (1.988 million) in 1994, falling to 16.9% (1.644 million) in 1995 and then rising to 21.0% (2.019 million) in 1996 and to 22.9% (2.238 million) in 1997.
- The *expanded* unemployment rate (including discouraged work seekers) was 31.5% (3.672 million) in 1994, decreasing to 29.2% (3.321 million) in 1995 and then rising to 35.6% (4 197 million) in 1996 and to 37.6% (4.551 million) in 1997.
- On the basis of successive October Household Surveys (OHSs), StatsSA found that, between 1994 and 1997, the labour force participation rate – the percentage of the population aged 15 to 65 years *which was economically active* – showed a decrease from 48% to 44% under the new *official* definition.

To address the question of the current employment/ unemployment situation (and during the intervening period) in detail, we need to consider the changes in the StatsSA definitions of employment/ unemployment and related terms, and the methodology used to gather the data. For the period 1994–1999, 'labour market' information was based on the annual OHS. From 2000 to 2008 this information was based on the semi-annual Labour Force Survey (LFS). Between 2005 and 2008, the methodology was extensively revised. From 2008 to the present, the data are based on the Quarterly Labour Force Surveys (QLFS).

Newsletter 5 of the SAIRR[9] summarised the unemployment situation in the intervening years as follows:

"The number of unemployed people according to the strict definition increased by 118.1%, from 1 988 000 in 1994, to 4 336 000 in 2007. The strict unemployment rate increased from 20.0% in 1994 to 27.5% in 2007. During the same period, the number of unemployed people according to the expanded definition increased by 113.5%, from 3 672 000 in 1994 to 7 839 000 in 2007."

Table 1: Selected unemployment data: 1994–2007

Year	1994	2000	2006	2007
Unemployment rate (Strict)	20.00%	26.70%	25.60%	25.50%
Number of unemployed (Strict)	1 988 000	4 333 000	4 275 000	4 336 00
Unemployment rate (Expanded)	31.50%	35.50%	39.00%	38.30%
Number of Unemployed (Expanded)	3 672 000	6 553 000	7 958 000	7 839 000

Source: *The South Africa Survey 2007/2008* (SAIRR)
Note: the SAIRR uses a slightly different basis for calculating the expanded unemployment rate than that used by StatsSA.)

What is the position in 2008–10?

Using the official definition, the unemployment rate increased from 22.9% (4.075 million) in 2008 to 25.3% (4.311 million) for the first six months of 2010; the number of unemployed approximately doubled compared with the 1994–97 period.

Using the expanded definition, the unemployment rate increased from 29.2% in 2008 to 36.2% for the first six months of 2010, similar to the levels in 1994–97. The SAIRR figures quoted above, although using a slightly different definition for the expanded unemployment rate, indicate that this measure also approximately doubled between the immediate post-apartheid period and the present.

Note that although the expanded definition is a more realistic estimate of unemployment, both the official and the expanded definitions significantly underestimate true unemployment because both use the biased definition of "employment"; in particular, the definition of "employment" used in the surveys (one hour's work in the previous week) masks the shift from relatively secure jobs to precarious and casual work over the period 1994 to the present.

Employer survey data indicate that the number of employed is about 10% lower than that estimated using household surveys.

In summary, the number of unemployed approximately doubled between 1994 and the present, although the total population only increased by about 20%. In 2010, at least 8 million people do not have jobs, of a population of 50 million. About 13 million are employed[2] (using the broad definition of 'employed' that includes part-time work and occasional casual work as equivalent to full-time work), giving an employment to population ratio of 26%. The figure of 26% may be compared with that of the USA, about 58%[10], with an unemployment rate of 9.5–10%. Dire as the unemployment / employment figures are, the overall data mask the large-scale shedding of jobs in the private sector, illustrated in Figure 4.
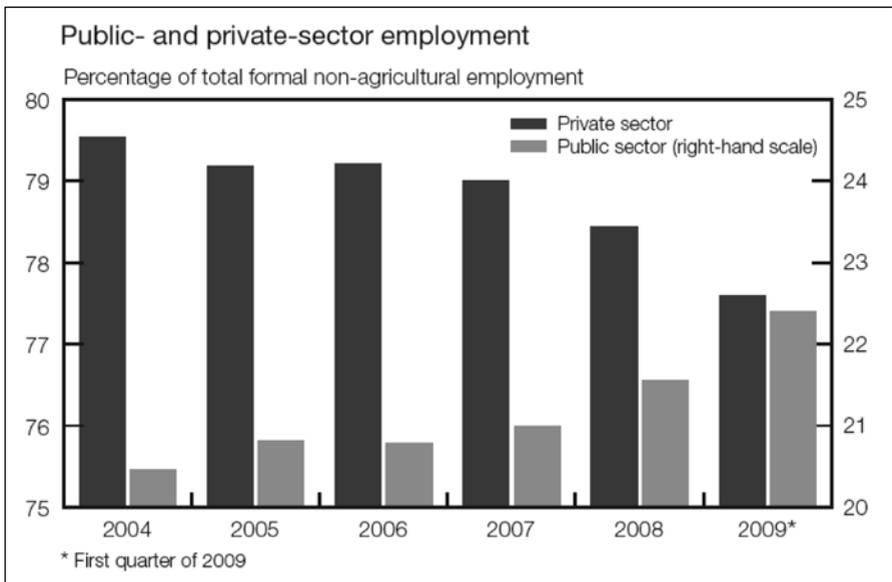

Figure 4: Public and private sector employment (%), 2004–2009
Source: SARB Annual Report, 2008/9

A widely quoted figure is that approximately 1 million jobs were lost during the 2008–2010 period, almost all in the private sector. This loss of jobs is not fully reflected in the official-definition unemployment data for the period because it resulted in a simultaneous substantial increase in the number of discouraged work-seekers.

Apartheid era racially skewed income distribution, underpinned by low wages and high unemployment rates, have by and large been perpetuated to the present, in spite of the policy of black economic empowerment and employment equity laws. Table 2, using apartheid era 'racial' classifications, illustrates the point.

Table 2: Relative per capita personal incomes (% of white level)

Year	White	Coloured	Asian	African	Average
1995	100	20.0	48.4	13.5	26.0
2000	100	23.0	41.0	15.9	28.9
2008	100	22.0	60.0	13.0	23.2

Economic policy

The 1994 elections took place against the background of the demise of the Soviet Union, symbolised by the fall of the Berlin Wall in 1989, and the ascendency of the Thatcher/ Reagan brand of global capitalism from the mid 1980s onwards. Objectively, the new ANC government (initially in coalition with the old National Party and the Inkatha Freedom Party) therefore came to power characterised by rampant international capital implementing its 'globalisation' project, imposing the 'Washington Consensus' through bribery on a grand scale, brainwashing or the blackmail of the international financial system. However, the post-1994 ANC government inherited not only the enormous apartheid-era economic, social and political inequalities, but a country with a substantial state sector (South African Railways/ Transnet, Eskom, SAA, steel production (Iskor), substantial interests in mining and fertilizer production (Foskor) through the

IDC, Sasol, Mossgas, Denel, rigorous foreign exchange controls and substantial secondary industrial (manufacturing) capacity and farming resources. Clark and Bogran (2010) wrote:

> "Soviet economists in the late 1980s noted that the state-owned portion of South Africa's industrial sector was greater than in any country outside the Soviet bloc. The South African government owned and managed almost 40 percent of all wealth-producing assets, including iron and steel works, weapons manufacturing facilities, and energy-producing resources. Government-owned corporations and parastatals were also vital to the services sector. Marketing boards and tariff regulations intervened to influence consumer prices."[11]

In addition, apartheid-era sanctions had trapped considerable capital within South Africa. In other words, considerable capital and productive resources were available to address the huge material inequalities (jobs, housing, education, healthcare, access to land, employment, the wage gap, etc) inherited from the apartheid system. Ownership of private capital was (and still is) racially skewed. Post apartheid, legally entrenched racial discrimination, specifically job discrimination, has been abolished, and there is, relatively speaking, freedom of association. But the post-apartheid economic system is not only firmly based on a full scale embrace of the neoliberal ('Washington Consensus') capitalist economic model, but has also preserved major features of the apartheid economic system. Indeed, behind the scenes, Apartheid-era technocrats and thinking are still driving major features of post-1994 industrial policy, in particular the minerals-energy complex still dominates economic policy.

In the immediate post-1994 period Reserve Bank and Exchange Control rules and regulations were changed to allow the unprecedented externalisation of tens of billions of South African capital. During the period 1994 to 1999, Anglo American, with dominant interests in mining (gold, platinum, coal, diamonds and iron ore) and manufacturing (steel, paper production, downstream manufacturing) during the apartheid era, was allowed to move its capital

abroad, to be listed on the London Stock Exchange (LSE) as Anglo American plc. The company used the externalised accumulated wealth of the apartheid era to make large investments in the rest of Africa and in Latin America. Dividends and profits from its South African operations are now exported to London, contributing to the chronic balance of payments deficit.

In 1994–96, Gencor (then with assets in excess of R30 billion), the Afrikaner counterpart to Anglo-American with interests in aluminium (including Alusaf), titanium minerals, steel, ferroalloys, nickel, coal, base metals, marketing, trading and exploration, was allowed to buy the overseas mining group Billiton, listing as Billiton plc on the LSE. This process was overseen ("The South African Reserve Bank has given its warm support for our plans and we are very heartened by its approach") by Derek Keys, former chairman of Gencor and Minister of Finance in the 1994–96 Unity Government. After leaving government, Keys joined the board of Billiton. Today BHP Billiton is the world's largest mining company, with worldwide interests in aluminium (including the energy hungry aluminium smelters of Richards Bay Minerals and Mozal), manganese, coal, iron, copper and other base metals, oil and gas, and nickel.

During 1993–1998 South African Breweries (SAB), the dominant beer producer and marketer in South Africa with more than 90% of the market, diversified and restructured its South African operations, and was allowed to make a number of overseas acquisitions. Under the chairmanship of Cyril Ramaphosa (1997), the process of externalising its operations continued, and in 1999 SAB relocated to headquarters in London as South African Breweries plc, listing on the LSE. In 2002 SAB acquired Miller Brewing Company, the number two US beer maker, to become the second largest beer maker in the world. During 1994–1999 the then largest life insurance company, Old Mutual, was allowed to demutualise and to list on the LSE and other foreign bourses. Liberty Life followed a similar process of demutualisation, restructuring and listing on the LSE.

Immediately after 1994 the new government began the process of rapid privatisation or corporatisation of key state-owned enterprises – Iskor (iron and steel), SAA (South African Airways)/SARH (South African Railways and

Harbours)/ACSA (Airport Company of South Africa) (air and rail transport, ports), Telkom (telecommunications), and the biggest and most important, Eskom (electricity). The privatisation of Iskor proceeded rapidly to completion, with the result that steel production and pricing is now hostage to the world's largest steel producer, Acelor-Mittal.

In the case of SAA, ACSA and Telkom, partial privatisation occurred – minority shares were sold to overseas companies, but in all three cases these shares had to be bought back, at considerable cost, when the external 'partners' ran into financial difficulties. All three entities are nonetheless now run as if they were private companies – committed to maximising profits and maintaining a market dominant position, with the government being the sole or controlling shareholder but with apparently little power to determine the direction of these companies.

Plans to restructure and privatise Eskom collapsed towards the end of the 1990s due to the collapse of Enron and the international market for energy suppliers. Eskom has been corporatised and is now committed to maximising profits and maintaining a market dominant position. Because of its size, it is even more unaccountable than the other state-owned enterprises, able to blackmail government and the public into extortionate price increases, whilst at the same time refusing to move away from coal-based power and blocking the entry of any other competitor into electricity production, whether public or private.

In summary, in the post-1994 period, the largest private mining and industrial conglomerates were allowed to move tens of billions of rand offshore, and to relocate their corporate headquarters to London and elsewhere, thus placing these resources, accumulated on the backs of the South African working class over decades, beyond the reach of subsequent governments. Worst still, profits and dividends generated in South Africa now have to be exported, worsening the balance of payments problem. Simultaneously, the process of privatisation and corporatisation has placed the resources of the largest parastatals essentially beyond the reach of government, but at the same time government has been forced or persuaded to bail out or finance the corporate misdemeanours of these same entities. Examples include the R7 billion to make up the currency

speculation losses of SAA, R12 billion for the Pebble Bed Modular Reactor and about R400 billion to fund Eskom's new overpriced coal fired power stations.

The Reserve Bank, exchange control and the floating of the Rand

The South African Reserve Bank (SARB), which plays the critically important roles of setting benchmark interest rates, regulating foreign exchange transactions and the operations of commercial banks and gathering key economic data, is a private company! The overwhelming majority of the members of the SARB board are private sector representatives, without a single worker representative. The SARB's activities are carefully monitored by the World Bank, with the acquiescence of the South African Government, to ensure that it acts in the interests of local and international finance capital, not that of those of the working class or the population as a whole.

The SARB's role in determining interest rates is the subject of much debate, mainly around whether interest rates should be lowered 'to stimulate the economy' and hence create jobs, or raised to control inflation; what is not debated in any serious way is whether or not either action (raising or lowering the interest rate) produces the desired result. Notwithstanding fundamental criticism (by Joseph Stiglitz, for example) of the underlying assumptions of the type of model used by the SARB, or the empirical disconnect between interest rates and the prices of key commodities such as fuel, electricity or staple foods, the Monetary Policy Committee of the SARB continues to intone the mantra of controlling inflation through the use of interest rates. A computer model that does not account for the fact that important and influential prices of commodities such as steel, fuel (petrol and diesel), coal, maize, wheat, cement and electricity are controlled by monopolies, cartels or administrative action cannot be said to be a model of the real world.

Since 2008 the SARB has increasingly relinquished its role of controlling foreign exchange movements, replacing it with a policy and monitoring role. This, together with allowing the rand to be traded freely on the international market, has rendered both the rand and the economy as a whole extremely

vulnerable to speculative attack and the blackmail of international finance. Financial liberalisation resulted in significant exchange rate and capital account volatility, reflected in four exchange rate crises since 1994. Against the US dollar, the Rand has depreciated from around ZAR 2.60 in 1990 to ZAR 7.60 in 2000 to ZAR 11.00 at the end of 2001 followed by an appreciation back to around ZAR 7.50 by mid-2003.[12] In the period October 2008 to March 2009 the Rand depreciated rapidly, to more than R12/US$, before gradually returning to about R7 at present. (Figure 5)
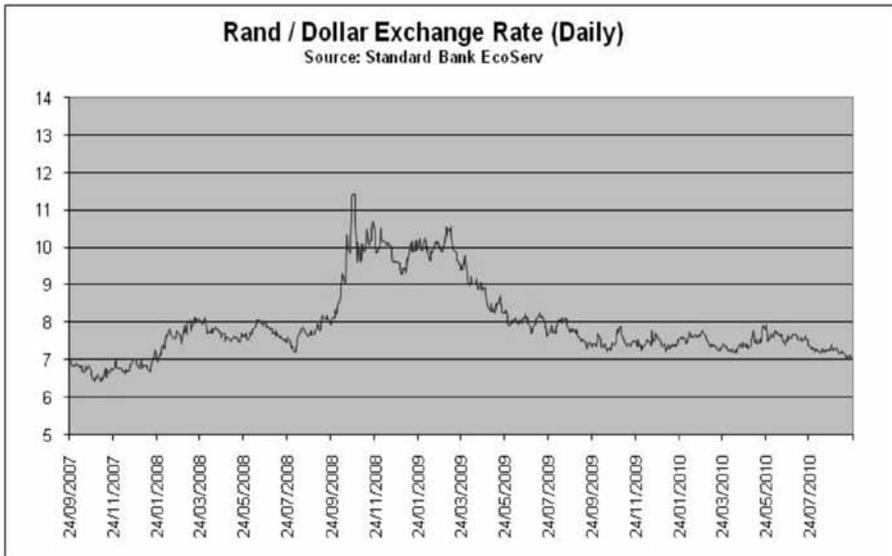

Figure 5: Rand/US$ Exchange Rate (daily average), September 2007 – September 2010
Source: S. Gelb & A. Black. Foreign Direct Investment in South Africa. *180 Investment Strategies in Emerging Markets.*

Foreign Direct Investment

Throughout the post-apartheid period, the role of Foreign Direct Investment (FDI) as the most important driver for growth, jobs and prosperity for all has been trumpeted not only by the captains of industry and the financial world (and their plethora of commentators and consultants), but by successive Finance Ministers. This was – and is – the justification for allowing the Rand to float, removing foreign exchange controls, abandoning import tariffs, continuously attacking 'labour market rigidities' (minimum wages, the right to strike, labour and safety laws, etc.), opposing nationalisation, or even the discussion of nationalisation, attacking environmental standards and environmental protection, promoting privatisation, etc., etc. The theory was and is – if only the working class would allow itself to be beaten into submission, the FDI will flow in, and in the long run, all would be happy. (In the long run, we are all dead!). The argument is that without FDI there can be no growth and hence no jobs. This was the most important argument used to justify the Growth, Employment and Redistribution (GEAR) policy announced in June 1996. Market fundamentalism reigned.

Yet, what has been the record of FDI since 1994? The adoption of neoliberal economics, formulated in the GEAR policy, lead to a number of actions. South Africa joined the WTO (World Trade Organization) in 1995, and signed the GATS (General Agreement on Trade in Services), TRIPS (Trade Related Aspects of Intellectual Property Rights) and TRIMS (Trade-Related Investment Measures) agreements at the same time. Average import tariff levels were reduced from 27.5% to 7% by 1997, with nearly 60% of imports being zero rated. This extremely quick reduction in tariffs was much more rapid than required under WTO developing country rules, resulted in, among a number of other impacts, the near destruction of the clothing and textile industries in a few short years.

Commitment to 'liberalisation' of services (energy, communications and transport, even education) followed, enabling the privatisation or partial privatisation of SAA, Telkom and ACSA described earlier. Foreign exchange control was rapidly dismantled, the two-tier currency system was abolished

in March 1995, foreign brokers were allowed to operate on the Johannesburg Stock Exchange (JSE) and foreign banks were allowed to open office in South Africa. This allowed foreign speculation on the JSE, and foreign speculation in the Rand, which has become one of the most heavily traded (and vulnerable) 'emerging market' currencies, in spite of the relatively small size of the South African economy. By 2000, gross non-resident transactions represented 52% of turnover on the (JSE) equity market, and 23% on the bond market.
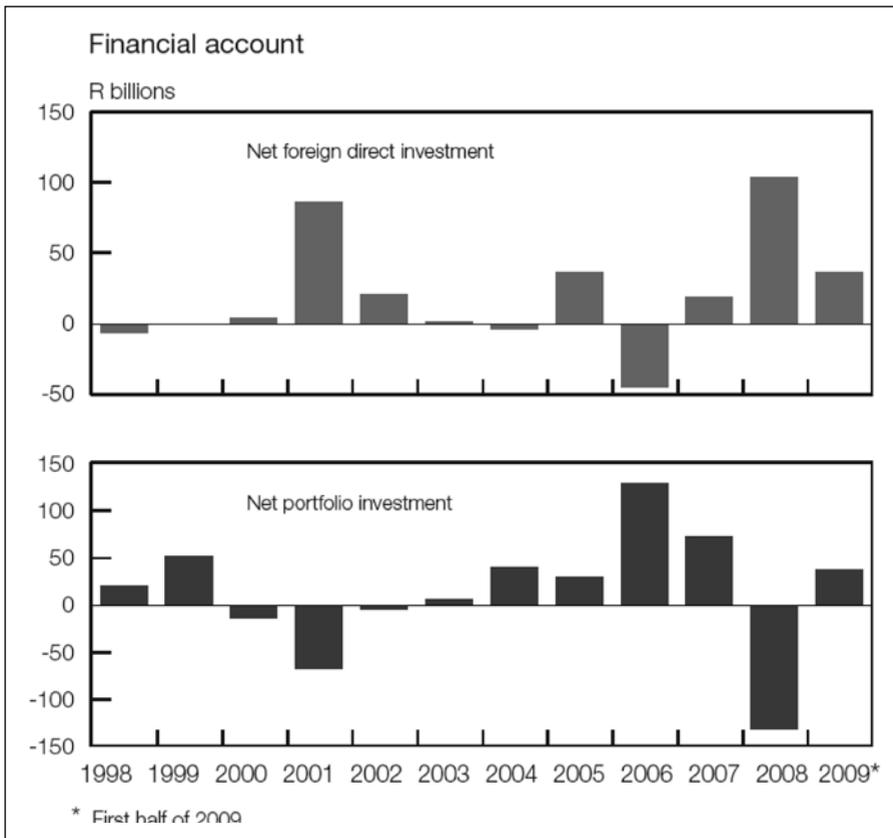
Figure 6: Investment flows, 1998 to 2009
Source: SARB Annual Report 2009
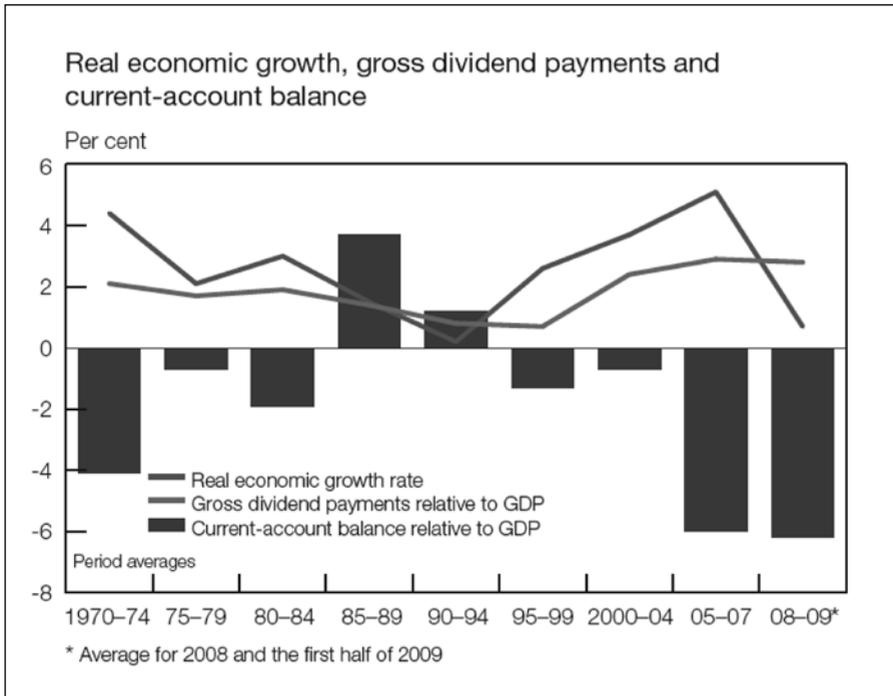
Figure 7: Gross dividend payments in relation to the current-account balance
Source: SARB Annual Report 2009

The idea of using FDI as the engine for growth, job creation etc. has been a dismal failure, with the cost in terms of job losses and lack of job creation being carried mainly by the working class.

Conclusion

While we still have major social and racial problems which have their roots in the apartheid system, economic problems dominate the landscape – such as unemployment at world record rates; the skewed ownership of land; mines and major industries remain not only concentrated in the hands of a handful of capitalists as in the past, but ownership of major economic activities has

been systematically transferred to foreign capital either directly or through the liberalized stock exchange. So things have changed but they have changed for the worse. The economic climate has changed for the worst. The Government now says that we have to attract foreign capital and to do so we have to make it easier for capital to leave, but does that make sense? What has happened is that local capital has left already, very little new capital has flowed in, in any real sense, and the net result is that they have lost what little control they might have had over the movement of capital.

To return finally to one of the questions that Lenny posed in his introduction: Is there still an economy based on mining? Yes, there is. In 2009, South Africa is the largest producer of platinum in the world, a significant producer of gold, chromium and so on (at least four or five of the most important minerals): the basic economic structure is the same in terms of the kind of economic activities.

The relations of exploitation are the same as under apartheid, with little change on the margins in terms of the colour of the exploiter. This is a superficial change. Ownership moved overseas, and we can't place that exactly because of how the stock exchange works. Even if ownership is partly local, control is mostly held overseas. So that is the situation we find ourselves in today. Talk about the developmental state and so on, misses the point altogether. The state is not in control of the resources of the economy. The only resources the state has are some bits and pieces collected through taxes, much of which is spent on servicing this exploitative system in one way or the other.

Notes:

1   While Eugene Cairncross is a member of the Coalition for Environmental Justice (CEJ) and a member of WOSA (Worker's Organisation for Socialist Action), this presentation was made in his personal capacity.

2   CIA World Factbook: South Africa: Economy. https://www.cia.gov/library/publications/the-world-factbook/geos/sf.html. Accessed 2 September 2010

3   H. Bhorat, presentation on Poverty, Inequality and the Nature of Economic Growth in South Africa, consultative meeting convened by the Minister of Economic Development, 8 October 2009. www.pmg.org.za/report/20091008.

4   Leibbrandt, M. *et al.* (2010), "Trends in South African Income Distribution and Poverty

since the Fall of Apartheid", *OECD Social, Employment and MigrationWorking Papers*, No. 101, OECD Publishing, © OECD. doi:10.1787/5kmms0t7p1ms-en

5   COSATU. A Growth Path towards Full Employment. September 2010. www.cosatu.org.za

6   M. Hagemes. 2010. Removing Oligarchs from Per-Capita GDP, January 2010. http://psdblog.worldbank.org/psdblog/2010/01/gdp-inequality.html

7   F. Alvaredo & T. Piketty. 2008. The Dynamics of Income Concentration over the Twentieth Century The Case of Advanced Economies, 2008.

8   FM Orkin. 1998. Unemployment and employment in South Africa. Statistics South Africa.

9   Newsletter 5 – The economic downturn and unemployment – 23 January 2009. www.eumunicipaloutreach.org.za.

10 Employment to Population Ratio, July 2009-2010. www.cepr.org

11 H.R. Clark & A. Bogran. Foreign Direct Investment in South Africa. 6 August 2010.

12 S. Gelb & A. Black. Foreign Direct Investment in South Africa. *180 Investment Strategies in Emerging Markets.*

Howard Smith, Project Design, Planning & Management
The Character of the Post-Apartheid South African State

WE ARE NOT prisoners of our history but beneficiaries of past generations that imagined and yearned for freedom" wrote Nombaniso Gasa. One might add struggled and fought.

Gasa continues: "Like those who came before us we also cut our teeth in the streets of South Africa and dived into the unfamiliar waters of trying to change society. But first we had to know that and to name it as such." She refers to James Baldwin who wrote decades ago, "when the oppressed begin to articulate their oppression, they have taken their first step towards their own liberation".

Gasa states succinctly what I believe to be true – that the struggle for change is continuous. As the vanguard party of the working class, the South African Communist Party (SACP) looks forward, and respecting this recognition, makes the call "Socialism is the Future: Build it Now!"

Thus there is no disjuncture between the national democratic revolution (NDR) that led to the milestone of the racist apartheid regime and the continuing NDR to achieve the objectives set out in the Freedom Charter by the people at the height of oppression by that regime.

In 1994, a compromise was reached, marked by both sides abandoning a violent phase of contestation for the future of our country and the negotiation and agreement on a Constitution, which I would argue, enshrining both liberal values consistent with a bourgeois state and rights creating conditions for continued contestation around the balance of class power. The cost of this to the white supremacists was the loss of exclusive political power; the victory for the disenfranchised majority was equal rights and opportunities under the law. What was not resolved was the contest over economic power, and it is that component of the NDR that has taken centre stage since 1994 in the ongoing NDR.

So how might we now characterise the South African state? It is not the imposed colonial state of pre-1910, nor is it the backward-looking utopias of the contemporary Boer republics. Nor is it the abnormal state of a racist white minority, which in its fractions contested for political power between 1910 and 1990, united only by a determination to exclude the black majority. Rather it is a normal state, contemporary in character and with much in common with those of liberal democratic and capitalist countries around the world. To quote Engels [*The Origin of the Family, Private Property and the State*], it is "by no means a power forced on society from without; just as little is it 'the reality of the ethical idea', 'the image and reality of reason', as Hegel maintains. Rather, it is a product of society at a certain stage of development." This means it has characteristics that are directly the product of our history, including that of the achievements, strengths and weakness of the national liberation movment (NLM).

But Engels also writes that the state is an:

"admission that [this] society has become entangled in an insoluble contra-diction with itself, that it has split into irreconcilable antagonisms which it is powerless to dispel. But in order that these antagonisms, these classes with conflicting economic interests, might not consume themselves and society in fruitless struggle, it became necessary to have a power, seemingly standing above society, that would alleviate the conflict and keep it within the bounds of 'order'; and this power, arisen out of society but placing itself above it, and alienating itself more and more from it, is the state."

Engels identifies two distinguishing features of the state: "First, it divides its subjects according to territory...." [in SA this division was also according to race and we struggle with the legacy of that today] and:

"the second distinguishing feature is the establishment of a public power, which no longer directly coincides with the population organising itself as an armed force. This special, public power is necessary because a self-acting armed organisation of the population has become impossible since the split

into classes.... This public power exists in every state; it consists not merely of armed men but also of material adjuncts, prisons, and institutions of coercion of all kinds, of which gentile [clan] society knew nothing..."

Of course included in the instruments of coercion are the judicial system and the whole battery of legislation it exists to enforce and in South Africa, because of the Constitutional dispensation arrived at in 1994, these have a particular prominence. The developing content and application of the law and the exercise of justice are themselves important loci of struggle; take South Africa's labour law for example, for the capitalist/employing class it is an obstacle to achieving levels of exploitation they would otherwise pursue, and part of the ongoing NDR is to defend those laws' provisions and enforce their application against those who would dilute then and/or ignore them. However, "building socialism now" means also taking up offensive struggles to extend them, for example the demand to make labour-broking illegal. Apart from legislation aimed at protecting workers at the workplace, there is also the whole question of making meaningful the socio-economic rights of the Constitution, and the struggle over allocation of resources in order to increase these to accelerate the progressive realisation of these rights.

The deployment of the state's power, its armed force, is also an area of struggle. Do we surrender to the state all decisions about the use of force, whether legal/allowed by the Constitution, or extra-legal, in breach of it? Of course not: this too is an arena of struggle, which pursued to its logical conclusion involves denying the capitalist class that instrument of coercion and gaining to the side of the revolutionary class that power. Again – "Building Socialism Now!"

What I am arguing is that the state is contested, and its powers are fought over by the contesting classes. This the SACP defines as the struggle for working class hegemony, not just over ideas, not only at the workplace (though in both we have a hell of a long way to go) but also at all levels of decision-making, from Neighbourhood Watches, to School Governing Bodies, to the Council Chamber, to Parliament, to the Cabinet and the Joint Chiefs of Staff.

The national liberation movement pursued by the African National Congress (ANC) and its alliance partners (that historically are joined at the hip!) saw the

struggle to the landmark achievement of the overthrow of the apartheid regime. I don't think anyone in the ANC or the Alliance would seriously argue that that point marked the end of the NDR, or that its objectives were achieved in 1994, or that there is no need to continue to struggle to advance the interests of the majority of South Africa's people.

What was achieved then was the transfer of political/electoral power from an exclusive white minority of the population to the population as a whole, undifferentiated by race, ethnicity, geographical locality or gender. Of course that did not make us equal or eliminate past advantage/disadvantage, nor did it eradicate historic and current economic advantage and disadvantage. It did not eliminate class differences and antagonisms, but by opening up opportunities for some (and capitalism has only ever allowed room for some) to benefit and change class, it has created heightened contradictions within the ruling party. Within the ANC these arise not merely as tensions one would expect in a liberation movement assuming also the role of ruling party and adjusting to that, but also as bitter class conflicts. Of course they are seldom articulated as the latter – in the NDR, the broad church tradition and very real desire for unity papers over many fault-lines, including the growing gulf of class and economic opportunity – but they are very real.

The SACP was the first to openly talk of and mobilize against what became widely characterised as the 1996 Class Project, and that mobilization culminated in the removal of President Mbeki and his Cabinet, who were seen as its protagonists. The majority in the ANC that made this possible was not stable and did not have a common platform beyond the change of leadership, and current tensions include a continuing struggle against many aspects of policy that comprised the then 1996 Class Project. There is no doubt that there are powerful forces in the ANC motivated to resurrect this. Class contestation occurs here too, not in the form of personal slanging matches but at the level of ideas and relevant effective policy development and implementation. Practices, not people, need exposing, with corruption and abuse of the state for personal gain condemned.

The drive for working class hegemony at all levels of the NDR, and in its expression as the ruling party, is nothing more or less than the pursuit of the national

democratic revolution as characterised in resolutions discussed at Morogoro and Kabwe. The vision is derived from the Freedom Charter, deficiencies in which are no more apparent to socialists now than they were in 1956 – and I have this from Ben Turok and the late Rusty Bernstein who were both directly involved in its drafting from the thousands of proposals submitted to the Congress of the People.

Before concluding let me quote the following, "In a democratic republic [and South Africa is now one] wealth exercises its power indirectly, but all the more surely", by means of the direct corruption of officials and by means of an alliance of the government and the Stock Exchange. Add the Reserve Bank and what Lenin wrote a century ago, with help from Engel's texts of 50 years earlier, still applies to South Africa today. Lenin said: "At present, imperialism and the domination of the banks have 'developed' into an exceptional art both these methods of upholding and giving effect to the omnipotence of wealth in democratic republics of all descriptions." These – corruption, banks, the Reserve Bank – must also become an arena of struggle to advance working class interest and assert working class hegemony, as indeed they are!

A word on the global context – globalisation (an expression of imperialism as Marx meant the term) and the so-called triumph of the USA as the only capitalist world power make for unfavourable terrain, but here too there is a dialectic at work. The weakness was exposed by the 2008 economic crisis, which in my view the left internationally was slow to exploit. But let us not imagine a collapse of capitalism and its magical replacement with socialism. Rather, the international terrain, like the domestic terrain, is one of struggle – to build a challenge to capitalist hegemony. It is not BRICS membership that ultimately counts, but what we do with it, arguing class interests in common with our brothers and sisters in Brazil and India who share our challenges.

After Unger (Brazilian Roberto Unger, *What Should the Left Propose?*) , let me end by asserting that the issue is no longer reform = bad, revolution = good. We must jumble the two categories up, associating fragmentary and gradual, but nevertheless cumulative, change with transformative ambition. I think that is what "Building Socialism Now" means.

Dale T. McKinley, independent researcher, writer, lecturer and political activist

'Capitalism with a Black Face': Black Economic Empowerment and the African National Congress

The beginnings: Laying the incorporatist foundation

There is the need to provide a contextual/historical explanation of the term, 'black economic empowerment' (BEE) (as directly related to South Africa). Where did it come from? If we go back to the beginning of the 1900s, we can see that the initial impetus for the formation of the African National Congress (ANC) derived from a combined 'protest' over the lack of political and economic opportunities of the small (but influential) black petty bourgeoisie.

As has been widely chronicled (Walshe, 1971; Mbeki, 1992) the majority of the founding members of the ANC were drawn from the newly emergent black petty bourgeoisie (BPB) (alongside traditional chiefs), whose economic interests were tied directly to the availability and use of land. This BPB wanted to find a political/organisational means to stem the assault on their own class interests – as well, of course, on what they saw as the general political and economic well being of Africans.

The majority of the new ANC leaders not only brought with them their particular class politics but also a heavy dose of Christian (Calvinist) education and corresponding social mores. This led to a perspective that incorporated a politics of non-violence and of incorporation in which the main priority became one of persuading the 'civilised' British that the educated, propertied, and 'civilised' Africans could be incorporated into the mainstream of South African society. In other words, as applied to their own economic interests, the leadership of the early ANC simply wanted a specific section of the black

population to become an integral part of the capitalist system. From this point on, 'black economic empowerment' was (to greater or lesser extents) framed by this approach and understanding.

What mediated this approach to BEE was, of course, the macro-nationalist politics of the ANC leadership that provided a sense of collective (predominately racial) and de-classed 'ownership' over the emerging 'struggle' against the racialised organisation of South African society. This was best exemplified in an early call by ANC founder P.I. Seme who pleaded that, "We are one people".

Thus, from a very early stage, the concept of political freedom for all black South Africans was aligned to a nationalist politics that accepted the capitalist class system and thus the specific (and dominant) need for economic empowerment of those class of blacks that could join (and potentially eventually replace) white capitalists as the precursor to wider-scale 'economic empowerment' of the black masses (workers and the poor).

1930s and 40s: Solidifying the approach – ANC-CPSA People's Front Strategy

After the rank failure of the early ANC to organise and mobilise the black majority behind its 'programme' of incorporation, the next phase in the development of 'black empowerment' came in the late 1930s and early 40s when the ANC and the Communist Party of South Africa (CPSA) joined forces under the 'people's front' strategy. In theory, the 'people's front' strategy stressed the need to bring together all social forces that might play a positive role in furthering the demands of national liberation – giving practical meaning to the notion that "we are one". In practice it meant two things:

1. Sidelining the black working class as a major force for radical change in favour of 'progressive' white labour, 'liberal' British/international capital and a decidedly narrow black African nationalism;

2. Identifying the struggle against capitalism (i.e., socialism – working-class politics and mass economic empowerment) as a mostly foreign (white) ideology that was not appropriate to 'African conditions' and thus a general

obstacle to the national liberation of the black majority of South Africa.

The codification of this approach is exemplified by the remarks of ANC Secretary General Dr. Xuma in 1945 when he said, "… it is of less importance to us whether capitalism is smashed or not. It is of greater importance to us that while capitalism exists, we must fight and struggle to get our full share and benefit from the system" (quote taken from Fine and Davis).

1960s onwards: A 'special type' of liberation

This conceptual understanding and practical approach to black 'empowerment' was then consolidated as the dominant expression of the liberation struggle in the 1960s, originating from the SACP's programme, *The Road to South African Freedom,* and then codified in the ANC's 1969 *Strategy &* Tactics document.

The 'new' basis for the pursuit of black 'empowerment' was set against the theory of 'colonialism of a special type'. The core of the argument was that apartheid emanated from the era of monopoly capitalism and that South Africa reflected "a combination of the worst features of imperialism and colonialism within a single national frontier" in which black South Africa was a colony of white South Africa. As the African population was seen as having "no acute or antagonistic class divisions at present" (i.e. a seamless identification of all blacks as being part of a common and oppressed 'class' of people) it was only logical that the immediate task was to fight for the national liberation of the 'colonised'.

This task would be carried out through a 'national democratic revolution' (NDR) with the multi-class liberation movement (the ANC) acting as the main vehicle, but with the working class (the SACP being its political vanguard) constituting the leading revolutionary force within it. Since not all classes had an objective interest in fundamental transformation of a post-apartheid South Africa (i.e., socialism), the working class' leading role would ensure that the struggle could be extended towards socialism. Thus the struggle had two stages: the first for a national democratic state (non-racial, non-sexist etc.), and the second for socialism.

While the apartheid state and white corporate capital tried (in vain) during the late 1970s and 1980s to build a limited base for the development of a new generation of black (petty) capitalists as allies in the preservation/buffering of the ailing apartheid-capitalist system, the lack of any parallel political legitimacy combined with the limited and crisis-driven nature of the accumulation strategy ensured the failure of this strategy.

The 'result' of these historical developments was that by the time serious mass struggle against the apartheid system came onto centre stage in the 1980s, the entire concept of BEE was wrapped up in a hopelessly contradictory liberation 'paradigm'. National liberation itself was analytically and practically circumscribed – i.e., the political side of the national liberation struggle had become detached from the economic side (the struggle for social and material liberation).

Thus, the idea of black economic empowerment would necessarily come to be practically implemented as part of a deracialised capitalism (after political freedom) in which the logical aim would be the empowerment of an emergent and black capitalist class (bourgeoisie) as a means of overcoming racial oppression. In turn, this empowerment would then trickle down to the black majority of workers and poor, who would, ostensibly somewhere in the distant future, rise up and overturn the capitalist system (and the newly empowered black capitalists within it), ushering in the second stage of socialism.

The 1990s: Accepting the system, building the class

By the time political negotiations began to take place formally in the early 1990s, the mould of any future BEE was set, but it was an 'upside down' mould. In other words, the primacy of developing a black bourgeoisie as the accumulative vehicle for an extended BEE and the maintenance/enhancement of capitalist relations of production as the macro-developmental framework within which that took place (alongside political 'freedom') was presented as the logical and indeed desired outcome of the liberation struggle itself.

Perhaps this was best captured by the amazingly quick 'turnaround' of the ANC leadership on the fundamental issue of economic ownership. Remember

Mandela's statement soon after he was released that is was unthinkable that the ANC could ever abandon its (long-held rhetorical) commitment to the nationalisation of the economy? Yet, not long after the 'capture' of political power in 1994, it was the same Mandela who told South Africa and the world that "privatisation is the official policy of the ANC" and there was no way that this would be reversed. Needless to say, the potential 'black economic empowerment' derived from a pursuit of nationalisation has fundamentally different consequences and benefits than that derived from the pursuit of privatisation.

Under the 'cover' of the common and multi-class (but predominately black working class) struggle against apartheid, there emerged the widespread notion that there was a common interest in pursuing the 'upside down' model. By doing so, not only would overall political 'stability' be achieved but economic empowerment would apply to, and be equitably enjoyed by, everyone – especially black workers and the poor (the historically disadvantaged, not simply, by the way, the 'previously' disadvantaged). Nothing could have been further from the reality.

The theory of the NDR allowed the ANC leadership to come to power with the support (albeit initially more qualified in certain quarters) of almost all the key 'sectors' of SA society, while simultaneously achieving an overwhelming political (and to a lesser extent, economic) mandate from the black majority (specifically captured and expressed through the Freedom Charter and the Reconstruction and Development Programme).

Once political power had been 'won' however, the ANC leadership very quickly abandoned any notion (let alone practice) of a radically redistributive economic path that would, as had been proffered so many times in the past, begin a process of economically empowering the vast majority of South Africans who were both black and poor. The step from growth through redistribution (RDP) to redistribution through growth (GEAR) was both quick and decisive. Yet, it was also consistent with the historic development of BEE as understood by the ANC leadership (now in government) – but certainly not by the majority of its constituency.

The ANC leadership's (through government) open embrace, both institutionally and ideologically, of a capitalist economy – grounded in apartheid

socio-economic relations – meant that there were only two possible ways of going about building and expanding the black ('patriotic') bourgeoisie that would constitute the foundation (indeed, the essence) of both a post-apartheid black economic empowerment and developmental path:

1. By encouraging white corporate capital to facilitate such BEE through selling (non-core) businesses to existing and emerging black 'investors', who in turn, would be assisted by (white controlled) financial institutions through 'special purpose vehicles' – has been labelled the minimalist approach;

2. By utilising the institutional and capital resources of the state to facilitate such BEE, mainly through the privatisation of state assets, the provision of seed capital and the threat of effective expropriation (not nationalisation) through the unilateral imposition of quotas of black ownership in key sectors of the economy – this would also be combined with a separate 'wing' of BEE that would target the empowerment of the broader black majority through increased capital expenditure, enhanced support for SMME's and facilitation of skills training and institutional capacitation (this has been labelled the maximalist approach).

For the first several years after 1994, the first 'way' was dominant. A rash of 'empowerment' deals between emergent/wannabe black capitalists (most often all with close political connections to the ruling ANC) and white corporate/finance capital took place. Best known amongst these was NAIL (Metlife, African Merchant Bank, Theta) and the NEC (Anglo's Johnnic). Literally overnight, South Africa had 'created' new black millionaires who publicly paraded their new found riches and loudly claimed that this was the start of a new dawn in which all black South Africans could share (e.g. Ramaphosa and his 'people's Ikageng Shares). Politicians lauded South Africa's equivalent of the 'American dream' and loudly endorsed the morality of blacks getting 'filthy rich' (remember Dr. Xuma's quote in 1949?) After all, if whites had gotten filthy rich under apartheid then surely it was the 'turn' of blacks to do the same now that political freedom had been won?

The harsh world of capitalism however, has a way of exposing both itself, and

those 'practitioners' who (like the ANC on the ideological front) want to ignore its fundamentals. When the JSE crashed in 1997–98, the dominant straw-man edifice of the new BEE came crashing down as well. This 'story' has been well told many times, but what made the exposure of the 'upside down' BEE so politically damaging were two powerful (yet radically distinct) charges against the ANC government that had been its chief champion:

1. From the side of the wounded black bourgeoisie came the charge that their government had not nurtured and protected them (raising parallels with the way in which the apartheid state had nurtured and protected the creation and growth of Afrikaner capital etc.), i.e. not enough 'protection' from hostile (predominately white) capital conditions both domestically and internationally. More sophisticated was the charge that GEAR was inherently hostile to the sustenance of an emergent black capitalist class since its core policies were effectively facilitating the interests of domestic (white) and international corporate capital rather than 'its own'. Here we can see the practical results of the development of a new black economic elite that was intent on consolidating a black, elite-led transition to a narrow vision of capitalist 'democracy'.

2. From the side of the majority of black workers and poor – as well as from sections of the ANC's alliance partners, the Congress of South African Trade Unions (COSATU) and the South African Communist Party (SACP) – came the charge, backed up by actual experience, that the ANC government's GEAR and the neo-liberal capitalist policies that is spawned (including the championing of BEE) were responsible for massive job losses, increasing impoverishment, a lack of basic services and most damaging of all, a betrayal of the redistributive principles and vision of socio-economic equality of the liberation struggle. This was exemplified by the creation of a small black elite at the expense of the vast majority of poor black people – the creation of a buffer between the masses and the new black elite.

Into the new millennium: A capitalist wolf in 'racialised' sheep's clothing

Both private capital and the government scrambled to 'repair the damage' (or at least be seen to be doing so). By 2001, a range of new empowerment deals, equity programmes, social awareness plans etc. and longer-term 'empowerment' scenario planning had been put in place and publicly unveiled by white corporate capital, who were clearly trying to pre-empt what they feared might well be a class and racial backlash against perceived conservativeness and political incorrectness etc.

For its part, the ANC government (now under Mbeki – who was more politically committed to an 'Africanisation' of the economy and certainly more committed to consolidating a 'patriotic bourgeoisie) embarked on a strategic approach that sought to 'mainstream' BEE as part of an expanding 'developmental' state dedicated to the social and economic upliftment of the black majority through creating a 'national consensus' that recognised, but cut across, racial and class lines. (This was the logical extension of the historic corporatist logic of the ANC leadership, i.e., cutting up the capitalist pie more evenly and without 'revolutionary' disruptions to SA political economy – of course, without ever acknowledging that the real issue here is who is cutting up the pie and which 'pieces' are being eaten by whom!).

Mbeki's two-nation thesis provided the necessary analytical/explanatory rationale, utilising the implicit threat of social disorder and so on; and the 'turn' to a stated commitment to adopt a kinder/more human faced capitalism (social democracy) in the face of continued poverty and global inequality provided the necessary political rationale. Soon there was a range of new initiatives like the BEE Commission and pending legislation that would 'guide' BEE through a more systematic programme of targeted 'empowerment' deals and BEE 'scorecards' etc.

Over-arching this though, was as a political and propaganda offensive by the ANC leadership, spearheaded by Mbeki, against those who continued to attack BEE as nothing more than a capitalist wolf in racialised sheep's clothing

and viewed the overall thrust of government economic policy as reinforcing and expanding socio-economic disparity and elite accumulation. This offensive continues today. It has been most notable for Mbeki's virulent and regular attacks on the so-called 'ultra-left' (both inside and outside the Alliance). The 'tools' used in the attacks included charges of:

- Misreading and misrepresenting the government's macro-economic policy (as predominately neo-liberal);

- A lack of understanding of the character and intent of African nationalism (e.g. pushing an inappropriate and misguided 'socialism' that 'confuses desire and possibility);

- Undermining the entire thrust of the NDR and creating unnecessary societal (class) divisions that threaten the consensus politics built by the ANC, corporate capital and organised labour (in this regard, note the government's response to apartheid reparations cases!!);

- At worst, the charge of being 'counter-revolutionaries' in cahoots with right-wing forces internationally to destabilise South Africa and push the notion that black people can't govern (playing the race card as well).

Despite these manoeuvrings and politically motivated offensives, most black South Africans have remained deeply sceptical and generally hostile to the way in which BEE had been, and continues to be, pursued. Even though no one was calling it such, there is little doubt that most saw BEE as being 'upside down'. The 'outcomes' of the BEE that had been pursued since 1994 had not seen any meaningful and/or sustained economic 'empowerment' of the poor – there was more on the table for certain sections of the organised and employed working class though. On the other hand, a new black economic elite had benefited handsomely from BEE and were rapidly becoming more arrogant and confident in their 'dealings' with the black poor (although occasionally getting their fingers 'burnt' – deals gone awry and the JSE).

Here, it is key to point to one of the principal underlying assumptions of the BEE that has been pursued in South Africa– namely, that a black bourgeoisie will be more 'patriotic', and will in turn positively affect white capital to be the

same, not only in relation to internal productive 'investment' but also in direct relation to the position of workers and the poor (viz. the mantra of 'we are one'). All historical and empirical evidence (Fanon's warning about the pitfalls of 'national consciousness' has come true in most parts of Africa) does not sustain such an assumption, let alone reality.

Another key issue here is to understand that class division has become, for a majority of the poor, a more salient 'issue' in their lives than that of race, while it is the other way around (at least at the level of public rhetoric) for the emergent black bourgeoisie!! In other words (as Fanon so eloquently shows) the 'issue' of race – combined with a distorted political nationalism – is used as a means of advancing the specific class interests of a new black bourgeoisie at the direct expense of the black majority (not the minority whites who maintain and expand their economic base by jumping on the bandwagon of a BEE that poses little direct threat to them).

Mbeki and the ANC implicitly understood that it would not suffice simply to re-arrange the BEE deck chairs (so to speak), but that it was necessary to make a re-connection with the real basis of the ANC's continued legitimacy (i.e. the liberation struggle) in order for BEE not to be rejected by the majority. So, in order for what, in reality, continues to be a specific programme of class accumulation and privilege to be 'seen' and accepted as part and parcel of the historic mandate of the ANC (i.e., the economic emancipation of the workers and poor), there is the continued need to provide ideological 'cover'. Once again, the NDR has proven to be the talisman.

The result has been that over the last several years we have witnessed a concerted attempt by the ANC government to resurrect the practical applicability of NDR theory as the macro-framework for pursuing BEE and rationalising (explaining) all the other parallel and contradictory 'developmental' policies and activities. The NDR is of incredible value to the ANC leadership in the post-apartheid 'transition' for a number of reasons (utilising Southall's points):

• It legitimates the 'historic' role of the ANC itself (as a political party) in leading SA;

• It validates the expressed need for an active and potentially interventionist

state, willing and able to act on behalf of the black majority to help 'transform' SA society;

- It justifies the existence, expansion, wealth and function of a black bourgeoisie (more specifically a 'patriotic' one);
- It justifies the need for close cooperation with white capitalists of the old order through arguing that their 'objective' interests' will lead to their eventual incorporation into the ranks of the 'patriotic' bourgeoisie;
- It allows the ANC leadership to publicly proclaim their commonality of interest and indeed symbiosis with, the black workers and the poor (the leading motive force) while they themselves champion (and participate in) the development of an expanding black bourgeoisie as the leading motive force.

The ANC, addressing the more recent Broad-Based BEE Bill, has confidently asserted their definition of BEE: "an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the number of black people that mange, own and control the country's economy, as well as significant decreases in income inequalities". The ANC then states that the aim of BEE is to attain particular quotas of such 'transformation' so that there is an increase (50% black owned) of black enterprises, empowered enterprises (25% black owned), and black engendered enterprises (25% black women ownership) – there should also be significant increase in black people in executive and senior management positions. Added to this is the aim to increase the proportion of community and other 'broad-based' community enterprises (e.g. union owned) as well as co-operatives – this should then increase overall levels of income among black people while also reducing income inequalities between race groups. The BEE strategy is rounded off by the adoption of 'scorecards' applied to specific economic sectors and enterprises, the privatisation of state assets and the consolidation of a corporatist consensus between government and the private sector. What is key here is that almost all committed financing for this will come from the state or public enterprises and finance agencies (and state incentives to private sector to finance empowerment ventures)

So, after the failure of the first strategy, what we now find is the ANC government moving to the second strategy – using the state to build a black bourgeoisie in the name of a 'broad-based' BEE as well as national consensus/nation-building and overall economic growth and redistribution. While the strategy might be quite sophisticated and have the advantage of utilising an already developed capital base, it is neither new nor unique. Indeed, like similar attempts in other places and at other times (even Malaysia which the ANC government seems so enamoured with) it is a completely contradictory strategy for 'empowering' the majority, asserting economic nationalism, deepening democracy, moving to non-racialism etc. What this strategy is really all about is how an elite becomes wealthy, what it does with its capital and how it rationalises inequality in the light of its part in a historical and popular struggle for something radically different.

The bottom line is that an attempt to institutionalise social justice and socio-economic equality, especially in a context like South Africa, cannot and will not succeed as long as the axle on which transformation turns remains embedded within capitalist relations of production and exchange. The 'trickle-down' simply does not work for the majority and even more so when used to try and address inherited (and institutionalised) racial inequality and injustice. Welcome to capitalism with a black face.

Part 2
The South African Ruling Class
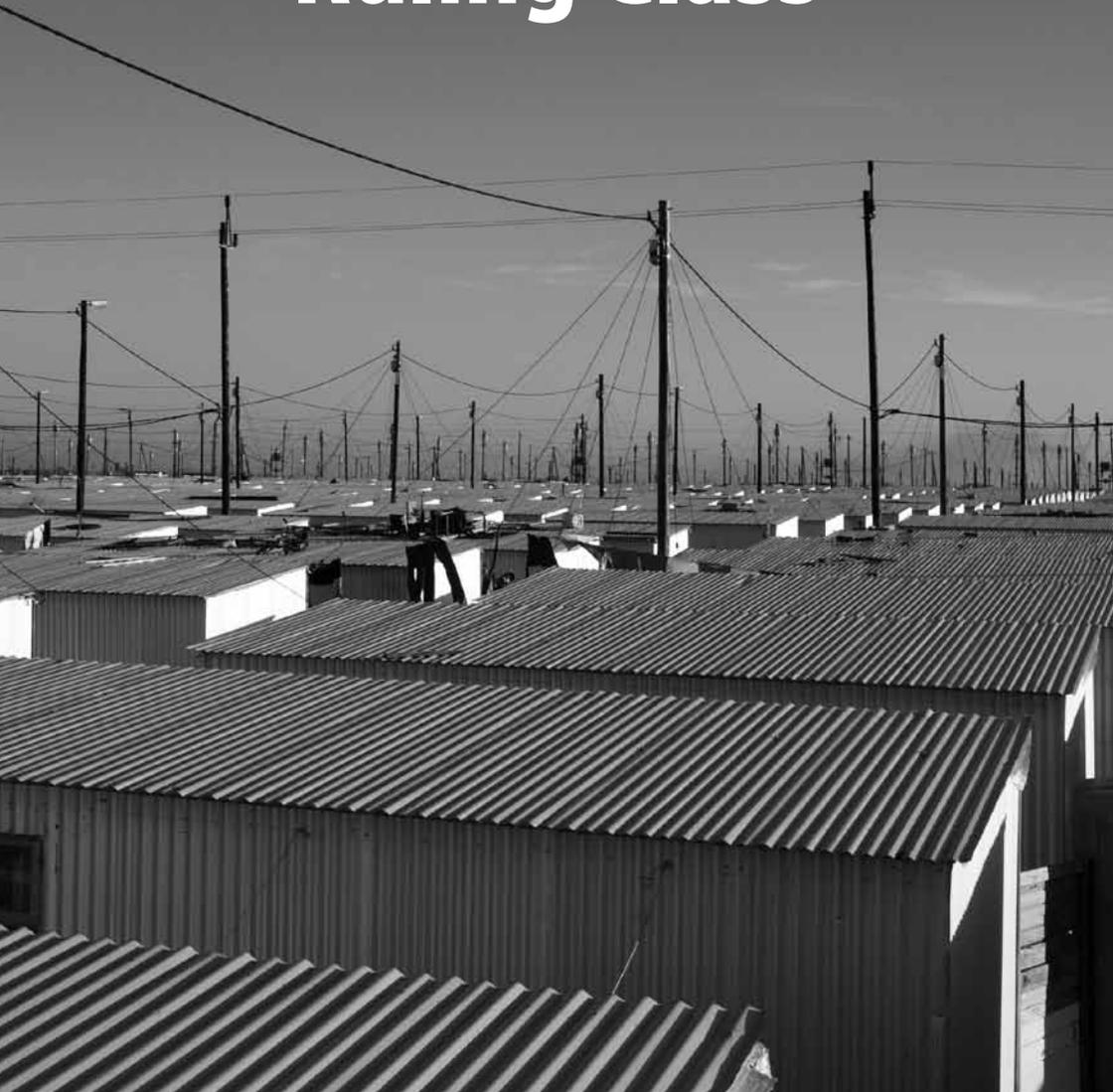
Shawn Hattingh, ILRIG

"Swallowed by Mzansi"[1]: South Africa's Ruling Class in Africa[2]

WHEN WALKING DOWN the streets of any town or city in sub-Saharan Africa one of the most striking things is the dominance of South African linked businesses. On almost every corner the neon lights and billboards of companies – MTN, Stanbic, Shoprite, Mr Price, Pick 'n Pay, Nando's and so on – loom large. Some places, such as the southern coast of Mozambique, have become virtual 'little South Africas' – with beer-bellied rich South Africans tearing around in 4X4s and flaunting their wealth in the form of luxury holiday homes and speedboats. Likewise, South African troops can be seen patrolling in countries such as the Sudan, supposedly keeping the peace!

All of these are the outward symbols of South Africa's economic and state power in the region. In most southern African countries, South African based private and state-owned companies have become one of the largest sources of foreign direct investment. In some places this has even seen them surpassing the investments from the UK, US and EU.[3] It is no exaggeration to say that South African linked corporations have come to play a huge role in the mining, financial, retail, services, telecommunications and leisure sectors in southern Africa.[4] Coupled to this, South Africa runs a major trade surplus with the rest of Africa: it exports five times more than it imports with regard to the continent.[5] The South African state also has a colossal presence in the region, whether as the head of 'peacekeeping' missions, the driver of trade and investment agreements, or the leader of the African Union (AU).

This article will use an anarchist analysis to argue that this lopsided trade, expansive investment and projection of state power by the South African ruling

class are signs of the imperialist role they play in southern Africa. In undertaking this, it will be outlined how the South African ruling class, as an integral part of their imperialist role, are conducting a class war against the workers and the poor across sub-Saharan Africa. Through examining this class war, it will hopefully become clear that the South African state is being used as a key instrument by the ruling class – made up of capitalists and high-ranking state officials – to further their own interests in southern Africa. The consequence of highlighting the imperialist nature of the South African state also has implications for the strategies and tactics that should be used in struggle. It will be strongly argued that the state cannot be used as a tool for liberation in South Africa or in the region due to its hierarchical centralising and expansionist ambitions.

Before outlining an anarchist analysis of imperialism, and discussing why the South African ruling class should be considered imperialist, it is important to highlight some of the main debates on the left around the nature of South Africa's role in the rest of Africa. In doing so, it will become clear why and how an anarchist interpretation differs from these.

Differing positions on South Africa's role in Africa

South African linked corporations and the state have played a dominant role in southern Africa since at least the 1920s. South African linked corporations, including the likes of AngloAmerican, grew rich by exploiting workers from across southern Africa.[6] Under apartheid the South African state also undertook regular military incursions into neighboring countries to weaken their opposition and to ensure their continued dependence.[7] With the end of apartheid and the quantum growth of South African based corporations investing in the rest of Africa, a debate has re-opened on the left around the role the post-apartheid elite in South Africa is playing on the continent, including whose interests they have been serving.

The dominant view amongst the left is that South Africa plays a sub-imperial role in Africa. According to this argument, the elite in South Africa have elected to position themselves as a junior partner of British and US imperialism.

Thus, the elite in South Africa are seen as mainly serving the interests of the US and Britain in Africa, and consequently they are seldom viewed as taking any independent actions – in their own interest – beyond the odd rhetorical flourish.[8] The most prominent person putting forward the sub-imperialist argument, Patrick Bond, stated in 2006 that: "Mbeki's project has been to situate South Africa as a subimperial partner of the world's major military and economic powers, insofar as this entails lubricating markets and systems of accumulation by tying Africa into the institutional framework of global capital, and by assisting – as a 'deputy sheriff' – in implementing imperial military and socio-political strategies".[9]

In the sub-imperialist argument, therefore, one of the core functions of the South African elite is seen as that of a peddler of neo-liberalism in Africa, ultimately on behalf of the US, the EU and Britain. The central evidence used to back up this argument is the role that South Africa played in developing the New Partnership for Africa's Development (NEPAD). As such, people making the sub-imperial argument continuously highlight the co-operation between South Africa, the US and World Bank in developing NEPAD. NEPAD's main goals were to promote neo-liberalism across Africa, with a particular focus on privatisation, trade and investment liberalisation.[10] In this argument, South Africa's involvement in NEPAD is seen as being undertaken mainly to please the US and Britain, rather than for its own distinct interests. Certainly, proponents of this argument admit that South African capitalists are expansionist in Africa – which is an important part of the argument – but they argue that South Africa's elite remain mostly in service of the US and EU.[11]

In the sub-imperialist argument, the close co-operation and collaboration that takes place between the US and South African militaries is also highlighted. Much has therefore been made of the cooperation between the two states around aspects of the 'war on terror', including – perhaps somewhat paradoxically – the sale of arms by the South African state to the US military. The beefing up of South Africa's military is also taken as evidence of the seeming willingness of the South African elite to act as a proxy for the US militarily in Africa.[12]

The main protagonists of this argument consequently believe that a struggle

needs to be waged in South Africa, the region, the continent and Third World to ensure the emergence of more progressive governments.[13] According to their argument, this should involv eprogressive political parties taking state power.[14] It is argued that these governments could then default on foreign debt, control capital flight, undertake inward-development strategies, end liberalisation, attract foreign investment on favourable terms, and shift the global balance of forces more towards the 'South'.[15] Through this strategy it is believed that US imperialism could be blunted, and South Africa's sub-imperialist role ended in the region.

A countervailing argument is that South Africa cannot even be considered sub-imperialist. According to this broad argument, the elite in South Africa are seen as being either petit bourgeois[16] or a comprador class,[17] who are totally dominated by the North and/or who are local puppets of imperialism. Those that head the South African state and South African based corporations are seen as being completely reliant on foreign capital and powers for their positions.[18] Accordingly, it is argued that South African based corporations are either subsidiaries of US and EU corporations, or they are owned through shares by financiers from the North. The expansion of such corporations into Africa via South Africa, therefore, tends to be seen as the expansion of US and EU entities. This is then viewed as part and parcel of Northern imperialism; not South African sub-imperialism. Likewise, South Africa's own domestic economic policies, along with initiatives such as NEPAD, are viewed as being set by the IMF and World Bank, and hence the US state. Although certain differences are admitted, for the most part South Africa is seen as being as much a victim of Northern imperialism as any other African or Third World state.[19]

To combat this situation, it is argued, an alliance is needed of workers, peasants (and sometimes even the black petit bourgeoisie[20]) to drive states in the South – including South Africa – towards being more progressive. The argument goes that these more progressive states, including South Africa, could formulate industrial strategies, along with land redistribution, to benefit the popular classes. Protagonists of this argument further propose that the market should be regulated by the state, but that an entrepreneurial layer should also

be allowed to exist. Such 'Southern' states, including South Africa, India, Brazil and China, could then work together to combat Northern imperialism.[21]

Are these explanations adequate?

Both arguments outlined above make important points. Notably, they highlight how US imperialism has been a very powerful and destructive force within southern Africa, including in South Africa. The US state and corporations have extracted vast amounts of wealth from South Africa and the region. However, although both arguments rightfully view US and EU imperialism as powerful forces, perhaps they fail to realise or acknowledge that they are not all-powerful? This means that the ruling class in South Africa is quite capable of carrying out its own independent actions. For example, sections of the South African elite can (and do) sometimes act contrary to the wishes of the US and EU, when it suits their interests. As will be discussed later, in certain parts of Africa, the South African ruling class has pushed out, out competed and even undermined the interests of the US and EU. Over the last few years, the South African ruling class has also been seeking closer relations with the Chinese state. Again this has been for its own benefit; despite the discomfort this has caused the EU and US. This means the ruling class in South Africa is following its own interests: in the case of southern Africa this involves dominating as an imperialist, sometimes in collaboration with the US and EU and sometimes alone. The key, therefore, is that even when South Africa's ruling class collaborates with the EU and US it is a willful act of self-interest, not merely as a powerless puppet. Neither of the above arguments can fully account for the independent actions taken by the South African ruling class.

As both of the above arguments also derive from Marxist and dependency theory perspectives, the actions of the South African state as an expansionist entity in its own right are also often glossed over or dismissed as sub-imperialist. This partly derives from the fact that in both arguments the state is viewed as being controlled solely by the capitalist class or its puppets. They, therefore, fail to see that high-ranking state officials are a distinct part of the ruling class. State

officials through their positions often have control over the means of production (in the form of state-owned companies), and more importantly over the means of coercion and administration through the state. This makes high-ranking state officials powerful, and through this control they form a distinct part of the ruling class.[22] Although high-ranking state officials have very similar interests to the capitalists under capitalism, as they derive much of their wealth and power from the income generated through capitalist exploitation, they also have their own distinct interests, which sometimes can clash with those of capitalists. A good example of this is that states sometimes implement policies and political practices, like increasing tax rates, which are contrary to the interests of capitalists but have benefits for the state in terms of increased power. Thus, the ruling class cannot be reduced only to capitalists; it includes, and can even be made up solely of, high-ranking state officials.[23] Anarchists have long pointed out that class is not just about the relations of production but also relations of domination.[24] High-ranking state officials, through their positions, are able to use the state to control persons and territories in ways that are not simply about exploitation, but also domination. Both of the above arguments fail to see this, which has implications for how they view the role of the South African state and ruling class in Africa.

To understand how both South African capitalists and high-ranking state officials can be imperialists, in their own right and in conjunction with one another, it is important to understand an anarchist view of imperialism before applying this analysis to the South African context.

An anarchist view of imperialism

In an anarchist view, imperialism is the process by which the ruling class of one country dominates the people and material of another – by political and/or economic means; by definition this means ruthlessly oppressing and exploiting the workers and poor of the dominated country.[25] It is, therefore, workers and the poor who bear the brunt of imperialism. However, the local elite's ambitions can also be stifled by imperialism. If this happens, these local elites can and

sometimes do resist imperialism. It is this that often forms the basis of the ideology of nationalism in the Third World.

One of the driving forces of modern imperialism is the expansionist nature of capital. Capital is always seeking out areas where there are new markets, cheap raw materials, cheap labour, less competition, and fewer regulations. In short, capital is always seeking to expand into areas where it can maximize its profits. With problems such as over-production/under-consumption and so on, in more developed economies capitalists also seek to escape these problems and thereby reduce the competition they face within their home markets.[26] As such, capital is inherently expansionist – if a corporation doesn't expand it faces the real prospect of losing out to competitors or being swallowed up.[27] As such, anarchists – like most Marxists – view powerful capital as being imperialist in nature.

Imperialism is also part and parcel of class war. By expanding into other markets or countries, usually where labour is cheaper and more easily exploitable, imperialism allows capitalists to increase the strength they have with respect to the working class in their states of origin. By expanding into other regions, capitalists are effectively embarking upon an 'investment strike' within their home countries; while broadening their base of operation. This allows them to reduce the possible impact of local strikes on their operations as their entities in other regions will usually not be affected. It also enables them to play 'foreign' workers off against 'local' workers in a bid to drive down wages.[28] Imperialism, therefore, operates as a disciplining force on the working class, and leads to the increased exploitation of workers in the country of destination and, often, in the country of origin.

Imperialism also functions to check or control the industrialisation of the dominated countries through ensuring a system of inequitable trade and by extracting profits from the dominated countries. This often forces dominated countries to import value-added products while specialising in the export of raw materials. In attempting to dominate countries in such a manner, the possibility of conflict always arises. Local ruling classes in dominated countries are usually willing to collaborate with imperial capital because they benefit by doing so. However, in certain cases, these ruling classes may come to begrudge

and resist their sub-ordination. Thus, ruling classes within dominated states should not simply be viewed as compradors, as they can and do sometimes resist imperialism (if they choose to collaborate this is also a willful act that is aimed at increasing their own power). To prevent local elites resisting, therefore, expansionist capital requires powerful states – and militaries – as a threat, or actual weapon, to check such 'unruly' local ruling classes. The struggle for new markets and access to new resources also invariably leads to conflict and tensions amongst competing imperial capital, which in turn requires powerful states to protect their respective interests.[29] Linked to this, capitalists require the backing of powerful states to negotiate and enforce favorable trade and investment agreements. Therefore, powerful capital needs a powerful state as a backer and protector.[30] In highlighting the role of the state as a protector of capital, an anarchist analysis is similar to most Marxist approaches. An anarchist analysis, however, also views states as being more than simply the protector of capital.

For anarchists, high-ranking state officials in powerful states are usually most willing to play this role of protector and backer, but for their own reasons and not merely because they are puppets. Their power and wealth, derived through means such as taxes, often rests on having powerful capital within their state. It is, therefore, often in their direct interests to help 'their' capitalists expand into new regions. In order to make the state secure, a strong economy is needed.[31] As a consequence, the relationship between high-ranking state officials and capital is close under capitalism – they form part of the ruling class – but each still can have their own distinct interests. For high-ranking state officials, strengthening the wealth and power of the state solidifies their own positions. State officials, however, also often use their positions to accrue personal wealth and business opportunities; sometimes undermining existing capitalists to do so.

Powerful states are also imperialist in their own right. Like different capitalists, states compete with one another to increase their influence and power. They also vie with one another to secure resources for their long term economic and political future, including gaining access to oil, gas, coal and recently biofuels, by attempting to increase their sphere of influence. This competition between states creates a situation where there is a hierarchy of states. In this states are

either dominant or dominated. In order not to be dominated they always have to strive to increase their power by expanding the areas they control – in the case of modern imperialism this is indirect control. To achieve this, powerful states will try to gain the consent of the ruling classes of dominated states. Less powerful states often seek out more powerful ones as protectors and do so to secure their own positions and to climb the hierarchy of states. In this constant jostling states are only constrained by the fear of what other states can do to them, so the threat of military power is always in the background. Bakunin summed up the inherent expansionist ambitions of states when he said:

> "The supreme law of the State is self-preservation at any cost. And since all States, ever since they came to exist upon the earth, have been condemned to perpetual struggle – a struggle against their populations, whom they oppress and ruin, a struggle against all foreign States, every one of which can be strong only if others are weak – and since States cannot hold their own in this struggle unless they constantly keep on augmenting their power against their own subjects as well as against the neighbourhood States – it follows that the supreme law of the State is the augmentation of its power to the detriment of internal liberty and external justice"[32].

States cannot, therefore, end imperialism – the drive to expand their power and influence is inherent within them. Even if a state can resist one imperialist, another would inevitably arise under the global system of states. With the decline of a major imperialist power, others will step into the vacuum – often leading to many mini-imperialists. Likewise, even when a state successfully resists imperialism, it is quite likely to begin acting as an imperialist in its own right – it would have to do so to continue to augment its power. States and imperialism are, therefore, intimately intertwined. While not every state is an imperialist state, and only powerful states are able to act as imperialists; due to the expansionist ambitions of all states (in controlling people within their own territories and gaining power over other states), imperialism is the potential and aspiration of all states.

Indeed, states are centralising and hierarchical institutions, which exist to enforce a situation whereby a minority rules over a majority.[33] The hierarchical structure of states also inevitably concentrates power in the hands of the directing elite. States are, therefore, the concentrated power of the ruling class – made up of both capitalists and high-ranking state officials – and are a central pillar of ruling class power.[34] In Africa projects, like 'African socialism' which aimed to use the state to supposedly liberate people, literally turned into a nightmare. A new tiny elite, headed by the likes of Nkrumah, arose at the head of these states, and was involved in brutally oppressing and exploiting workers and the poor to expand their own power.[35] The anarchist Mikhail Bakunin foresaw the possibility of such a situation arising in cases where national liberation was based upon the strategy of capturing state power. Bakunin said that the "statist path" was "entirely ruinous for the great masses of the people" because it did not abolish class power but simply changed the make-up of the ruling class.[36] Due to the centralised nature of states, only a few can rule – a majority of people can never be involved in decision making under a state system as it is hierarchical. As such, he stated that if the national liberation struggle was carried out with "ambitious intent to set up a powerful state", or if "it is carried out without the people and must therefore depend for success on a privileged class" it would become a "retrogressive, disastrous, counter-revolutionary movement".[37] History has proved Bakunin right: using the state to bring about liberation has been shown to be an oxymoron and a historical failure.

It, therefore, stands to reason that anarchists believe that to end imperialism and achieve genuine national liberation requires workers, peasants and the poor to end capitalism, the state and indeed all forms of oppression – like racism and sexism – through an international class struggle: workers literally uniting across borders against their class enemies. Thus, states and capitalism would have to be smashed and replaced by genuine worker self-management, self-governance based on federated councils, and an economy that is aimed at meeting peoples' needs if genuine freedom is to be achieved. To get to such a society – free of domination, oppression and imperialism – one can't rely on rulers, vanguards or states: doing so will lead to the rise of a new elite. This translates into a situation

whereby the means and the ends of struggle should be as similar as possible – to get to a free society; movements based on direct democracy, self-management, self-organisation and direct action are needed. As such, the struggle for genuine freedom also has to be taken up in unions and social movements to transform these into such vehicles of direct democracy and working class counter-power. Such movements, infused with libertarian principles, would literally be creating the new society within the shell of the old. As part of moving towards a free society via revolution, it would also be vital for these movements to win concessions from states and capital in the short term, thereby building class confidence and organisation, which would be essential if capitalism, the state and imperialism are to be ended.[38] The basis of this struggle for immediate gains should be internationalist and infused with the ideas and practices of mutual aid. Thus, people should also seek to globalise their struggles and fight to win concessions such as a global minimum wage and standard working conditions as part of building a working class counter-power that can end states, capitalism and imperialism.

The South African ruling class are imperialists!

When an anarchist view of imperialism is applied to the role of the South African ruling class, and their actions in sub-Saharan Africa, it becomes clear that they are imperialists. South African linked capital, sometimes in conjunction with international partners, has been expanding headlong into Africa because of the high rates of return it offers. South African based corporations have been making profits ranging from 30% to 60% in the rest of Africa; compared with returns of 14% to 20% in South Africa.[39] In fact, for decades South African corporations have been expanding internationally to try to escape over-production/under-consumption in South Africa.[40]

Trade between South Africa and the rest of Africa is not only skewed in terms of volume, but also follows a pattern whereby South Africa mostly imports raw materials and exports value added goods to its neighbours, including weapons, plastics, chemicals, explosives, and machinery.[41] South African linked

corporations operating in Africa also have propensity to import many of their goods from South Africa; for example, the retailer Shoprite – which has stores across the continent – sources most of its products from its home base.[42] South African based multinationals also tend to see finance from South African based banks, which have also expanded into the region. With an already established client base these banks have become major competitors to international banks such as Standard Chartered in Africa. Thus, South African corporations often create interlinking service providing chains when moving into Africa.[43] The vast majority of the profits that they make are also either repatriated or stashed away in tax havens. This pattern of trade and investment contributes towards the limited industrialisation of other southern African countries.[44]

South African linked corporations are involved in an intense class war in the continent through driving down wages, promoting casualisation, and undermining workers and unions; for instance, MTN in Nigeria actively prevents its workers joining unions.[45] Shoprite has a nasty habit of hiring almost exclusively expatriate white South Africans as managers along with introducing old South African labour practices;[46] Tongaat-Hullett pays its workers appalling wages;[47] while Illovo Sugar in Zambia operates a compound with apartheid-like curfews for workers.[48] South African companies are also notorious for purchasing existing entities, often privatised under Structural Adjustment Programmes (SAPs) and NEPAD, and then slashing the workforce to drive up productivity and profits.[49] Local competitors often emulate these practices and attack workers to increase their profits and vie for market share.

As such, the expansion of South African corporations in Africa appears to be contributing towards the deterioration of working conditions. This expansion, however, has also been used as a weapon to try and tame the South African working class. With the extension of South African capital into the region, local strikes have become less effective. Likewise, when faced with radical workers, South African companies often use the threat of relocating their operations.[50]

South African registered multinationals have not only attacked workers, but have also unleashed their oppressive power on communities to gain access to land and pass off the costs of pollution onto communities. For example, the

Johannesburg registered company, AngloGold Ashanti, has been involved in polluting rivers in Tanzania and Ghana. Communities along these rivers have suffered chronic health problems and their livelihoods have been completely ruined. Coupled to this, AngloGold Ashanti, along with their allies in the Ghanaian and Tanzanian states, have been involved in violently expropriating land and suppressing small-scale subsistence miners who enter the company's claims.[51] [52] [53] Activists highlighting these abuses have reportedly been threatened with arrest on numerous occasions. Indeed, AngloGold Ashanti has become notorious for its activities, and even stands accused of financing a warlord to protect its interests during the war in the DRC.[54]

AngloGold Ashanti is by no means the only South African based multinational to have close relationships with the states in which they invest. Other South African linked corporations often form close ties with state officials, along with securing local partners; for example, Illovo Sugar is exceptionally close to the Malawian state. The Malawian state reportedly evicted 30 000 people to make way for an Illovo plantation.[55] In Zimbabwe, Barloworld even supplied the Zimbabwean state with the bulldozers for its brutal evictions during Operation Murambatsvina.[56] Politicians and state officials across Africa have also given South African companies massive tax breaks to curry favour with them.[57] Local ruling elites form such relations with imperialist capital – whether from South Africa, China, the US and EU – because it secures their positions, it strengthens their state (due to resources derived from collaborating with multinational companies) and benefits them materially. This means that local elites in southern Africa are not simply puppets; they are rather maneuvering and collaborating with imperialists for their own interests.

The question is: should these actions by elite South Africans be considered imperialist? Past arguments on South Africa's role in Africa have been correct in pointing out that South African capital often collaborates with capital from the US and EU – for example AngloGold and Illovo Sugar are partly owned by British capital. This means the actions of the likes of AngloGold Ashanti are often attributed to Europeans or North Americans and 'their' imperialism.[58] But this overlooks the fact that elite South Africans also have major shares, and senior

positions, within such companies, including ANC-linked 'liberation heroes' like Toyko Sexwale, Cyril Ramaphosa and Patrice Motsepe. What past arguments on South Africa's role in Africa, therefore, perhaps fail to grasp fully is that when South African capital forms such partnerships with 'Northern capital', they are doing this to increase their own wealth. This means they are not victims but opportunists. When they expand into Africa, alone or in partnership with other capitalists, they – by definition of being capitalists – conduct themselves as rapacious opportunists. They don't expand into Africa because evil Europeans and North Americans told them to do so; they do it to make money and become more powerful. To make this money, they trample and abuse workers and the poor in the region; and use this to also drive down the wages of workers in South Africa. As such their imperialistic nature and practices are evident.

South Africa's imperialist state

The expansion of South African linked capital in Africa is also not some natural phenomena; it has been facilitated and promoted by the South African state. As pointed out, the South African state worked with the US, EU, IMF and World Bank to develop a continental neo-liberal programme, NEPAD.[59] It is also no accident that South African based companies have been the main beneficiaries of NEPAD. While NEPAD could, in isolation, perhaps be considered sub-imperialist, it has only been one pillar of a much broader state strategy to secure opportunities for elite South Africans in the region.

For decades, the South African state has positioned itself in southern Africa as the dominant political and economic power. To maintain this position, the post-apartheid South African state has signed trade and investment agreements with the majority of African states, which are highly favourable to private and state-owned South African companies. For instance, after signing a bilateral agreement with the Mozambican state, South African agribusinesses were given thousands of hectares of land in Mozambique.[60] When a similar deal was signed with the Congo (Brazzaville) state, South African commercial farmers were allocated 200 000 hectares of ex-state owned land, with the option of extending this to 10

million hectares in the future: this is an area twice the size of Switzerland![61] These
and similar deals have been justified by leading officials on the basis that: "If
we can't find opportunities for white South African farmers in this country, we
must do it elsewhere in the continent".[62] Not content with such sweet trade
and investment deals, the South African state has also established Bi-National
Commissions with the ruling elite in numerous other African countries, which
favour South Africa's commercial interests. Likewise the South African state was
the driving force in promoting a free trade agreement across the Southern African
Development Community (SADC), which again will benefit the most powerful
economy in southern Africa: South Africa. None of these are deals that have been
done on behalf of the US or EU; they were rather South African state-led deals
that were aimed at benefiting South Africa's old and new elite.

　　Pretoria has also used its political power within Africa to defend and promote
the interests of South African linked capital against other imperial capitals and
states. For instance, shortly after the Zuma government signed a state to state
deal around oil explorations with the DRC, the DRC state took away the oil
concessions of the British based multinational, Tullow Oil. These oil concessions
were subsequently handed over to a South African linked company owned by
Jacob Zuma's nephew; much to the annoyance of the UK and Tullow Oil.[63]
Similarly, in Mozambique the South African state secured gas concessions for
SASOL by pressurising the Mozambican state into forcing its rival, Enron, out of
the country (at the time Enron was one of the largest corporations in the world
and was being backed strongly in its bid by the US state).[64] On the political
front, the post-apartheid state has also defended governments in the region,
like the Mugabe regime, against the US and UK. While there may have been
some economic reasons for doing so, the main reason was a show of force. The
post-apartheid state was demonstrating that regionally it did not always have
to tow the line of the US, UK or EU. It also protected Mugabe's state in order
to avoid destabilising its own agenda in the AU. If it had taken a strong stance
against Mugabe there would have been a political blowback that would have
adversely impacted on its leadership of the AU. In all of these actions, the South
African state was acting as a rival imperialist to the US and EU. This, however,

does not deny the fact that the South African state aligns itself with the US. Undeniably, it willingly partners with the US, but it does so to increase its own power. This constant drive for power, however, also sees the South African state going against the US state, especially in the context of southern Africa. These actions are not contradictory when seen through an anarchist lens – the key to understanding what the South African state is doing is to realise its actions are all aimed at increasing its power.

The South African state itself, through its state-owned corporations, has become a major economic player in the rest of Africa. The state-owned Industrial Development Corporation (IDC) has R 13.9 billion invested in projects in 22 African countries.[65] The state-owned electricity company, Eskom, has interests in 33 other African countries, and there are plans underway by Eskom and the state to build a massive hydro-electric dam on the Congo River. Electricity will be imported from there into South Africa by Eskom. Any excess capacity, not needed in South Africa, will then be exported out into the region at a profit.[66] Likewise, PetroSA has also been expanding into Africa to ensure the state's future oil supplies.[67] As part of securing its long term energy needs, the South African state has also signed agreements with countries in the region to directly secure land for its future biofuel and food needs.[68] These actions, although having benefits for capital, are chiefly aimed at securing the state's future strategic needs and placing itself in a pivotal position in terms of energy in the region. All of this is about securing its power in the long term; they are in no way aimed at benefiting the US or EU nor are they sub-imperialist actions – they are rather expansionist.

Ominously, the South African state's latest domestic economic policy, the New Growth Path (NGP), promotes the expansion of South African exports and investment into Africa explicitly. Indeed, it has been identified as vital for the future growth of the South African economy. Within this, state-owned companies are seen as having a central role, and it is stated that they will be involved in new projects throughout Africa. This means that the South African state views its continued and even expanded role within the region as essential. The fact that this expansionist role has been codified in the state's economic

policy speaks volumes about the nature of the South African state's behaviour in Africa: it is an arrogant, dominating and exploiting force.

The conceited manner with which the South African state has conducted itself in the region has even irked some of its partners and allies that head up neighbouring states. To be sure, the behaviour of South African state officials within forums such as SADC has become infamous. The South African state has often disregarded established protocols, packed these forums with numerous delegates and, thereby, dominated proceedings. It has also been noted that South African officials regularly disregard the viewpoints of neighbouring delegations. Added to this, the South African state has arrogantly come to view itself as the rightful driver of the region's developmental policies.[69] This is the arrogance of an imperialist state.

The post-apartheid state has also not been averse to using its military power in the continent. In 1998, under Mandela's leadership, it invaded Lesotho following a coup. The reason for the invasion was to protect South African investments in the Lesotho Highlands Water Project. The main aim of this Project was to supply water to the wealthy neighbourhoods and industries of Johannesburg.[70] The state officials in Pretoria were clearly not going to allow this long term supply of water to be jeopardized – hence troops marched into the neighbouring country. In recent years, South African troops have also been deployed to the DRC and Sudan as a 'peacekeeping force'. In reality this was a projection and accumulation of power by the South African state to demonstrate that it is a force to be reckoned with in Africa. The role of the South African troops in the DRC has often involved targeting the enemies of the South African state's local allies, in the name of subduing rebels and keeping the 'peace'. For instance, in 2006 South African troops, making up a UN force, were implicated in an attack on a village reportedly being used as a base by a rebel militia. During the attack at least 30 civilians died. It was also reported that troops opened fire indiscriminately on the village with "machine-gun fire and rocket-propelled grenades".[71] The South African state has also spent billions on purchasing new offensive weaponry to rebuild the traditional strength of its forces. It would be mistaken to view this military build up as being done on

behalf of the US – rather it is being done by the South African state to increase its own power in the region.

Conclusion

From an anarchist perspective, it is clear that South Africa's ruling classes are acting as imperialists in the context of sub-Saharan Africa. Central to this has been the role of the South African state. It has protected and furthered the interests of the South African ruling class in the rest of Africa. It has also been involved in protecting its power and augmenting it by dominating the region, which has included dominating forums like SADC and the AU.

There are, however, promising signs that a struggle against the dominance of the South African ruling class by the popular classes in the region is beginning to happen. Shoprite across Africa has been wracked by strikes for better wages, better working conditions, and an end to racist treatment.[72] [73] Likewise, Illovo and Tongaat-Hullett have been surprised by the militant actions of workers in southern Africa, which has included sabotage.[74] [75] In 2010, much anger during the mass riots in Maputo was directed at South African private and state-owned companies. Clearly, workers, peasants and the poor across the region are feeling a growing sense of anger about the exploitation and domination that they have been subjected to by the South African ruling class.

Although the elite in the neighbouring states are sometimes annoyed by the South African ruling classes' behaviour, few have openly challenged it. The reason for this is that it is not in their material interests to defy the South African state or capital. Even if they were to challenge the South African elite, it would not mean an end to the exploitation of workers and the poor in southern Africa. The ruling classes in southern African states owe their positions to exploiting and dominating their own 'citizens'. The case of the 'anti-imperialist' Zimbabwean state is a prime example. While undertaking policies that benefit the Zimbabwean elite, such as expropriating some of the possessions of imperialist powers in the country, the state has intensified its oppression of workers and the poor. This is the only way that leading state officials, making up part of the Zimbabwean

ruling class, can maintain their positions at the apex of Zimbabwean society. Thus, workers and the poor cannot rely on local ruling classes or states – which due to their centralised and hierarchical nature generate rulers – to bring about freedom. The ruling classes will not give people freedom because it is not in their interests – in any case true freedom cannot be bestowed it can only be taken. Certainly local ruling classes may resist an imperialist power for their own benefit, but this resistance is an attempt to increase their own wealth and power. As such, in order to end imperialism – whether conducted by the ruling classes in South Africa, China, the US or EU – workers and the poor in southern Africa are going to have to rely on one another. By necessity, the cruel interlinking systems of imperialism, states, capitalism, foreign and local ruling classes will have to be fought simultaneously. Only the working class and poor have a material interest in ending these oppressive interlinking systems.

This struggle against imperialism (including South African imperialism) in the region, however, is still in its infancy and faces many challenges. There is a danger it could take on nationalistic connotations. It is, therefore, vital that workers across southern Africa and internationally begin to forge links and unite against their common enemies: foreign and local ruling elites. In the case of South African imperialism, South African workers need to unite with their brothers and sisters in neighbouring countries: they too face common enemies. South African workers once again need to fight their struggles based on internationalism; if not there is the real potential for further outbreaks of xenophobic violence. Indeed, workers across the world have more in common with one another than they do with any boss or politician. As such, workers, peasants and the poor should not put any faith in cross-class alliances with local elites. Rather, they need to forge unity with one another and struggle outside of and against states. It is also no use just resisting one imperialist power, all imperialist powers have to be fought.

Perhaps the biggest challenge in the region is that most local progressive movements are weak. This needs to change. Movements need to become powerful fighting organisations, but this can only be achieved by practicing direct democracy, undertaking self-education, self-organisation and direct action. Workers and the poor within movements also need to keep power in their

own hands, and not relinquish it to left intellectuals or bureaucrats. This is due to the fact that a counter-power in the hands of workers and the poor is going to be needed to fundamentally challenge states, capitalism and imperialism. This also means a struggle has to be taken into unions in the region, which are often bureaucratised, centralised, reformist, and closely linked to states. Workers and the poor themselves need to transform unions into revolutionary, self-managed, non-hierarchical and directly democratic decentralised organisations that can eventually supplant the power of the ruling class. Without such revolutionary unions and movements it is going to be extremely difficult to defeat imperialism – and the systems of capitalism, racism, nationalism and states on which it rests.

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Neoliberal Capitalism and the Role of the Local State

Introduction

This paper reflects on the nature and role of the local state in the South African social formation today. Throughout the history of capitalism, the state has consistently performed three key functions:

- Firstly, it has sought to create general conditions favourable to capital accumulation;
- Secondly, it has intervened in the reproduction of labour power and social reproduction in general;
- Finally, it has played a leading role in ensuring political stability and social cohesion.

These roles are inter-related and mutually shaped by particular historical circumstances and concrete conditions. For example, the welfare states that emerged in post-war Europe were, in large part, based on a set of corporatist arrangements that included huge concessions to a highly organised working class. Capital accumulation was premised on Keynesian techniques that included an expansively defined form of social reproduction. However, the boom conditions of the 1960s gave way to a crisis of accumulation and profitability in the 1970s.

In order to arrest this crisis and restore optimal conditions for capital accumulation, Thatcherite neoliberal policies were designed to 'roll back' the state, deregulate the economy (trade, investment, finance), undermine the institutionalized corporatism and pursue an all-sided offensive against the working class and its mass organisations, especially the trade unions.

The capitalist class intensified exploitation by restructuring the labour process,

increasing the numbers of non-permanent, casual workers or contract workers and exerting overall downward pressure on wages. It thereby weakened and divided the working class and undermined its capacity to organise and resist collectively. We have had what one commentator refers to as, "three decades of class war from above that has been successful both economically and hegemonically."[1]

The state played its role in promoting these trends. The neoliberals argued the main cause of the economic stagnation was over-involvement of the state in the economy. The solution to the crisis was therefore to 'roll back' the state and deregulate the economy. The 'theory' of the free-marketeers did not really live up to reality. While significant changes were indeed effected, the state's overall influence over society did not diminish nor did the cost of running the state. Most important, the state itself played a leading role in imposing and implementing the neoliberal policy package.

With stagnation in the real economy persisting, there was a shift away from the manufacturing sector to finance and services more generally. Massive profits were made though speculation and credit extension, at the expense of investment in the real economy. This fuelled a series of boom and bust cycles; leading to the biggest crisis of the capitalist system since the 1930s. In the embrace of neoliberalism by the state in South Africa, all the above elements have been involved.

The apartheid state was highly interventionist: it created a range of parastatals to assist capital accumulation; it presided over the consolidation of an Afrikaner nationalist capitalist class; and, finally established a welfare state serving the interests largely of white workers and the white urban and rural middle class.[2] In its dying years, facing a mighty political, economic and social crisis, it increasingly adopted neoliberal policies that signaled a shift away from the high degree of state interventionism, including cutting back on the 'racially' differentiated social spending.

By the early 1970s, growth rates in South Africa began to decline. Over the next decade a political, economic and social crisis unfolded and it became increasingly evident that the days of apartheid rule were numbered. The more far-sighted sections of the South African ruling class began to woo the African National Congress (ANC) secretly. With the collapse of the Stalinist states

in 1989, De Klerk also made his move to effect a transition to a non-racial democracy. The old ruling class of white monopoly capitalists was happy to accept black majority rule in exchange for guarantees to their property. What was required was a legitimate state that could bring about political stability and social peace and restore stable conditions of capital accumulation.

In the course of the negotiated settlement and in the context of the 'post-socialist' 'New World Order', the ANC shifted rapidly to the right and dumped the nationalisation clause in the Freedom Charter. By 1996 it adopted, in a completely undemocratic manner, an orthodox neoliberal strategy called the Growth Employment and Redistribution (GEAR).

So the new democratic state constituted itself as a neoliberal state from the outset. By 2000, the transition from apartheid-capitalism to neoliberal capitalism in the local state arena was completed. The number of municipalities had been reduced to 284, a series of New Public Management reforms had been adopted and other key neoliberal policies were firmly in place. Despite a 'developmental' and 'pro-poor' rhetoric, the local state proceeded to fulfil the three main functions of the state along neoliberal lines.

Role one: Facilitating capital accumulation

Capital accumulation is the ongoing process, specific to capitalism, of making profit that is constantly reinvested to make more profits. Historically, under capitalism, the working class is the source of the surplus value that is expropriated by the capitalists and realised as profits. The neoliberal local state has promoted optimal capital accumulation in different ways, including: management and financial reforms to facilitate the opening up of the state to market forces; tax reforms and subsidies that favour the private sector; the privatisation or commercialisation of public functions; and hefty investment in infrastructure to 'lower the cost of business'.

Serving the interests of capital
Today, the public sector in South Africa is dominated by the New Public

Management approach that is informed by private sector principles and management techniques. The stated aim was to reduce the 'bloated bureaucracy' that apartheid rule had created and to introduce competitive market mechanisms and decentralised management techniques than could ensure that municipalities were run on business lines. In the words of Stuart Hall, "The habits and assumptions of the private sector became embedded in the state."[3]

A 1999 Greater Johannesburg Metropolitan Council document captured well the significance of these changes within the local state arena: "[T]he challenge is to transform the current bureaucracy into a business approach because the city is a 'big business'."[4]

The privatisation, commercialisation and outsourcing of municipal functions proceeded apace – more services became commodified and local citizens became customers. Both the established white and the newly emerged black sections of the capitalist class have benefited from the privatisation, commercialisation or outsourcing of local state functions. Billions of rands are allocated to the contracting out of services and procurement. In the name of 'cost savings' and 'value for money', the local state has been opened up to market forces.

Much of this public money is directed at BEE companies. For the 'emerged' and 'emerging' black capitalist class, neoliberal policies and BEE policies are one and the same thing. Privatisation, commercialisation and contracting out of municipal functions have directly served their capital accumulation requirements, at the expense of the social reproduction needs of the masses. The extent to which this is a matter of 'accumulation through corruption' has been fully exposed over the past few years.

The local state has also served to increase profits by lowering the tax burden on the private sector in different ways. In 2006, the ANC government saw fit to scrap the Regional Services Levy, a tax on businesses, introduced by the apartheid authorities. It has not been replaced by any other equivalent form of taxation. One commentator referred to the scrapping of the tax as an effective 'tax holiday' for businesses; and it is estimated that between 2006 and 2009, R24 billion stayed in the pockets of business, instead of being available for meeting the social and economic needs of working class people.

The White Paper on Local Government emphasised that municipalities should not "unduly burden local business through higher tariffs".[5] The national government also placed an effective cap on rates, thereby squashing any effective means to ensure substantial cross-subsidisation from rich to poor within the municipal sphere, especially in the metros where wealth inequality is extreme. The local state also boosts capital accumulation by borrowing money from private banks. Johannesburg City Council has led the way in the use of municipal bonds as a means of raising revenue. As we have seen, the City of Cape Town is saddled with massive long-term interest payments at high rates (about 12%) on R4.2 billion municipal bonds. South African monopoly finance capitalists, who charge the highest fees in the world, are the main beneficiaries of this municipal debt.

It is important to note that leading commentators in the United States say that municipal bonds could lead to a proliferation of municipal defaults in the next period. Even the IMF's magazine *Finance & Development* recently carried an article that noted that the U.S. municipal bond market "has experienced worrisome signs of instability".[6]

Promoting the 'trickle down' and 'shared growth' theory of accumulation

In terms of the Constitution, one of the objects of local government is to ensure "economic development". It is in this neutral and depoliticised language, that the highest law of the land enshrines the role of the local state to promote capital accumulation. Much of the budget of South Africa's cities is spent on infrastructure development aimed at lowering 'the cost of business' or marketing cities as investment or tourist destinations, i.e. maximising the conditions for capital accumulation.

Neoliberal 'trickle-down' theory argues that by fulfilling the profit-seeking aims of the capitalist class the rest of society, including the working class, would benefit. In the words of Helen Zille, then Mayor of the City of Cape Town, "Investors create jobs, and help drive development. We must make it easy for them to do so".[7] The reproduction of labour power is regarded as a by-product of accumulation. The adoption of ASGISA, with its rhetoric of 'shared growth' and

a boosting of expenditure, signaled a quantitative shift but hardly a qualitative break with the neoliberal framework of GEAR.

The World Cup event promised much but only succeeded in exposing the bankruptcy of neoliberal economic strategy. According to the City of Cape Town's Integrated Development Plan, the event would concentrate "unprecedented public sector investment in the city, and stimulate… new momentum amongst private sector role players",[8] while the City and Province's Strategic Plan billed the World Cup as the basis to "catapult city-wide growth, attracting visitors and tourists, investment, while creating jobs".[9] For this once-off event, billions of rands were spent on infrastructure to lower the cost of business. In order to raise a shortfall in revenue, the City of Cape Town issued three municipal bonds between 2008 and 2010, totalling R4.2 billion. Little or nothing has 'trickled down'; and rather than 'shared growth',' the working class bears the brunt of a massive economic hangover from the World Cup. Tourism has slumped, property prices have plummeted, the construction sector is once more 'in crisis' and municipalities are sitting with white elephant stadiums with prohibitive maintenance costs.

Presiding over unequal development

Far from the popularly advanced notion that "a rising tide lifts all boats", i.e. that economic growth ensures gains for all, the system has tended to operate as a zero-sum game, in which gain by the few is at the expense of the many. The local state has played its part in this. Today capital accumulation is increasingly concentrated in the big cities or city regions across the globe. Not only does this effectively mean exclusion of economic development elsewhere but cities also compete with each other and one city's gains typically at the expense of others. Finally within cities, extreme inequalities also coexist. These trends are clearly evident in South Africa as well.

One commentator bemoans the "well established" fact that "the private sector has not followed the government's wishes in terms of where urban investments are targeted".[10]

This simply reflects the fact that the laws of capital accumulation are

impervious to the pious but empty 'wishes' of government. However, on closer scrutiny, skewed economic and infrastructural development is in fact a matter of policy design. In keeping with the National Spatial Development Framework, on the one hand, "investment in basic infrastructure and services should occur across the board"; on the other hand, the bulk of public investment "should go into areas that will yield the highest impact in terms of economic output, employment creation and poverty reduction."[11] This approach has replicated the long-established patterns of unequal development.

Facts fully illustrate this policy emphasis. The six metro councils make up 56% of all municipal expenditure. In 2004, 20 of the 52 municipal regions (including metros and District Municipalities) accounted for 82.8% of the country's Gross Value Added (GVA). Gauteng alone accounted for over 40% of GVA.[12]

The LED Framework document tells us that public investment in the 'first economy', i.e. in cities and big towns, has an 'income multiplier' of between 7 and 12, compared to only 1.3 in 'marginalised areas. National Treasury figures confirm this urban bias: the poorest municipalities in the country spend an average of R146.00 per resident whereas the most affluent municipalities spend an average of R3 637.00 per resident.[13]

While "economic development" is concentrated in cities, they are also "the greatest concentrations of poverty".[14] It is the uneven and perverse dynamics of capital accumulation that have also made South African cities among the most unequal in the world. Indeed, a recent UN-Habitat document reported Johannesburg as the most unequal city in the world, followed by East London, while Cape Town it also on the top (bottom!) 20 list of most unequal cities.[15] According to the CCT's Spatial Development Plan, just under 20% of Cape Town's total population live in Planning District G, yet it accounts for only 3.5% of all economic property[16]; similarly, Khayelitsha makes up 12% of Cape Town population but only 0,7% of its GDP.[17] Furthermore, by concentrating public and private investment in just six cities; and, indeed, only in favoured parts of these cities, the World Cup reinforced these unequalising trends.

Role two: Social reproduction

Promoting social reproduction or not?

In *Capital* Marx notes that "the maintenance and reproduction of the working class remains a necessary condition for the reproduction of capital."[18] In other words, the capitalist needs a workforce in sufficient numbers and with the necessary skills and qualities both in the present and for the future. But how is this guaranteed? The capitalist plays his/her part by paying the worker a wage from which s/he buys the necessities of life so that s/he can return to work on an ongoing basis. To maximise profits, wages are kept as low as possible. "All the capitalist cares for," Marx goes on to say, "is to reduce the worker's individual consumption to the necessary minimum". Over and above this, according to Marx, it is "the worker's drives for self-preservation and propagation" that ensures "the maintenance and reproduction of the working class". Much of this occurs in the household through the daily efforts of unpaid female labour. However, overall social reproduction has also required intervention by the state in the provision of schooling or education, housing, health care and other social services.

Two key factors have shaped the specificities of the state's social reproduction role in South Africa today. Firstly, our economy is among the top 20 in the world, it is highly concentrated, with virtually every sector dominated by an established white monopoly capitalist class. Compared to other middle-income countries, the state in South Africa has been able to draw on far greater resources for making concessions to the working class. Secondly, the ruling ANC party has had to deal with the high expectations of its mass constituency, the black working class, or face a lost of electoral support.

The ANC government could couch its 'home-grown' neoliberalism in 'developmental' and 'state interventionist' terms, along the lines of the 'Third Way' or the 'Post-Washington Consensus'. A measured degree of social expenditure was therefore a given.

However, its commitment to fulfilling the role of social reproduction was also always at odds with that of securing optimal conditions for capital accumulation. So GEAR did indeed impose stringent controls on social spending, especially

until the early 2000s. It was only with the ensuing brief spurt of economic growth, when the Treasury could boast that the "economic fundamentals" were sound, that budget expenditure was expanded. Yet relative to the range of unmet needs of the working class and in a context of the most extreme socio-economic inequality in the world, even this was hopelessly inadequate; and, in the light of subsequent developments, it also proved to be a case of too little too late. A few years of economic growth could hardly make up for decades of stagnation, interspersed with periods of serious crisis.

In 12 of the 20 municipal areas with the highest economic concentration, economic growth was less than the national average of 2.5% per year between 1996 and 2003.[19]

Structural mass unemployment has existed for a number of decades. Neoliberal restructuring and policies (trade policy, privatisation/commercialisation, outsourcing, casualisation, public sector retrenchments/unfilled posts, etc) led to a loss of millions of jobs and a massive increase in underemployment. Neoliberal theory argues that capital accumulation, expressed as 'economic growth', will itself create paid employment that substantially guarantees social reproduction and the reproduction of labour power. The 'mini-boom' of the early 2000s made hardly a dent in the unemployment statistics; indeed it was a period of 'jobless growth; or even, as a City of Cape Town document of 2007 stated, "'job-shedding' growth."[20]

This has been followed by the worst crisis that the global capitalist system has seen for 80 years. Since 2008, over 1.5 million jobs have been lost in South Africa. Today millions fall into the category of a surplus labour population, if they are not absolutely surplus to the requirements of the capitalist system. At the same time, the migration of growing numbers of people to cities and towns has massively increased the social reproduction needs of the working class in the form of social services such as housing, water, sanitation, electricity, transport, health care and education. In the next few decades, the environmental crisis will dramatically increase the state of desperation of the urban poor and the pressures for state assistance from this quarter will mount.

The contradiction between the role of promoting capital accumulation and

ensuring social reproduction has therefore become increasingly intense. The City Manager of Ethekwini captured this well when he stated recently that: "The city has tried to make careful trade-offs between long term growth and ameliorating poverty, within available resources"; and went on to declare that, "we are sinking not swimming".[21]

Neoliberal budgets undermine social reproduction

The social reproduction function of the local state has been severely hamstrung by budget policy. National government significantly scaled back transfers to local government fro up to at least the early 2000s. Local government, especially in the major urban centres, was compelled to raise its own revenue. A majority of municipalities, especially those in rural areas, have no revenue base and national transfers fall hopelessly short in addressing a range of social and economic needs.

In a clear case of 'passing the buck without passing the bucks', municipalities have been saddled with unfunded mandates. In 2001, a Provincial and Local Government Portfolio Committee study tour report on municipalities stated that, "The cost of unfunded mandates and capital-expenditure burdens is clearly a problem for many of the municipal managers and councillors." In 2006, City of Cape Town Mayor Zille complained that unfunded mandates were costing the City up to R500 million a year.[22] In the recent period, new housing and transport functions have been added to the responsibilities of the local state.

In December 2010, the municipal debt was R62.3 billion, with just under 62% (R38.3 billion) owed by residents.[23] Many households are simply unable to pay; and in the context of continued economic crisis, this debt burden of working class and middle class households is likely to mount even further. Poor working class areas have also borne the brunt of cost recovery with mass disconnections of water or electricity. The introduction of pre-paid meters has worsened the situation as poor families were forced to 'cut themselves off', with especially harmful consequences for women. Electricity cut-offs have sky-rocketed since the 1 July when the first in a series of price hikes was introduced.

National policy requires municipalities to introduce an 'indigency policy' that includes free basic services such as water, electricity, sanitation and refuse

collection. However, even the progressive notion of a free water and electricity policy is bedevilled by neoliberal stinginess, its use as a social control measure and other negative features.

Budgetary constraints lead to a means test for indigency that is set too low and therefore excludes many who should benefit. Hart observes that, "ostensibly 'pro-poor' policies like free basic water are at the same time profoundly punitive through their links with debt collection".[24] While the scheme is cumbersome to administer, many also do not know how the scheme works and are not registered.

For a low-income household, six kilolitres per household per month of 'free' water is insufficient. When forced to use water sparingly, families often compromise their health, especially that of the children. On the other hand, where there are sick people in a household, this often results in a huge increase in the use of water. In the case of free electricity, the amount is typically enough only for lighting purposes; unable to pay for extra electricity, many households have to use wood or paraffin which also cause ill-health.

The budgetary constraints imposed by the GEAR strategy have terrible consequences for the quantity and quality of the provision of sanitation. People in the rural areas, where the backlog is far greater and the cost of provision is far higher, are especially affected. For many urban and rural dwellers, neoliberal cost considerations make communal sanitation the only option. However, as one report notes, not only is shared sanitation "very prone to failures" but it is also not recognised by either the World Health Organisation or UNICEF "as meeting minimum improved sanitation requirements".

The ANC government's 2003 target of completely eliminating South Africa's sanitation backlog by 2010 has been missed by a mile. By 2008 there were still over 3.3 million homes (about 12 million people) without basic sanitation. Furthermore, under existing policy, maintenance of the sanitation system is not built into the cost; and it is predicted that there will be "a sanitation crisis in the medium term".

Finally, the outsourcing of sanitation services often leads to poor service delivery and the neglect of regulation or monitoring functions by the private contractors.

Social reproduction (or capital accumulation) through Local Economic Development?

The local state is tasked with promoting 'local economic development'. This is the term included in the Integrated Development Plans of municipalities throughout South Africa.

According to one report, "local economic development has not been prioritised by municipalities as a means for poverty alleviation."[25] Even where plans have been implemented, it is questionable that they provide a substantial material basis for social reproduction.

This conclusion is supported by a variety of studies: one found that, "Impacts on jobs, growth and reduction of poverty at this stage appear limited";[26] another notes that "previous research undertaken into the impact of LED projects in the province reveals a distressing picture"; yet another said that, "[R]esults have generally been disappointing"[27]; and, finally, another concluded that,"[I]t is unlikely that LED will make much of a difference".

For the millions engaged in survivalist economic activities in poverty-striven townships and villages, the local state's limited efforts to encourage 'local economic development' exercise not positive effect at all. Even in the City of Cape Town, the Red Door project aimed at boosting small and/or black-owned enterprises is all but defunct because 7 out of 12 offices have been closed after funding was withdrawn.

In South Africa, all key sectors of the economy are highly concentrated and monopoly capital squeezes out competitors ruthlessly. Even in large towns, in sectors where monopoly corporations do not dominate, one or more local or regional firms, often white family businesses, tend to dominate. Furthermore, the global capitalist crisis has created even worse conditions for small or micro enterprises to survive in.

The minimalist reproduction of the municipal workforce

In keeping with neoliberal policy aims, the local state has played its part in undermining the overall position of municipal workers. This has chiefly occurred through the privatisation, commercialization and outsourcing of municipal functions and services.

According to one commentator this has "promoted casualization of labor and differential levels of services that reproduce apartheid's spatialized hierarchies".[28] As we have seen, these local state functions are coupled to the capital accumulation needs of BEE companies. According to a recent Treasury report,[29] for example, levels of municipal employment have declined significantly while vacancy rates have increased by a similar margin. The report tells us that, "Municipalities can increase their contribution to economic growth by... increasing productivity to reduce the unit cost of municipal services". This idea is captured in the expression, "How to get more out of less."

At the peak of a mini-boom in economic growth rates, over the period 2005 to 2006, the level of municipal employment declined quite sharply by 1.2%.[30] Since then, with the onset of the global capitalist crisis, this trend is likely to have intensified. While some of the job losses may be accounted for by the increased mechanisation of municipal functions, the decline can largely be attributed, as the Treasury admits, to the neoliberal policy of outsourcing services. The City of Tshwane, for example, has outsourced all its waste removal functions.

In 2006, about 22% of all municipal posts were vacant; for metros the average vacancy rate is over 25%.[31] In the mid-2000s, metros such as Tshwane, eThekweni and Cape Town experienced an especially steep decline in personnel expenditure as a result of either retrenchments or outsourcing of functions. Furthermore, the neoliberal policies of 'getting more out of less' and not filling posts have led to an increase in stress levels among municipal workers that has impacted on their morale; this, in turn, has led to poor and inefficient administration. The vast majority of outsourced jobs fit into the low-skilled category. These workers typically have experience a drop in wages, an erosion or loss of benefits and are not unionised and are more difficult to organise. Furthermore, in the name of partnership, municipalities increasingly seek to limit expenditure and undermine the unions by drawing communities into 'voluntary', 'self-help' or 'sweat equity' arrangements.

Role three: Securing political stability and social cohesion in a period of neoliberal capitalism – a failing local state?

To play its primary role of facilitating capital accumulation, the state has to legitimise the social and economic order and strive to ensure political stability and social cohesion. Through the efforts of the World Bank and other UN agencies, think tanks, academics, journalists, politicians and policy-makers, neoliberalism has established a global conventional wisdom and discourse. Virtually all states today deployed a range of common political, ideological and rhetorical means to establish or preserve their legitimacy and ensure stable conditions for capital accumulation. The negotiated culmination of the struggle against apartheid and for democracy coincided with the collapse of 'socialism' and the consolidation of neoliberal capitalism under the hegemony of the United States. The discourse of this 'New World Order' – 'democracy', 'human rights' and 'development' – also became that of the new democratic South Africa. The misleading, fraudulent and hypocritical nature of this 'post – Cold War'/'end of history' variant of capitalist democracy has become increasingly evident worldwide.

For the same reasons, South Africa's 'democratic revolution' and the promotion of human rights have sat uneasily with the adoption of a 'home-grown' Structural Adjustment Programme and the establishment of a neoliberal state whose primary function is securing optimal conditions for capital accumulation.

The RDP, the Constitution and the package of municipal legislation and policy documents included more than just the procedural and formal democracy of elections, with its five year cycle of promises made and broken. They encouraged a 'participatory democracy' and 'community participation'. For one author, "community participation has literally become synonymous with legitimate governance".[32] However, the on-paper vision has come up against the realities of neoliberalism. Numerous reports recount the failings of community participation in the local state arena. As one author put it, "when it comes to public participation in local government decision making in South Africa, the emperor is indeed nude". [33]

The commitment to 'development' has shared a similar fate to that of 'democracy'. When the ANC dissolved the UDF, it argued that 'the politics of protest' had outlived its value; and the time had come for a 'politics of development'. According to its Preamble, the purpose of the Constitution is to: "improve the quality of life of all citizens and free the potential of each person." This could be regarded as quite an expansive definition of development. In 2000, 'developmental local government' became the defining concept of the new system of local government and five-year Integrated Development Plans the main implementation framework for the concept. The White Paper on Local Government defines 'developmental local government' as "local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives." The operative word is 'sustainable'; it is neoliberal jargon for budget austerity. So, while the term 'development' abounds (it's the D in RDP, IDP, MDG, etc) in government documents, a generous interpretation of its meaning is hardly ever used, if at all. Instead, a minimalist neoliberal definition has been imposed and even this is subject to further scaling back in the challenging times capitalism is passing through.

The expectant masses have been left frustrated and disgruntled by the failings of a procedural or formal democracy and the lack of meaningful 'development' in their lives.

The neoliberal local state's 'pro-poor' rhetoric no longer adequately masks its anti-working class content. Its efforts have been progressively undermined by capitalism's inner contradictions that have given rise to economic crisis, intensified class antagonisms, undermined social cohesion, precipitated political instability; and thrown the state itself into crisis.

Neoliberal discourse flatters to deceive; a range of "originally progressive concepts have been replaced with objectives designed to preserve the status quo".[34] In the face of mass poverty and unemployment, pronounced social disintegration and extreme inequality, all of which is causally associated with neoliberalism, the rhetoric of 'development', 'social capital', 'partnership', 'participation', 'good governance', 'empowerment', et al. simply does not ring true.

Miraftab has noted how the notion of 'empowerment' (of black people and women) has been used, "to justify waste collection schemes that rely on unpaid or underpaid labor of township residents."[35] The fashionable term 'social capital' seeks similarly to rationalise and naturalise the lack of social cohesion caused by neoliberalism itself. As one paper argues, "Wider structures of capital and state are thereby absolved of responsibility for the predicament of the poor."[36] In other words, the lack of poor people's 'development' is blamed on the weakness of their 'social capital' rather than the system of neoliberal capitalism and the mass poverty and unemployment it has generated. The idea of 'social capital' is another means of shifting the task of social reproduction onto the shoulders of working class households and communities themselves.

The *State of Local Government Report* of 2009 concluded that there was a breakdown of both local democracy and the 'social compact'. It indicated that this was reflected in the extent of community protests, an acknowledged "breakdown in trust between government and the people" and weak community participation. In its moment of crisis, the local state continues to seek political and ideological means to regain its loss of legitimacy. For example, COGTA's Turn Around Strategy includes a 'Good citizenship campaign' that sounds like the 'hearts and minds' strategy of the ailing apartheid regime in the 1980s but with a neoliberal twist. It promotes: "loyalty to the Constitution"; "volunteerism and community service"; "partnerships"; "national ethical behavior by all"; and "patriotism".[37]

When all else fails, the state retreats from formal democratic means and falls back on coercion or repression to ensure 'law and order'. It appears that this aspect of the state's role is increasingly coming to the fore, even in the local state sphere. Every metro council now has its own law enforcement agency and an increasing proportion of the budget goes to policing. Moreover, the local state has also been in the frontline of an all-out national drive by the state to stop land occupations; so all metro councils now also have 'rapid response' anti-land invasion units.

Clearly the neoliberal state's reforms and its ideological adjuncts have not succeeded in creating the virtuous cycle of high growth rates, rising employment levels, buoyant revenue streams and thereby increased social spending and

significantly improved living standards for the working class. On the contrary, a range of crisis features have gathered momentum precipitating a loss of legitimacy, as well increased political and social instability.

The ANC's legitimacy as a government was key to re-establishing political and social order in the wake of the heady mass revolutionary days of the 1980s. However, the 2009 *State of Local Government* report declared that, "There is now a lack of citizen confidence and trust in the system."[38] The innumerable and ongoing country-wide protests, despite their localized, reactive and uncoordinated character, have been a key factor in and expression of this loss of state legitimacy.

Conclusion

The RDP, the ANC's 1994 election manifesto, promised much but delivered meagerly; it declared that, "Given its resources, South Africa can afford to feed, house, educate and provide health care for all its citizens". Just over a decade later, in his State of the Nation address in 2005, President Thabo Mbeki inimitably captured the penny-pinching character of the state of the GEAR era. He said that, "We must make a determined effort to educate our population that our country does not have the resources immediately to meet, simultaneously, all the admittedly urgent needs of our people, especially the poor".[39]

Today, given the crisis conditions, the "urgent needs of the poor" are growing by leaps and bounds while state resources are under ever greater pressure. In a capitalist world that is neoliberal and in crisis, the narrow profit-making needs of capital trump the state's social reproduction function; and the local state has begun to run out of means to ensure political stability.

It seems that the days of those who waged the "class war from above" in the name of neoliberalism are over. Protest and strike statistics in South Africa suggest that the working class that neoliberalism has attacked, divided and undermined is on the rebound.

Indeed, across the globe there are clear signs that a fightback from below is underway.

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Endnotes

1   Levitas
2   Parnell and Pieterse
3   Hall
4   Greater Johannesburg Metropolitan Council
5   Department of Provincial and Local Government
6   Arezki
7   Zille
8   City of Cape Town
9   Provincial Government of the Western Cape and the City of Cape Town
10   Pieterse
11   DPLG, 2006
12   ibid.
13   in Sokupa
14   DPLG, ibid.
15   UN-Habitat
16   City of Cape Town
17   OECD
18   Marx
19   DPLG, ibid

20   City of Cape Town, 2007
21   Sutcliffe
22   Zille, 2007
23   Karriem
24   Hart
25   Bailey
26   South African LED Network
27   Hindson
28   Miraftab
29   National Treasury
30   ibid.
31   ibid.
32   Williams, 2008
33   McDonald
34   Miraftab
35   ibid.
36   Law and Mooney
37   COGTA, 2009a
38   COGTA, 2009b
39   Mbeki

Part 3
Forms of Organising
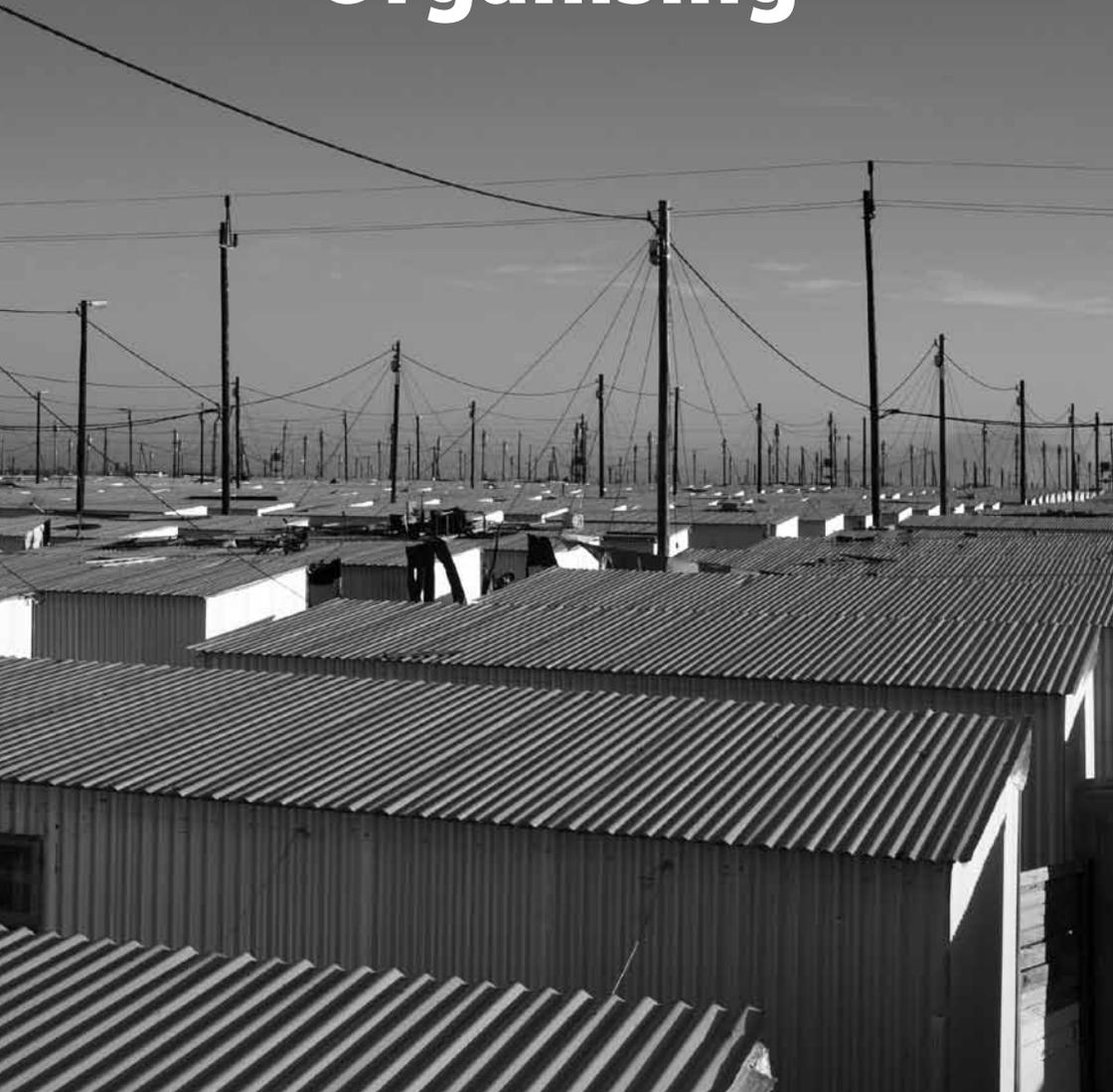
Mthetho Xali, ILRIG
The Dominated Classes

THIS PAPER EXAMINES two key questions: What are dominated classes? How have they changed in the 'new' South Africa? Other presentations at the conference have dealt with the middle classes. This presentation will focus on the working class – the vast majority of the people who do not own the means of production except their ability to work (labour power).

For the working class to survive they must sell their labour power to those who own the means of production, and in return they get wages. Workers are the people who create the wealth and build the infrastructure that we have in the country. This definition of the working class includes the unemployed, those whose labour power is not bought. There are high levels of unemployment in the country. It is important to emphasize that when we speak of the working class, we are not only referring only to those doing *paid* work

The world of work

Under capitalism today, the world of work has been reorganised, and as a consequence, the working class has been restructured. Employers have radically restructured employment – full-time employment is declining and increasingly employers are utilizing non-permanent workers. This is taking place in the context of high levels of unemployment.

The workplace has also been redefined. While the industrial workplace (large factories or mines) is still the main place of employment and work, the street and home have also emerged as a workplace. Today, there are also workers who work in workplaces that are not owned by the 'employers' who employ them directly.

The rate of exploitation of labour power has increased through the lengthening of the working day (shift work and overtime), and through raising

the intensity of work. In other words, with line speeds increasing, fewer workers are expected to do the work of more workers in a given time.

The reconfiguration of the working class

These measures all impact on the working class. We need to understand how these measures have effected the reconfiguring of the working class:

We are observing what some have called a shrinking core of permanent workers with benefits. These are workers in full-time employment, with relatively secure conditions. However, wage levels remain insufficient and this puts pressure on workers to find additional sources of income. These include taking out loans, agreeing to work longer hours, overtime or extra shifts, or finding additional jobs. It is from this layer of the working class, that of permanent workers, that the majority membership of unions is drawn.

Unions also have layers of non-permanent workers as members. These workers receive less or no benefits, and thus this is becoming the preferred form of employment by many employers. The increase in the utilization of non-permanent workers is also due to casualization in the form of part-time, temporary, seasonal and casual work. The employment relationship between the core employer and the employee is retained, but rendered insecure and unstable through temporary and part-time terms of employment. The increase in precarious jobs is also due to outsourcing, subcontracting, home work and labour broking. Employment in these arrangements is more insecure than for permanent workers. Many of the workers employed in such precarious jobs are young, female and immigrant.

Unions have not succeeded in organising large sections of non-permanent workers. Some of the contributing factors are the measures already cited – casualisation, outsourcing and labour broking –measures that were designed to control labour and weaken the position of workers and unions. These measures also help capital to reduce labour costs, putting downward pressure on the wages of full-time employees. It could be argued that through these measures capital has found new ways to continue with the practice of cheap labour.

These measures have also allowed capitalists to transfer resources from wages to profits. To illustrate this transfer in South Africa, workers' wages as the share of national income declined from 57% in 1993 to 52% in 2004, while the share of profits increased from 26% to 31% in the same period.

Another key element of the dominated classes is the unemployed section of the working class. Official unemployment is estimated at 25%, but real unemployment is over 40%. The vast majority of the unemployed are youth aged 15 to 34 years, with current figures showing that 72% of the unemployed are youth. It is estimated that 56% of the unemployed have never worked in their lives. Some sections of the unemployed are located in the informal sector. What is clear is that the unemployed sections of the working class lie outside the 'scope' of unions.

The need to experiment with new forms of organising

The reorganisation of work and the differentiation of the working class poses major challenges on how to organise the working class under globalisation. Established trade unions have not succeeded in organising workers employed in precarious jobs – such as young workers, women workers, labour broker workers, immigrant workers – and we can safely say that unions have ignored the unemployed. It is not sustainable for unions to speak on behalf of these unorganised sections of the working class.

Given the way in which the reorganisation of the world of work has reconfigured the working class, we need to ask critical questions about forms of organising: Is the current industrial trade union form still the best form to organise the working class? If so, how do we explain the lack of success of organising workers in precarious forms of work?

Perhaps it is time to experiment with other forms of organising that accommodate all workers? The lack of success of the industrial trade union form points to the need to seriously address more appropriate organisational forms. Such experiments can best be conducted through the waging of struggles

Koni Benson, ILRIG

"I Live Where I Like:" 300 Years of Women's Shack Dwelling in Cape Town

Introduction

The majority of people in Cape Town today are black, female, and live in shacks. The history of African women in Cape Town is a history of struggle against pass laws, shack demolition, and continual forced removals and displacement which has yet to be acknowledged (beyond lip service) and subverted. This paper looks at the gendered dynamics of waves of shack proliferation, defense, and demolition in South Africa's past. I argue that patrolling the city under colonial rule was not gender neutral. Rather, it was highly sexist and this plays an important role in setting the stage for gendered issues, gendered organising, and gendered urgency to ongoing housing struggles today. From the perspective of the apartheid state, African and female categorically represented permanence. This was associated with two things: first, the high cost of social reproduction (housing, schools, clinics, and wages that could support more than a single male); second, African and female categorically represented nationalist and radical resistance for citizenship and rights. These two issues – service delivery and social movement struggles – remain gendered today.

I propose that the history of women shack dwellers in Cape Town is important because the set up we have today and the balance of power – the structures that have created and reproduce the struggle for survival in the city represented by but not limited to the housing crisis – are rooted in this history. This paper aims to open discussion on how current policies are built on reforms aimed at countering women's actions and demands. What strategic implications can be gained from looking at the ways in which the current politics of organising have been heavily influenced by the struggles to impose those reforms?

The crisis of social reproduction today

The title of my paper is "I live where I like." We all know Biko's famous words: "I write what I like." The battle cry, "I live where I like", comes from a silenced history not of one resistance leader, but of many nameless ordinary black women shack dwellers who defended their right to life by challenging the racist and capitalist state over issues of basic needs like housing, water, schools, health care – public services that should be available to all, not just those who can pay for them.

We hear a lot today about a "crisis in social reproduction" in South Africa. Social reproduction is the domestic labour involved in keeping households going – caring for the sick, elderly and children; providing food; cleaning (water); paying for school, health care etc – and is highly gendered. It is work that falls on women's shoulders, work that is currently being doubled or tripled with cutbacks in social services and state spending on basic human needs. Jacklyn Cock describes this gendered crisis:

"The extent of the crisis of social reproduction in contemporary South Africa is evident in rising levels of poverty and social inequality, the extent of gender-based violence, the lack of access to adequate water, the HIV/Aids pandemic, the inadequacy of social grants, rising food prices and the restructuring of work. In all of these aspects African working class women are the worst affected. Because women are responsible for the administration of household consumption, rising food prices and the installation of pre-paid water meters and falling incomes means more domestic labour to stretch limited resources"[1]

Who should pay for the reproduction of society? For schools, heath care, sanitation, water, housing? In South Africa there is a long, and I will argue, important history to this debate – a history of struggle between the needs of the majority of the people and the racist capitalist state which provided for the few at the expense of the many. The current resistance to the ways in which the state provides services to the few is not history repeating itself. History does not repeat itself – people repeat themselves. The current service delivery protests are a culmination of layer after layer of this fight for support and socialized care, a sharing of the burden of costs of social reproduction which has been a long

struggle in South Africa. It has serious implication for movements for basic services today because the state claims that these rights have already been fought for and won, and that people must therefore forget the 300 years of creating an unequal playing field, and join the waiting list as patient "active" citizens.

Women in the 1970s from the famous Crossroads struggle used to say that "the history of shacks is the history of women" and I think that this history has been lost. It is unknow-and I think this matters because this erasure highlights the ways in which poverty has become de-politicized. Poverty has become something that experts tell us development practices will solve, or people in power tell us that waiting our turn in line will solve, as thought poverty is natural and normal, and not 'man-made'.

Under neoliberalism, the family is responsible for care. This situation is 'normal' – it is expected that people will have to pay for basic services, and if you cannot pay, you cannot have water or a house or go to the hospital. Our Constitution says you must have "access", so you can wait in the queue at the hospital or on the list for housing. This is neither natural nor normal. It is also not gender neutral. Statistics and studies continue to show how poverty and unemployment deepen in contemporary South Africa. The poor survive through the struggles of older women against poverty, but, at a price – with women bearing the brunt of the physical, emotional, and income generating work, as well as the increased gendered and generational conflict caused by unemployment and unequal power relations. [2]

History makes poverty

Poverty is not natural or normal, but political. Politics is about the power to distribute resources. It is about people. People choosing and making choices. History makes poverty, and in this case, our history has made millions of shacks in South Africa with black women at a serious disadvantage in terms of securing better living conditions. I want to look at how these power dynamics – the structural dynamics and individual pain of homelessness and substandard living conditions – came about.

The history of shack dwelling in South Africa is a history of women because the migrant labour system relegated women to the Bantustans (or reserves) to reproduce the labour force without any credit or pay or consideration. Setting black men up as 'bachelors' – moving to the mines, cities, and farms only so long as their labour was needed – meant that the state did not have to pay for social services in the city, like schools, hospitals, sanitation and everything needed to reproduce society. These became the duty of black women, who of course would not be paid for their reproductive labour.

To force people's participation in this system, land and cattle were stolen and independent livelihoods crushed. It took 200 years – from the 1650s to 1850s – for white settlers to gain power and control over black people. Thereafter, cities still needed to be controlled to keep black people in subservient roles. This was achieved through passes and control of housing. When black women came to the cities, which they did in particular waves I will describe below, they had nowhere to sleep legally, so they set up shacks. Survival meant resistance and this was well acknowledged by the apartheid state, albeit not in a celebratory way.

From the perspective of the apartheid state, African and female categorically represented "permanence." Each time women came to the city in large numbers, they pushed for the right to survive – to be considered and supported in their basic needs (housing, schools, water, work, food, hospitals), which were provided for whites, and to a limited extent, black male workers. African women were excluded under white supremacist rule because of the colour of their skin and their female sex organs, which condemned them to be "birth machines" of the "labour reserves".

Patrolling the city under colonial rule was therefore not gender neutral. It was highly sexist and this set the stage for gendered issues, gendered organising and gendered urgency to housing struggles. This is not to say black men had an easy time – we live with the very serious repercussions of militarized masculinity and of setting black men up to fail as breadwinners[3] – but it is to point out how challenges were gendered and particular obstacles were put in the path of black women.

The city was controlled primarily through passes and housing. Symbolized

by pass documents, influx control was a series of policies meant to control labour, mobility, and residency for black people deemed second-class citizens (if citizens at all) during settler and apartheid rule. Influx control rested on two pillars: rural dispossession and gate keeping into spaces of work opportunities (mines, farms, and cities).

The terms used tell us a lot about how people were imagined as less than people. "Influx control" denotes a threatening movement of something less than desirable from the perspective of those inventing the label. At the same time, it also contains a sense of lack of control – an acknowledgement that claiming control of land and limiting freedom of movement were contested at every turn.

"Squatting" can be seen as one of the most visible forms of rejecting the ideas behind the policies and practices that stole land and freedom in South Africa. Incidents of "squatting" and issues over who was settling on whose land were reported as early as the appearance of the first settlers. In 1655, Jan van Riebeeck wrote in his journal: **"**Only last night it happened that about fifty of these natives wanted to put up their huts close to the banks of the moat of our fortress, and when told in a friendly manner by our men to go a little further away, they declared boldly that t his was not our land but theirs and they would place their huts wherever they chose." Within a few years the Salt and Liesbeek Rivers were marked as the "permanent" boundary between Khoi and Dutch East India Company domain.

One hundred years later, at the end of the Dutch East India rule in 1795, there were about 27 000 people in Cape Town living in 1 200 houses, all with slave quarters housing more slaves than white settlers.[4] Proclamations were passed prohibiting Africans outside the Cape colony from employment without permission certificate, producible on demand. Control over residential space continued incrementally as the British took over administrative control of the Cape in 1809. At this time, the governor proclaimed that all "Hottentots" (Khoi) must have a "fixed place of abode," mostly on a settler farm as workers where their children were indentured for ten years of work from the ages of 8 to 18 years.[5]

In addition to force, settler control was extended through enforced carrying

of passes by people they labelled "Bastaard Hottentots," the children of Khoi and slaves, or Khoi and colonists. In addition to many subtle forms of resisting indentured labour and servitude, these pass proclamations were met with ongoing guerrilla-type resistance. By the late 18th century, Khoi, San and escaped slaves were fleeing to Namaqualand and the Orange River regions and forming communities called Oorlams.[6] In 1799 a major rebellion broke out when Khoi and San servants deserted the farms and began a four-year war. These rebels allied with Xhosa chiefs who were resisting colonial encroachment onto their land.

Racial categories were made up and imposed, becoming real or significant in terms of dictating the material reality of people's lives and choices. Early laws used the categorization of Dutch East India Company officials, free burghers (settlers), slaves, "Hottentot"/Khoi/indigenous, Free Blacks (manumitted slaves)/Africans/Natives, and "foreign Natives". When slavery ended in the 1830s the distinctions became blurred, with the generalized use of the terms Coloured, White and Native to describe people living in the Cape Colony.[7] The rigid legal categories of African or Native, and Coloured found in the official records and policy of segregation of Cape Town did not reflect the reality of social fluidity, and much blurring between groups. However, these terms shaped the vision of a segregated geographic areas and location and are thus important to accurately describe the creation of influx control policies in the 19th and 20th century. Under apartheid people were radicalized into four categories: White, Coloured, Asiatic (Indian), and Native (later Bantu or African).

When slavery ended in 1834, ex-slaves established humble dwellings on the fringes of the city, including at Kanaaldorp (became District Six in 1867), Schotsche's Kloof (Bo-Kaap), and next to farms where they continued to work, like Driekoppen (Mowbray).[8] The boundaries within the city were fairly fluid at the time, but in 1835 when numbers of freed slaves moved to Cape Town and settled around the fringes of the city, they were considered "squatters."[9] The message was loud and clear: this land does not belong to you. As slavery ended, there were lobbies for "vagrancy" laws. In reality most freed slaves had no access to capital or land, other than subsistence cultivation at some mission stations,

and thus continued to work as low paid wage labourers or labor tenants on settler farms.[10]

Early gendered resistance to urban controls

Africa as a whole was incorporated into the colonial economy between the 1880s and 1940s. The discovery of diamond and gold escalated conflict in the race to control labour and mobility. The 1870s to 1910s, the mineral revolution years, coincided with shifts in global capitalist conglomerations and created South Africa's first urban boom. The mineral revolution spurred the development of the migrant labour system for limited entry and segregation within the city between 1910 and 1940.

Controlling black women was central to the development of racial capitalism in South Africa. To bolster the myth of the reserves at the true 'homelands' of the African people, it was essential that women be forced to remain there in large numbers.[11] Sexual discrimination was thus built into the system of labor exploitation from the start. Women were deemed perpetual minors, always under the guardianship of the nearest male relative, regardless of their age, marital status or any other consideration. Until about 1920/30, women came to the city to join husbands. Survival for them was made illegal because the state did not want them there. The early organising of women in Bloemfontein is a good example of how working class black women had to jump through numerous hoops to create and keep jobs and houses.

The first anti-pass protests in Bloemfontein took place in 1894 when African women sent petitions to the local municipality. In 1898, the Association of the Household and the Location Women wrote to President Steyn, objecting to the service books. In 1912, the Native and Coloured Women's Association was formed, and petitioned the Governor General about passes. The same year saw the formation of the African People's Organisation (APO) and the African National Congress (ANC). In most parts of the region women were exempt from carrying passes until the 1930s, except for the Orange "Free" State, as Sol Plaatje called it. By 1900, every African person in Bloemfontein, including children

over the age of 16 and people living in the African location at Waaihoek, had to carry a 'service book' indicating their employer and residence, which had to be renewed monthly for a fee.

By 1913, women had to carry 13 permits (costing a fee to renew) and could be arrested for failure to produce these on demand.[12] After the formation of the Union in 1910, these laws were more strictly enforced, and the impending Native Land Bill created a deep sense of unrest in the OFS, threatening sharecroppers and squatters with the choice of becoming full-time labourers for their former landlords or being thrown off their land. The addition of a fee for the public washhouse in 1913 was the final trigger to widespread protest in 1913. The Bloemfontein women's campaign lasted from May 1913 into the following year. First, women appealed to the OFS authorities to repeal the regulations, pointing out the burden of the passes to both local and national government. When this failed they collected 5 000 signatures and sent a delegation of six women to the Union Parliament in Cape Town where, through the aid of Dr Walter Rubusana (a member of the Cape Parliament and an African nationalist) and Senator WP Schreiner (a liberal parliamentarian) they met with the Finance Minister. He said he was sympathetic but stressed that the matter was in provincial hands.

The women continued to protest in Bloemfontein, much to the surprise of the newly formed South African Native National Congress (which changed its name to the ANC in 1923) . For some time women had been mobilizing, inspired by the Indian satyagraha movement. They had built connections "across the different ethnic and racial categories, but their male counterparts had not taken them seriously" (Gasa). When they went to parliament, they were scolded for not consulting male leadership and warned of entering such a "dangerous arena."[13] Yet when the women marched on the Town Hall, the same writers were clearly impressed by their protest. The June 1913 APO Newsletter captured the June 6th march:

> "Six hundred daughters of South Africa taught the arrogant whites a lesson that will never be forgotten…they marched to the magistrate, hustled the police out of their way and kept shouting and cheering until His Worship

emerged from his office to address them, thence they proceeded to the
Town Hall. The women now assumed a threatening attitude. The police
endeavored to keep them off the steps of the hall. Sticks could be seen
flourishing overhead and some came down with no gentle thwacks across
the skulls of the police. 'We have done with pleading, now we demand,'
declared the women."[14]

The Mayor refused to see them, and a delegation returned the next day only to
be told that the decision was in the hands of the Union. The delegates reported
back and women decided to take more serious and urgent actions. On 29th May
1913, they went to the location police station and tore up and burned their
passes. Eighty women were arrested and refused to pay bail. Fearing the spread of
this kind of resistance, the state suspended the enforcement of the pass system.

Out of the 1913 march came the Bantu Women's League and anti-pass
struggles increased in other areas, such as Senekal, Kroonstad, Potchefstroom
and the Rand. Even further afield, Terri Barnes shows how sustained anti-pass
protest in South Africa was one of the reasons why African women in colonial
Zimbabwe were never issued with passes. What is less widely acknowledged,
argues Gasa, is the way in which the women's campaign impacted on the
male-dominated nationalist movement. Judging from Dr Abdurahman's APO
newsletter, the women's actions were used to inspire a more militant stance that
would slowly take root. Women's early mass protests had inspired men and had
a gradual but definite radicalizing effect on men's approaches.

Organised resistance to hunger in the 1940s

By the 1920s, the reserves could not support livestock or human life. Black
women, feeling the strain as they watched their children die, came to the
cities in large numbers in the 1940s and 1950s. The cities were experiencing
a manufacturing boom due to the war, but black women were excluded from
formal housing. Some found shelter with employers or in hostels, but mostly
they erected shacks on open pieces of land. In the 1920s, women constituted

20% of the urban population, but by 1936 the number of African women in the city was increasing by 110% a year, alarming white authorities who targeted them for control.[15] The impact of the urban boom of the interwar and post war years is important because of the major shifts that occurred in the city, seeing the establishment of numerous informal settlements and organised struggles for food and shelter in the 1940s and 1950s. This laid the foundation of the repression and forced removals of the 1960s, which in turn prompted the radical resistance of 1970s liberation struggle, which, I argue, is key to understanding the housing crisis and the politics of shack dweller organising today.

Overcrowded living conditions skyrocketed in the 1930s and 1940s, as documented by a number of surveys and studies. [16] The Britten Commission concluded that:

> "The constant struggle to reconcile the urge for food with the requirements of shelter is an important underlying cause of the displacement of population which has fringed Cape Town with all its unsightly *pondokkie* settlements."[17]

Lack of food and 'slum' conditions created the material conditions for politicizing struggles in the 1940s. Muthien documents the "bread not bullets" placards of the major campaigns for food and living conditions of the time.[18] Between 1939 and 1943 the price of staple foods in Cape Town increased by over 100%. Food shortages during the war were exacerbated by unemployment after the war and food campaigns of pickets, boycotts, and politicized critique of food distribution became widespread across the country. This included Unions and Residents Associations which brought together more than 44 organisations to establish a Food Committee in 1943 in Cape Town.[19] Residents Associations and Communist Party branches set up co-operative buying schemes throughout Cape Town, which enabled people to receive double the food their money would have bought on an individual basis.

Potato riots broke out at the Cape Town Market during the "potato famine" at the end of June 1944. Women began conditional buying where they refused

to buy vegetables from hawkers and traders who would not also sell them potatoes.[20] In January 1945, over 2 000 people demonstrated against food shortages, demanding a National Health System, the abolition of passes, and compulsory education for all.[21] That same month "angry women marched to picket the abattoirs".[22] The following month women were charged with "illegal procession and unlawful public address," following People's Food Action Committee mass rallies on the Parade and open-air meetings in Cape Town.[23] These protests yielded government action, including importing cattle from South West Africa, investigations into food rationing and the creation of mobile markets for the poor.

Despite surpluses, food prices had increased after the war. As the crisis deepened, local women set up committees to organise food queues. Women were seen queuing all night "with babies on their backs or with thinly clad hungry children" while the government was accused of exporting food to Europe and limiting the production of margarine to protect the butter sales of white farmers.[24] Some factories resisted hiring women on the grounds that "they spent too much time looking for food."[25]

In 1946 a non-racial Women's Food Committee was established with representatives from various food queues and trade unions. With a strong working class leadership and a slogan of "Today we fight for food, tomorrow for the vote, and then for freedom for all", their campaign leaders and action included African women, who unlike Coloured and White women, were not welcome to look for work in Cape Town's factories at this time. Many of the women in leadership in the Women's Food Committee in the 1940s went on to become active in FEDSAW, SACPO and the trade unions in the 1950s.[26] The Women's Food Committee organised protest marches to Parliament, mass meetings, lunch hour meetings at factories and petitions to the Food Controller demanding food rationing. When these brought little results, the women initiated a range of direct actions with positive results. They organised a "rice raid" in May 1946 where they marched from a rally to wholesalers and shops demanding rice, followed by a procession of women going to "inspect" wholesalers on 21st May. Some women stopped and redirected traffic while

others used the loudhailer. One wholesaler handed over 30 bags of rice for the crowd and others "gave considerable quantities of rice and sugar".[27] These food raids continued, and when 3 000 women stormed wholesalers on 16th July 1946, they got 600lbs of rice for distribution.[28]

By October there were 40 queue committees organising 30 000 people. Each queue leader had six assistants and complaints about queues were lodged with the central committee, with a 'flying squad' on standby for trouble spots. In June 1946 one of the vans supplying a queue attempted to segregate the queue and serve whites first. The Women's Food Committee rejected this move and took control. Their arguments were documented by Muthien:

> "Firstly we wanted to show the people of Cape Town that we are an organised mass movement of the lower income group of worker's wives, and secondly an army of people whose primary need is food. The motto of our organisation is 'We Fight for Life.'"[29]

Defending people's call for self-regulating the Langa queues, the Chairperson of the Women's Food Committee, Mrs Anthony was cited by the City Council Native Affairs Committee:

> "The attitude of the Women's Food Committee is that the(se) arrangements…should be left…to the spontaneously-formed organisation of the people themselves, rather than to extend to it that element of bureaucratic regulation and control that already affects so many people's lives."[30]

Later that year, the state conceded to food rations, but the new ration cards were used against African people as a form of influx control, as pointed out by the Food Controller: "the issues of ration books would tighten up the unemployed natives within the city. Such natives, being unable to obtain bread or millie-meal, would have to leave the city or starve."[31] Demanding price control, and the return of the mobile vans, the Women's Food Committee took a petition of

over 7 000 signatures to the Minister of Finance on May Day, 1947.[32] Consumer boycotts continued, which played a leading role in forcing down prices of meat in 1951. With the threat of increases in bread price again, in 1953 members of the Women's Food Committee (no longer functioning as such) joined forces with unions and the Cape Housewives League in a delegation to the Minster of Finance, which successfully reduced bread prices.[33]

Organised resistance to shack demolitions in the 1940s: Forced removals in the 1950s

During the 1940s, shack settlements grew. The way shacks were demolished in the 1950s and replaced by state controlled housing and "controlled squatting" laid the groundwork for ongoing resistance. Food prices were one of the "everyday things of life" under attack under apartheid and only one of the issues taken up by organised resistance. Civic campaigns of rent protests, beer protests and consumer boycotts increased throughout the 1940s and 1950s. Muthien documents the organisational politics of the time, including the increasingly important role of the ICU, the ANC, the Communist Party (CP), and the Non-European Unity Movement (NEUM), and later the Pan Africanist Congress (PAC).[34] Related to the work of these political organisations was the participation of members in the Vigilance Associations, established in all major African areas of residence, which operated outside the government system of the Advisory Boards, and were considered to be more radical and confrontational. These Vigilance Associations often had Women's Sections; for example, in 1951 the Women's Section of the Langa Vigilance Association organised deputations to the Mayor over rent increases. Blaauwvlei women also led deputations to the council to protest high rents charged to sub-tenants in Retreat. Both campaigns resulted in state action, postponing rent increase and setting regulations.[35]

While many of the civic campaigns in the 1940s had local focuses, and were often insular to a particular area, demolition of African squatter camps became a rallying point for widespread resistance campaigns.

"The attack on squatter camps by local authorities and the state during

the 1940s and 1950s, produced the conditions for a broader defense of these communities. Civic campaigns in black areas took off in the 1940s as communities were confronted with systematic segregation, demolitions and disfranchisement. These civic campaigns gave way to wider political campaigns in the 1950s as the National Party government launched their major offensive against the presence of Africans in the Western Cape."[36]

Landlords and the City Council were targeted for areas such as District Six where dilapidated and unventilated buildings were ignored, and in squatter camps where campaigns for water, roads, drainage, and sanitation were ongoing. Squatter camp demolitions were justified by the state on the grounds of 'slum' clearance and the implementation of segregation and to enable low cost for high value land, which sparked non-racial mobilization.[37]

The high profile of grassroots campaigns in the leftist press and through progressive city councillors forced many councils to retreat temporarily on issues. These included the Windermere People's Association for lights, roads, a clinic, and night soil removal; the Retreat People's Action Committee, which had up to 1 500 people at their regular solidarity meetings set up to fight against segregated housing schemes for Africans; the Elsie's River CP branches; Ratepayers and Vigilance Associations which organised for better services and against segregation; and the Kensington People's Action Committee to argue against the sale of the property on which they lived.

These organised struggles forced local authorities to recognise the existence of these organisations, and improve living conditions. However, many of these campaigns were undermined as the state was able to divide these communities on legal and racial grounds. With the increased use of violence, people classified as African were targeted for 'removal' to the segregated camp at Nyanga in the 1950s. For example, between 1956–63 all African people were moved out of Windermere.[38]

In 'African' areas, the assault on daily survival and resistance continued. By 1945 being a resident of a municipal housing schemes, a 'location' or 'native village' automatically disqualified people from the franchise, which

most African people had already lost in 1936. In a similar way that mobility was confined in a piece-meal fashion throughout this period of convoluted ordinances and practices, black people slowly lost the right to vote on the basis of shade, sex, and geographical location.[39] For example, Dora Tamana came from the Eastern Cape after three of her four children had died. She lived in Blaauwvlei squatter camp until she was removed to Nyanga. She was active in the ANC and CP which inspired her to resist demolitions in both areas as well as to continue to organise once 'removed'. Dora said that she was inspired by the idea of providing childcare facilities to working mothers in the Soviet Union and took the imitative to open a crèche, and later, with her father Jeffrey Ntloko, an underground school disguised as a cultural club to resist Bantu Education.[40] The Bantu Education Act of 1953 not only segregated schools but established a uniform curriculum stressing separate 'Bantu culture', preparing students for life of manual labor. Verwoerd, then Minister of Native Affairs, said previous educators of African children had "misled them by showing them the green pastures of European society in which they are not allowed to graze". Resistance to Bantu education was broken by mid 1950s as the state attacked alternative attempts by threats of blacklisting teachers and permanently denying education to any children not enrolled by April 1954. [41] Tamana was also part of the Women's Food Committee, which in 1948 established a short lived Non-European Women's League to fight for the franchise of women:

> "The vote is a weapon we must have so that we can safeguard the future of our children. We women have to deal with the everyday things of life… We want to put people in Parliament who understand our problems and will fight in our interests…whoever controlled the key to the food cupboard controlled the food, the key to the cupboard is the vote."[42]

Removals to different (and worse) parts of the city were interlaced with different (and worse) rights which often led to localised struggles for survival. Muthien describes this period as one of local grievances which generated local defensive struggle against the local state. Cape Town's geographic segregation, as well

as the range of living conditions (rental, municipal, shacks on land under the municipality, on land under the city council, backyard structures) combined with a range of legal status in the city (work seekers permits, residence permits, pass books, and so on) kept these struggles apart, despite the dynamic leadership that emerged at the time.

For example, an African township had been planned for Retreat in the 1940s, but development was slow and controversial. In 1956, the plan was eventually officially aborted when Kalk Bay and Muizenberg Ratepayers convinced the apartheid state to "deproclaim" the 113-acre site an African township, and African people were removed to Nyanga. The Prevention of Illegal Squatting Act of 1951 overlaid previous legislation that required health inspections before demolitions, court orders, and alternative accommodation.[43]

Nyanga could not absorb the numbers of African people the apartheid state wanted to move in the early 1950s, and resistance to removals was strong. The method adopted in Blaauwvlei to get women to move was typical of the way that resistance shaped apartheid policy, and apartheid policy shaped resistance. The state refused to issue African women with work permits in Blaauwvlei, which was declared a Coloured area. Without permits, they would be endorsed out of the city completely. The women protested and physically fought off the police in 1954. In 1956 their school was demolished. In 1957, Dora Tamana, the secretary of the Retreat ANC, was arrested and women surrounded the police and forced them to release her. Three months later the city council gave the women eviction notices to vacate the Cape by February 1958. The women responded that they would rather go to prison. In March 1959, they were still there, but a "convenient fire left over 100 people homeless in Retreat, forcing them to go to Nyanga."[44]

As in other colonies, women's presence in the city was linked to permanence and proletarianisation, linked to costs and demands for social services and nationalist protest in general. Capitalism, as many have pointed out, was built on racism and sexism in an attempt to depict this division of labour as "natural" and to avoid the costs of social reproduction. Black women and children in the city could undermine the migrant labour system intended to keep labour cheap

and the cities white. Yet, apartheid operated within fundamental contradiction – the reliance on African labour, despite determination to curb the growth of urban African population, reflected "the twin, and sometimes conflicting, aims of achieving white prosperity without threatening white supremacy".[45]

Apartheid policy makers, local councillors and administrators all addressed the issue of the entry of African women into Cape Town directly as a means of controlling the growth of a settled "urbanized" African proletariat.[46] Re-moving 'black spots' by coercion and force became a central feature of apartheid's separate development policy, which took previous segregation and population control mechanisms to new levels.
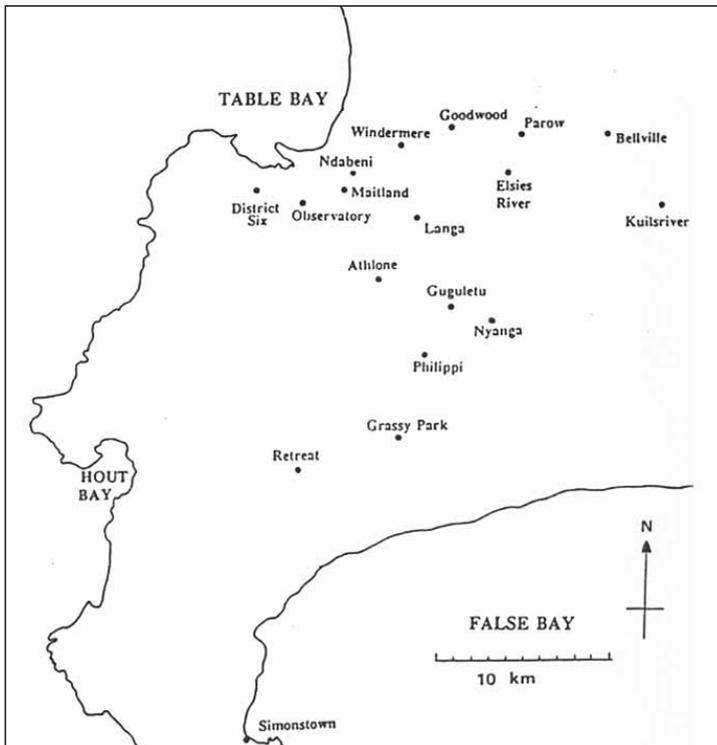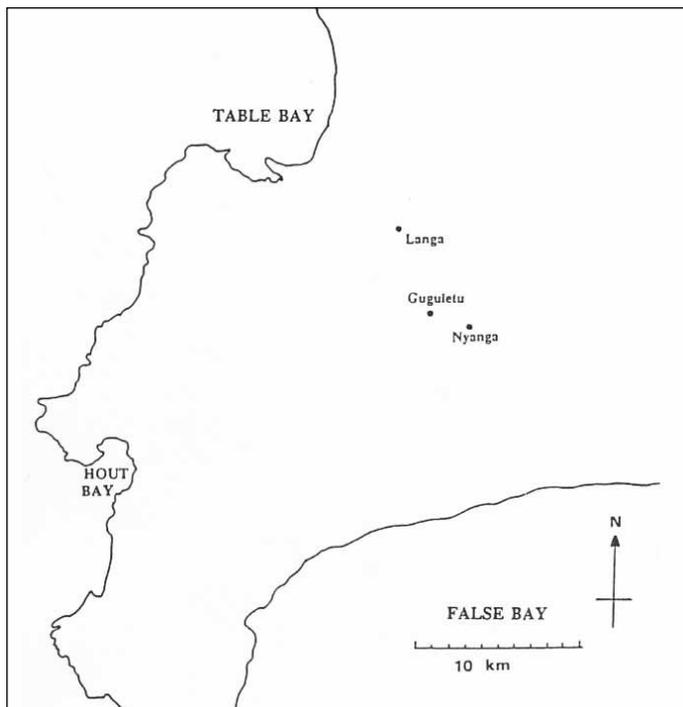
Surplus people and the sexist crucible of the 1960s

The Nationalist Party came to power in 1948 in part as an 'answer' to the hysteria of 'cities out of control' – symbolized by the proliferation of shack settlements in the 1940s and 1950s and organised movements for urban survival. Concerted attempts were made by the state to force all Africans into Langa, Nyanga and Gugulethu in the 1950s. The state's solution to the 'problem' of mixed race areas created another 'problem' – new African squatter camps. The 1960s saw an onslaught of forced removals and political repression as backlash to the urban boom of inter/post war years of 1930s and 1940 and the resistance and mass mobilisation of the1950s, all of which, as shown above, were highly gendered.

Forced relocations took place in the 1960s on an unprecedented scale. Between 1960 and1983 an estimated 3.5 million people were relocated under

Group Areas and Separate Development Legislation. As the Minister of Bantu Affairs declared in 1967, "The time has now almost arrived where influx control need not allow a single additional Bantu into the white areas because the birth machine is already supplying an ever increasing number".[47]

In 1952 new Section 10 qualifications were introduced, consolidating and extending the Native (Urban Areas) Act of 1945, making it illegal for Africans to be in the city for more than 72 hours unless they were born and permanently resided there, had lived in the area for 15 years or more, worked consistently for one employer for ten years or more, have permission to be there, or is the wife or unmarried child of someone who qualifies and ordinarily resides with him.

Orchestrating the re-arrangement of the country was impossible – the overstretched state machinery militarised, but as importantly, began a programme of "re-tribalization" for the purposes of gaining and maintaining an upper hand through indirect rule. Despite the fact that conquest, proletarianisation and social dislocation had shattered pre-colonial polities (which were never static to begin with), "tribalism" and new forms of race/class conflict in this period were remolded and consciously shaped by new forces with lasting effects.[48] African people in the city were incorporated, rather than marginalized, into apartheid's institutions of separateness in this period through Section 10 rights and the creation of urban identities and material realities, labelled as "Cape-borners" and "Amagoduka" ("go back home") to justify the new elements of influx policies – efflux control. As one Langa hostel resident articulated this: "I was born and bred in Cape Town. You don't expect me to share a room with two or more people as if I am a Goduka."[49] Others argued, "Whites are using section 10 to divide us. There should be no section 10. Why should we be graded as if we were potatoes? We are only interested in human rights and for that there is no need for grades."[50]

Influx control policies under apartheid manufactured differences in terms of those with urban rights who were 'legal' and those 'amagoduka' with temporary or 'illegal' status in the city, supposedly belonging to a 'tribe' in a 'homeland'"[51] In the 1960s, the existence of the 'homelands' was used to argue that white supremacy in South Africa did not deny black people political rights as they had these rights in their own 'homeland'. To achieve this, Native Authority

was extended and intervened in codifying and implementing 'customary' law – highlighting the authoritarian features of indigenous African structures of power at the same time as removing checks and balances on that power. In this way, when legal re-classification of areas or qualification status failed force was used. The codification of 'custom' and re-invention of traditions in this period was disastrous for women in general, fuelling and fabricating 'tribal conflict' in rural areas, along with divisions between African people with and without Section 10 rights in urban areas in ways that challenged the coherence of rural and urban movements. In theory, Section 10 rights meant you could be in the city if you could prove birth or consecutive work for ten or fifteen years. In practice qualifications that were being rolled back in the 1960s had always been a matter of official whim and the loss of status for one family member had serious consequences for the rest of the unit. Arbitrariness as a method of rule most effectively trapped people into compliance with endless and often senseless requirements with serious material repercussions.[52]

Women with Section 10(1)(c) rights had no leeway in separating from their husbands, and those whose husbands were on the verge of obtaining Section 10 rights were served with deportation orders in the 1960s. The Bantu Affairs Commission in 1964 pointed out that many men in the bachelor hostels were close to qualifying for Section 10 rights in terms of the provision of 15 years of urban dwelling and permanent employment, warning National Party opposition members concerned with the "disruption of African family life", that if "every Bantu in the city who is qualified" brings his wife in "there will no longer be anything such as a Bantu area and a White area, because then everything will simply be a Bantu area".[53] In 1964, previous protection of permanent African people in urban areas was removed and despite permanent residence anyone not employed could be endorsed out. Moreover, Section 10 rights after ten years of work became dependent on continual service at one employer, with the clock starting again with each new employer. In 1966, the Deputy Minister of Bantu Affairs Department reiterated that the introduction of "the Bantu woman" into the Western Cape is simply "not permitted".[54]

The 1964 Bantu Laws Amendment Act placed a total ban on further entry

of women into the urban areas, other than on a visitor's permit. The following year a law was passed stipulating that all African women who had not registered within 72 hours of the 1952 Act had lost their qualifications to any residential rights. The new laws also endorsed children out of the city which meant women often had no choice but to go with them or succumb to the pain of long-distance parenting. "We are giving them the choice: they must send their children back to the homelands themselves…The law states that they are illegally in the area, so they have to go. It's as simple as that," said Mr. Coen Kotze, of the Bantu Affairs Department in Alexandra township, Johannesburg.[55]

No accommodation, no freedom of mobility. No freedom of mobility, no accommodation. It was thus women who initiated the erecting of shacks on open fields along the periphery of the city. In 1952, only one third of African people in Cape Town lived in Langa or Nyanga, or their employers' quarters, with 74% of African families living in informal settlements. Most African people in Cape Town lived in Coloured areas like Athlone, Maitland, Kensington, Elsie's River, and Retreat until the 1950s.

During the 1950s, concerted attempts had been made by the state to force all Africans into Langa, Nyanga and Gugulethu. The state's solution to the 'problem' of mixed race areas created another 'problem' of new African squatter camps. For example, the Cape Town City Council attempted to eradicate the Windermere camp by purchasing 'slum' property, building dormitories for single men, evicting and 'repatriating' families, and demolishing shacks. However, new shacks continued to be built and lobbying for alternative accommodation intensified. In 1955 trucks relocated 2 500 men to bachelor accommodation in Langa. The camp was raided by 350 policemen who screened 4 000 African men who were then forced to Langa, and the following year 4 000 men were transferred from Windermere to Langa. The effect on African women was clear – described by officials as "displaced families," many chose to sleep in the bush and erect shacks for their families.[56]

Implementing the rigid apartheid policy of separateness under Verwoerd in the 1960s meant that African women lost 'spaces' to evade the system. Direct contact with the agents of the regime was inescapable and routine – police, state

and municipal authorities, township authorities, administration boards, and councils in government locations. A wide and growing array of mechanisms of population administration, movement controls and apparatuses of surveillance justified by the Eiselen line demarcated the Cape as an area reserved for "Coloured" labor.[57] Every move into and within the city had to be negotiated with state bureaucracy – including accommodation, formal and informal employment, children, education, health care, and mobility. Simply being black and female in Cape Town was a crime. Therefore, any push for survival women made pushed the boundaries of apartheid.

Squatter camps under apartheid were gendered in particular ways as it was women who were most unlikely to qualify for urban accommodation and legal status, which meant creating informal livelihoods and finding or making shelter for their children. The extent to which people were able to provide and control the means of their own social reproduction, and defend the material conditions of their existence, undermined the pass system. Squatter communities thus came under continual attack from local authorities with police raids, pass arrests, demolitions and expulsions.

By the early 1960s, the apartheid state had successfully demolished the squatter camps that mushroomed across the peninsula and enclosed African people into the limited spaces available in the three officially zoned townships. However, economic expansion in Cape Town between 1968 and 1974 meant that the African population increased by over 56%. At the same time, farm mechanization turned between 30 000 – 40 000 "Coloured" farm laborers "redundant" which further contributed to the growth of urban squatter settlements.[58] During the short boom period of 1968 to 1974, the state turned a blind eye to the 'influx' of black people into the city because their labour was needed, and by the mid-1970s squatter camps dotted the peninsula.

This window of economic upturn slammed shut in the mid-1970s as the recession began in 1973/4 and intensified over the following years. Simultaneously, the government increased its efforts once again to restrict migration.[59] Limiting housing continued to be used by the apartheid state as a tool to discourage and control urban influx. The housing crisis was manufactured along racial lines. By

1977 the City of Cape Town had an excess of 38 000 vacant residential plots for white people, and was in need of an estimated 180 000 plots for black people (including Coloureds and Africans).[60] Fewer houses did not mean fewer people, but overcrowding. Thus, between 1967 and 1974 only 560 'family' houses were built in Gugulethu, which was already severely overcrowded.[61] All other legal housing options were for single men, or in domestic quarters of white employers.

The reform period

The reform period refers roughly to the last two decades of apartheid – 1976 to 1996 –characterised by a crumbling and desperate attempt to renegotiate and preserve apartheid through two phases of reform: Phase I, known as Total Strategy (1979-1984); and phase II, known as the Emergency Years (1985-89). Reforms were driven by three factors: structural crisis in the economy; growing internal and international resistance; and changes in the state.

The state was facing the worst recession in 50 years. The economy had recovered briefly between 1978 and 1980, but then fell again with the drop in gold prices, balance of payments crisis, dependence on loans (from the International Monetary Fund and foreign banks), soaring inflation and unemployment.[62] As manufacturing began to decline and shifts in industrial economies demanded higher levels of skilled and semi-skilled labour for continued expansion, the migrant labour system became counterproductive. By the 1980s it was a serious barrier to accumulation and the apartheid state faced the contradiction of acquiring cheap *and* skilled labour. Set up for mining, the migrant labour was no longer appropriate for shifts to industrial capitalism. In addition, the control of the mobility of the labour force had been extremely costly and inefficient, politically and economically.

These policies for reforming apartheid were only adopted through a fight between the *verligtes* (reformers) and the *verkramptes* (conservatives) about how to retain power that was being undermined by recession and resistance: By the late 1970s, the 'reformers' had gained the upper hand, and the Botha government engaged in a program of 'reform'.

The key challenge they faced was how to remove the universally stigmatised criterion of race as the basis of population classification, while leaving the existing structure of power fundamentally intact.

Commissions were set up to hear grievances about housing and labour in an attempt to ensure 'cooperation' of the black labour force and find 'practical' solutions. For example, Wiehahn argued that a "socialist way of thinking" had become evident among black workers. His report set out to ensure "industrial peace" by proposing new legislation about the functioning of African/black trade unions. The government saw peaceful labour force as the "first line of practical defense" against the total onslaught. Like other liberal thinking, the Wiehahn Commission argued that economic development over time had changed the position of the African workforce. Africans had reached the end of their "industrial trek" and in order to ensure industrial peace, they had to be incorporated into the system which had excluded them previously.[63] According to the state, housing reforms aimed at improving the effective functioning of the "free labour market mechanism", with only limited and "strategic" state intervention.[64] The Riekert Commission recognised "controlled employment and controlled accommodation as the two pillars on which the ordering of the urbanization process and sound and orderly community development ought to rest." The movement of labour to cities and city dwellers was to be enforced through labour contract and through housing.[65]

The contradictions were clear from the outset, and were pointed out by the South African left who argued that the goal of reforms – from Riekert, to the Tricameral Parliament, to the Koornhof Bills – was to divide the black population along class and race lines, halt international condemnation, and maintain white domination. The reform scheme was based on differentiating the African population into those Riekert dubbed "urban insiders" and "rural outsiders". In this way, the government got rid of the unpopular 72-hour provision covering unqualified visitors to urban areas by ruling that only authorized Section 10 permit holders be allowed in urban areas at all. The solution was to open up the city to some, at the expense of the many.

The state proposed constitutional changes to appease demands for political

representation, in the form of the 1983 Tricameral Constitution, with its separate parliamentary assemblies for White, Coloured, and Indian members of parliament. "Petty" apartheid laws could be abolished while still maintaining control of the political and social order through the economy. For example, public amenities were desegregated, with restrictions lifted on places like restaurants or mixed marriages.

However, the core contradictions of maintaining power, controlling and dividing the black population all played out in communities with serious gendered repercussions.

The reforms, many of which laid the basis for our neoliberal market-driven policies today, made matters worse. The state solution to use a "free market mechanism" to stabilize labour and the economy "compounded the contradictions at the heart of the crisis rather than resolving them. Reform itself became a crucial element of the crisis."[66]

Housing as a control device

"When people are housed – more especially when they are homeowners – they are not only less likely to be troublesome. They are also likely to feel they have a stake in the society and an interest in its stability." Riekert

To form a black middle class, it was important to create massive increases in personal debt. As Patrick Bond writes: "in this way the militancy of trade unionist or civic association leaders would be tempered by the responsibility of repaying a housing bond". Bond quotes Zach de Beer, South Africa's lead capitalist politician, who said in 1988 that the reforms sought to "intensify class differentials while reducing racial ones" in attempts to appease big business and international funding.[67] This included education to ensure more skilled workers and housing for a more stable working class.

We can trace the privatization of housing from the late 1970s onwards as the reforms took shape. For example, between 1978 and 1999 leasehold and building societies could loan to African leaseholders, to encourage privatisation of housing delivery. By 1981, housing was privatized via 'self help' schemes

with state funded 'site and service' in line with World Bank thinking at the time. In 1983, the Minister of Community Development said that South Africa was not "a socialist welfare state, but a state in which government is trying to promote and strengthen the capitalist free market".[68] Legassick points out how overcrowding was promoted, with the state acknowledging shortages for more than half the people who needed housing. Fifty per cent of people remained without housing yet squatting remained illegal!

In 1984, private developers were allowed to own township stands (before it was state only). This was the year of the 'the Great Sale' where the state sold off between 350 000 and 500 000 rental properties to their occupants for a 99-year leasehold. They kept discounting it because the uptake was slow as people were reluctant to "buy" houses when they had already paid their worth in rent over and over.[69] Building societies thus funded most purchases. In 1986 African freehold rights were re-introduced as a deliberate policy to re-commodify African housing and create a market.

Big business was exerting pressure on the state to reform. Ongoing township and shack dweller protest was seen by local capital as a major threat to economic and political stability In 1976, the Urban Foundation was established, in response to the Soweto uprising. Known as the UF, it was a privately funded think tank and housing developer sponsored by 150 businesses, with Anglo American Corporation the largest. It took its cue from USAID, and played a key role in the creation of a market-centred housing policy. Their goal was to remove obstacles to the exploitation of the market forces. The UF pushed for depoliticization measures of urbanisation, poverty and living conditions. They gained some liberal support, and overtly supported squatter struggle by arguing, for example, against the demolition of Crossroads, the longest-standing squatter camp under apartheid. However, their influence on the shift from the term 'squatter camps' to 'informal settlements' did not mean that they supported the desires of black people without houses and rights. Rather, they argued that informal settlements were temporarily informal until people could afford to improve their own lives and pushed for a return to the1950s basic service provision role of the state and self help via individual financing. Over the next

decade the Urban Foundation came to be the main vehicle for imposition of neoliberal policy in South Africa's cities which had a major effect on policy as well as in breaking progressive alliances and in indebting low income home owners considered 'insiders' in the Reform program.

Countering the demands of women: The case of Crossroads

The history of shack dwelling had been a history of black women, linked to what was considered to be social reproduction and therefore social delivery protest movements. This can be illustrated in the history of Crossroads, which became a powerful symbol of women's resistance. The groundwork of what women called "making up and down" forged a collective identity for "Crossroads women", as represented by the Women's Committee. They dedicated themselves to employing a range of tactics and daily interventions to mobilize a camp of anywhere between 20 000 and 50 000 people. The divided struggles within the state apparatus and the shifting global economy were significant factors in the dynamics at play and the widening network of support that the women of Crossroads attracted.

Women in Crossroads engaged in debates on their own terms, as captured in strategic planning meeting minutes from the time, the press, and in their play, *Imfuduso.* As a weapon, a projection, a history, and a counter space, the play marked the peak of this movement for the women involved: "We as women", reiterated Nomangezi (at the time and in interviews today), "must stand up and talk about it from our point of view". A cycle of defence and counter-attacks, depicted as "sweet and sour"[70] captures the ups and downs of the intensive struggle to remain in Crossroads. This grassroots struggle was organised along gender lines, but not framed as a struggle of women against men or for women's political rights per se. Women in Crossroads had a range of political perspectives; what unified their work was the belief the they had the most to lose and that no one else was going respond immediately and persistently to ensure their survival. Furthermore, they felt they would have been constrained by the politics and structures of the two men's committees working along different lines of allegiance and geographical divisions within the camp.

The women were focused on using all available spaces to defend themselves from attack from the state. The defence of Crossroads was symbolized by women speaking boldly into microphones and loudhailers, capturing the attention of the international community and political leaders in South Africa. Crossroads became known as "a place of women", not because there were no men, but because it was women with nowhere else to go who decided to take a last stand and refuse to move. As one of their many strategies, they organised a Women's Committee that made alliances with progressive legal, religious, media, student groups, and lobby organisations. Despite the violent demolition of every other 'African' squatter camp in Cape Town by 1977, Crossroads remained and 'Stand Up for Crossroads' became an international campaign. Despite ongoing raids on the camp, residents organised a wide alliance that engaged in a range of activities to support their resistance campaign; this included documentary films on European TV, slide shows in local malls, marches, protests, sit-ins, theatre performed in urban, township, and rural centers. This campaign took place well before the formation of the United Democratic Front (UDF) and conveyed a clearly gendered message of the impact of apartheid on black women. Against many odds, Crossroads attracted the attention of all powerful sectors; in the USA, 22 congressmen made a plea to intervene in the proposed demolition of Crossroads.

In South Africa, Crossroads became a focus of the left, the right, the reformers, the hardliner verkramptes, and big business. At the spearhead of the reforms was the Minister of Cooperation and Development, Mr Piet Koornhof, who was determined to change the international image of South Africa brutally bulldozing women's shanties without ending the practice of forced removals. He employed a language of morality to justify his proposed solutions, adopting a paternalistic and patronizing role of "good father"[71] and arguing that Crossroads, where he began his first day in office in 1978, was a "health hazard"[72]. His visit began a four-month period of intense negotiations with the Crossroads committees and certain academics, lawyers, church groups, and the Urban Foundation, culminating in the now-notorious Koornhof Deal of April 5, 1979.

Demolition of the camp was called off only after a series of brutal raids and Crossroads then became the experimental ground of a new alliance between

sections of the National Party and big business aimed at urban stability. The victory that culminated in the Koornhof Deal signaled both the beginning and the end of what Crossroads women attempted to build. Their play illustrates clearly an alternative to, and a negation of, apartheid's social engineering, felt most strongly through social, economic and geographic controls.

However, a handful of increasingly corrupt Crossroads men, led by Ngxobongwana, strategised against the apartheid state in an attempt to control the gains won by the work of Crossroads women. Mama Nomangezi captured this shift, saying, "now when the pot was nearly ready, the men started to fight. It's
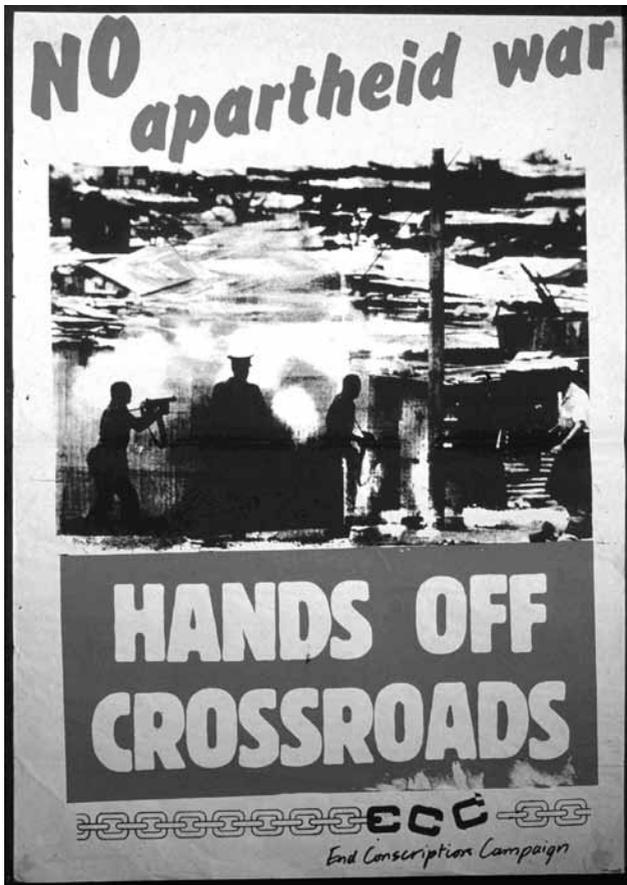
when the Crossroad fight started because the pot was nearly ready. Everything was handled by men."[73] Whereas women had been the bridge to outside progressive supporters, the newly formed exclusively male Executive Committee agreed to liaise and cooperate with the Bantu Authority. The deal imposed a limited victory of houses, not homes, for a limited number of qualified people. However, the people lost the power to script the scene and steer the plot. Men occupied all positions on all subcommittees, including the schools, the crèches, and so on. The undermining of women's power was reinforced by the actions of local state officials who would report women coming to seek information to the now all male Executive Committee 'hired' as local authority by the government. Women attempted to participate as members of the controversial survey, the first of the exclusionary mechanisms that would define Crossroads politics henceforth.

When women attempted to form alternative organisations or intervene strategically in mass meetings, they were assaulted. By the time they had moved to New Crossroads their weapon of unity and strength had been eroded. Political violence was institutionalised and power, still in opposition to the binaries of urban insider and rural outside imposed by the state, was reconfigured in attempts to consolidate control over Crossroads. The insider–outsider identities bolstered in the reform period were lodged in material counterparts and the control for housing in Crossroads spurred serious social divisions which festered. New squatter camps were immediately crushed by the state, and Crossroads grew in numbers and in political significance with political struggle intensifying in the country as a whole. The state responded with a second wave of reforms, based on ideas of counter-revolutionary warfare.

At this time, Botha argued that he had abandoned "Grand Apartheid" but bantustans and forced removals continued. Resistance intensified. Legislative reforms were not resulting in economic recovery. In 1986, a White Paper on "Orderly Urbanization" was adopted as an attempt to further reform apartheid. The state attempted to withdraw from the lowest reaches of the economy as an attempt to remove barriers to accumulation obvious in influx control. Decentralization continued with the bantustan policy, and social reproduction was increasingly privatized.

A new approach was taken with political and military "blending" through Joint Management Councils, enforced through manufacturing "violent stability". The state adopted counter-revolutionary warfare techniques such as Low Intensity Conflict (LIC). Between 1985 and 1989 States of Emergency were called and direct action and violent conflict was cordoned into townships and other non-white areas. During the next decade of power struggle at the top, community organising was under attack and the gains made by women were rolled back. This second wave of state strategy to resist anti-apartheid resistance was framed in theories of counter-revolutionary guerrilla warfare premised on the idea that security and socio-economic concerns were linked.

As part of the Koornhof Deal, some people got brick houses in New Crossroads, as Phase I of a development plan that is still under construction, with the N2 Gateway Project's contested plans for upgrading shacks in Boys Town as Phase 5 today. The state then used the concession of houses in New Crossroads to justify forced removals from all surrounding camps such as Nyanga Bush and KTC to bantustans and then to Khayelitsha.

The Koornhof Deal opened the way for power reconfiguration as the state sought to impose a new structure of a permanent urban black middle class incorporated into the capitalist economy. Housing and urban rights through the pass system would continue to be used to coerce the 'cooperation' of labour. When squatter resistance continued, greater force was used through an orchestrated burn out of Old Crossroads by local vigilantes known as witdoeke, who were promised control over future upgrades in return. As the more radical elements of movements at this time, women and youth were targeted by witdoeke in their strategy of gaining control over housing allocation and upgrades.

The Crossroads case demonstrates the ways in which the reforms were an attempt to push back powerful demands made by women who were at the forefront of a movement for the right to the city. The reforms were linked to repression and a re-structuring of society via violence, new patriarchies and patronage that continues to be basis of survival in many parts of South Africa today.

In late 1986, McCuen's Low Intensity Conflict (LIC) theory had been prescribed in a 75-page document entitled "The Art of Counter-Revolutionary

Warfare" and distributed throughout the Management Security System.[74] At the time, counter-revolutionary warfare theory had been used in Algeria, Vietnam, and Central America. It asserted that "a governing power can defeat any revolutionary movement if it adapts the revolutionary strategy and principles and applies them in reverse. The purpose is to defeat the revolutionaries with their own weapons in their own battlefields".[75]

Sparking low intensity conflict is known as a "dirty war" that purposefully "penetrates into homes, families, the entire fabric of grassroots social relations… there are no 'civilians'…it is a science of warfare whose goal of controlling the qualitative aspect of human life merits the term totalitarian."[76] These were methods of "ripping communities apart" by "developing elaborate locally specific tactics of counter-terror, counter-guerrilla, and counter-organisational revolution."[77]

Low intensity conflict specifically aimed to reconstruct social and political forces and was successful in punishing women for stepping out of the role of passive, private, subordinates. The goal of vigilante activity was "a cowed and disorganised community". Low intensity conflict was successful in Crossroads, for example, through helping the state achieve two important aims – to eliminate growing UDF influence and activity in the Western Cape and undermine more than a decade of resistance illegal squatting around Cape Town.[78]

On Saturday May 18th 1986, the witdoeke marched on the settlements of the minor shack leaders, and orchestrated burning began.[79] The modus operandi that emerged started with the security forces teargassing the area to disperse inhabitants. The army and police would then hold people back, while the witdoeke looted their shacks and set them alight. The police used barbed wire to keep people from coming back, with the Western Cape Development Board representatives waiting to take people to Khayelitsha.[80]

At the end of the first day of the Nyanga Bush attacks, 13 people were dead, 75 were injured and 20 000 were homeless, with 2 000 shacks burnt. Three days of fighting in June left at least 21 people dead and 3 000 homes gutted. One local medical clinic reported 200 casualties, most of which were gunshot wounds.[81] A Former Security Branch member told the TRC: "I flew over the squatter camp to view the work of the witdoeke. The witdoeke…were attacking

the inhabitants and burning their shacks. It looked like a successful war mission because of the 'line' of advance and the enormity of the damage."[82]   The role of police in casspirs, wearing balaclavas, was captured by the press. The BBC televised scenes from the frontlines and put white dots to point out the SAP.[83] Yet the government denied any responsibility for the tragedy, explaining the mayhem as "black on black violence". The then President of the United States, Ronald Reagan commented at the time: ''It is blacks fighting against blacks because there is still a tribal situation involved there in that community." [84]

In a few weeks the vigilantes accomplished what the state had failed to do in ten years. By September, 126 000 people had moved to Khayelitsha, where
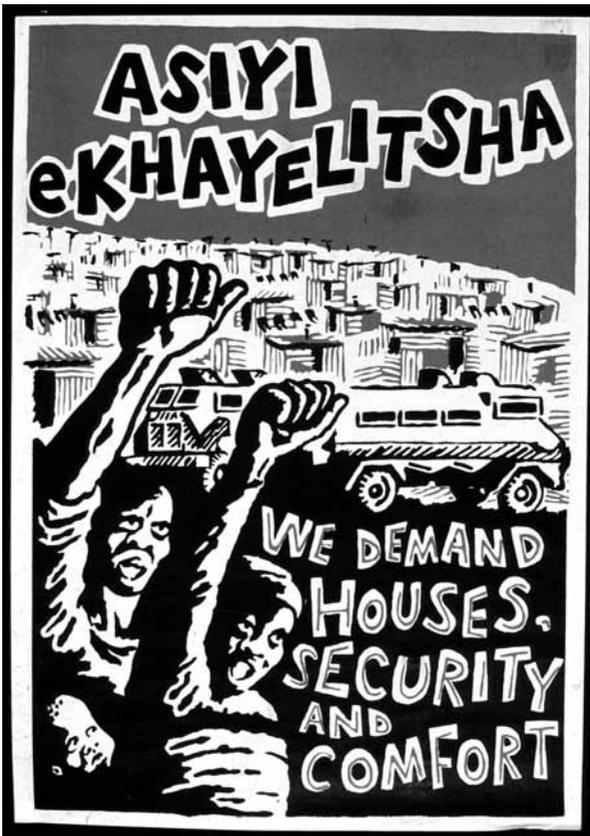
witdoeke continued to harass 'comrades'. The TRC revealed how the state sponsored a pre-approved victory feast of freshly slaughtered braaied meat for the witdoeke, costing the state approximately 3000 Rands.[85]

This shift to what the state called "orderly urbanization" and "manufacturing violent stability" had serious and ongoing repercussions for women and housing.

The state could now abolish its much criticized Influx Control Policy in 1986, having evacuated most of the 100 000 'illegals' they estimated were in the Cape. As a result, violence was normalised as a way to enforce the exclusion of the majority from a decent life and dignity in the city.

LIC was not gender neutral. While there were "no civilians" there were certainly prescribed gender roles in war that purposefully aimed at ripping apart social fabric. It played an important role in undermining women's organising and dismissing women's concerns, as well as normalising women's place as the protected, as opposed to the bold public political stance they had taken in Crossroads in the 1970s.

Witdoeke rolled back the spaces and gains made by women in Crossroads in at least four important ways. First, the involvement of witdoeke was a violent battlefield of men, which, as in other conflict situations, marginalizes and re-casts women in a position of dependence and inferiority. Militarization increases the constructed patriarchal values of dominance, power, aggression, and violence. In this way, masculinity is linked to violence and male norms like control and dominance are seen as normative and desirable. Set up against constructions of femininity, war implies command rather than participation; obedience not agreement; hierarchy not equality; repression not liberation; uniformity not diversity. This analysis is useful to see how values and behaviour needed during violent conflict are opposite to the kind of freedoms women activists in Crossroads had come to represent and how the creation of these gender roles actively pushed women into the background in Crossroads.

State documents from the time argued that, "Fathers are well-disposed towards the security forces and are not a security risk as they want law and order."[86] In the eyes of the state it was a layer of conservative male leadership whom they called the 'fathers' (as opposed to the youth/comrades) who created

or ensured law and order. The hierarchy for social and economic control of the city to which the state aspired was not gender neutral, nor unique to Crossroads. The witdoeke were an intensification of the imposed divide and rule methods of reformism that aimed at urban control through extending resources and rights to the few at the expense of the many.

Second, market needs now outweighed human needs and justified the use of violence to enforce a new order. The witdoeke militarized housing politics and enforced 'orderly' (exclusive) urbanization in a way that actively disregarded women's earlier message that they be allowed to set up their shacks in the city because of gendered discrimination against them as black people and as women in the apartheid migrant labour system. Government hardliners were quoted in the press celebrating the burn-out as a victory for 'orderly urbanization': "You've lost the war. We've got you off the land and we are not letting you back. Unless you go to Khayelitsha, we will do nothing to help you in your awful plight."[87]

Urbanization in this way was a war against women's issues and resulted in the entrenchment of a militarized surveillance in the area, with Ngxobongwana announced as mayor and his men allocated jobs in the security forces. New recruits consisted of hundreds of former witdoeke as well as former comrades who were now legally armed with sjamboks (whips) and guns let loose to deal with trouble makers in the black townships. This new SAP task force was called 'special constables' and nicknamed 'kitskonstabels' (instant police) by local township residents.[88] Such tactics were not just concessions to displace resistance, but in line with McCuen's counter-revolutionary theory they represented attempts to replace and re-establish a new order.[89] To make the ultimate political questions disappear, the state established Joint Management Councils (JMC) in 1986:

> "JMC officials have realized that squatter camps provide invaluable opportunities for cooption. Under counter-revolutionary warfare, welfare measures officially included 'populist cooption in squatter camps,' and 'infrastructural upgrading' for 34 'oil spots' or key target areas for special attention to be upgraded by private funds from groups such as the South African Housing Trust and the Urban Foundation."[90]

In addition to boosting a political institution counter to democracy, concessions like housing and other development would be granted on condition of exclusion at the discretion of the market. This political economy was in direct contradiction to the human-needs approach argued by women.. Private sector housing development was another component of how their demands were rolled back by the state-witdoeke onslaught. Like in Latin American countries, the South African state was explicitly attempting to counter socialist and communist tendencies. Despite Crossroads women not seeing themselves as socialist or communist, the state certainly saw them this way and as a serious threat. Control of the private sector development process and products would not fare well for the majority of Crossroads residents. With the lowest chances of access to inheritance or formal education or employment, women would inherit a burden of a particular size and shape in this model of scarcity and control that continues in Crossroads today.

Third, this newly reformed urban space would be run by a local government of 'fathers' which meant that witdoeke reasserted and institutionalized a particular version of 'traditional' patriarchy. In this way a local government made up of the 'fathers' froze the most hierarchical and sexist aspects of anything that might have faintly echoed any pre-colonial or rural Xhosa 'tradition.' This system of patriarchy and patronage would set the tone for the foreseeable future in Crossroads. For example, resources that were once mobilized for community struggle began to take on the tone of extortion as people began to question the interests of the leadership. Each section of houses in New Crossroads was controlled by an induna, who collected money from each house to raise money for the headmen.

Requiring legitimacy, the state, as many colonial power did, deliberately constructed practices they saw as 'traditional' to legitimize their own position. Often based in some form of local practice, these 'traditions' would be exaggerated, distorted, biased toward a particular interpretation, and justified as 'natural' and set in stone since time immemorial.[91] Robins looks at how bolstering and constructing rural and urban 'differences' over the decades deepened conflicts and cemented 'sides' in Crossroads, arguing that:

"The state also played into the gendered and generational nature of traditional power and authority. The militant politics of youth and women activists was seen by both the Fathers and the state to have violated and inverted traditional age and gender hierarchies. By violently expelling the comrades it was believed that the naturalized order of African patriarchal authority would be restored."[92]

The state selectively supported the kind of 'Father' they thought could impose the hierarchy and 'order' they wished to concede, the kind of 'law' necessary to roll back the squatters and collective mobilizing women had worked to promote in the previous ten years. This kind of colonial state active 'selection' and promotion of 'tradition' as means to divide and control the colonized is well known in the academic social history of the continent. The literature points to the way tradition is used to 'normalize' and justify control. The way it was gendered in the process of urbanization in South Africa is clear in Crossroads. The process of polarizing gender roles and relationships of protector/protected in times of war is evident in Crossroads where these roles had to be actively re-constructed since women had created different gender roles for themselves as leaders, organisers, thinkers, resisters. Together with 'ordinary' women and men denied a place in the city, they physically and socially established and protected Crossroads, formed political alliances, and represented a vision antithetical to the city as a place for a select few.

Fourth, witdoeke broke cross-racial progressive alliances that had been built by the women and re-drew the political boundaries of the Crossroads struggle as one of fathers versus comrades. Women who had fought for Crossroads fitted neither category, which meant that they were excluded from its history and when they did reorganise, it would be within the confines of these 'sides'. Moreover, when Ngxobongwana was elected representative of squatters to the UDF, this undermined the UDF in the eyes of many African residents, lowering the prospects for unity of 'African' and 'Coloured' shack dwellers in the Western Cape. As Mama Yanta put it, "There were those who said that I should go to my own street side. I never fought for the streets, I fought for freedom."[93] Divisions

and sides and male-dominated political parties/organisations have been a key feature of mobilising in Crossroads since that time. These boundaries were constructed and redrawn by pushing back and out a powerful group of women.

The accumulative effects of rejecting women's basic needs

> "More was expected of the first democratic government's housing policy, and less was delivered, than in practically any other area of social policy- largely because neoliberal assumptions and housing delivery mechanisms were adopted during the carefully managed transition process."[94]

Enforcing a program of housing reforms designed to exclude the majority from urban life and services was a direct response to the organised movements of black women shack dwellers demanding a place in the city and insisting that their needs be recognized and met through support in the labour of social reproduction. Today it is accepted that we live on a "planet of slums", and that most people in the global South live in substandard dwellings,[95] but this reality was created. In South Africa, most women came in the second urban boom between the wars because of starvation on the reserves in the 1920s and 1930s. They organised in the 1940s and 1950s, and were pushed back in the 1960s through targeted attacks and forced removals.

The creation of Crossroads as a geographical, political, social, and historical space for displaced women in the city had challenged some of the basic premises of the apartheid project of separateness. Black women in the city had come to represent permanence and social services and ran counter to influx control. The tools of this system were pass documents and accommodation. In attempts to squeeze African women out, the state manufactured a housing crisis. Refusing to leave, but finding no accommodation, displaced women set up their shacks on open fields as hundreds of thousands of people without capital continue to do today. The reforms were designed to control the city through employment and housing, replacing the pass system with a heightened control of access to accommodation. This needs to be recognized as a direct backlash to women's mobilizing.

The current housing policy is rooted in the reform period of the 1970s, which was developed to counter the gains/demands put forward by organised movements led by women shack dwellers. These reforms were exclusive and hierarchical. They were designed in collaboration with big business and were far from what women demanded. As a result, these reforms were imposed violently through a manufacturing of urban stability known as "orderly urbanization" which rejected the human needs approach of women's demands (housing, water, electricity, health, education etc) in favour of creating a controlled and limited work force. The reforms which began in the 1970s, and their ongoing repercussions of market-cost social services, were not gender neutral. The failure of the bantustans meant that state was facing a crisis of social reproduction which has only deepened since then. The reforms were an attempt to regain control over who would carry the costs of 'reproduction', which has severe repercussions for women under patriarchy. In a 1987 article entitled, 'Reforming the Contradictions: Crisis and the State', the editors of *South African Review* put the reforms in context:

> "With the costs of defending apartheid steadily rising, the state intends through 'orderly urbanization' to shift many of the *costs of labour reproduction* (for health, housing and education, for example) onto the working class. The sheer inefficiency of the current system and the country's critical foreign debt situation dictate the need for a less costly system and a less interventionist state. It is no accident that so much is being heard about privatization at the 'solution' to the current crisis."[96]

The reforms meant that as soon as African people "won" the "right" to the city, the basis of exclusion shifted in that the state agreed to end the policy of influx control by withdrawing from the most local level. This was a common model of neoliberalism developing internationally at this time. Known as Thatcherism, the state responded to economic decline by minimizing the role of the state in the economy. Like elsewhere, this resulted in unemployment, destruction of the welfare state, and assault on the working class. Like elsewhere, these burdens

affect women in particular ways as gendered roles stipulate that women and 'the family' carry the costs.

The reform period marked the beginning of the gradual evolution of justifying apartheid racial segregation into (no less racist) class segregation using what Patrick Bond calls a "form of corporatism based on the definitive mediation of the market".[97] It was in the reform period that the apartheid state attempted to "deracialise urbanization" and housing (like all social "services" key to social reproduction) became linked to commodification and neoliberal models, normalization and dependency of class discrimination, bureaucratisation, the reliance on violence (structural, political, gender), and the further oppression of women.

The argument that the state could not carry the cost of social services for everyone, and the silencing of the fact that the 'costs of reproduction' fall on the shoulders of women, was not initiated in 1996 with the shift from the RDP to GEAR. Starting in the 1970s, the reform period introduced new categories of divide and ruling the working class black majority of South Africa which have become increasingly the norm ever since, and have played an important role in determining the race, gender, and class dimensions of the housing crisis today. As Jacklyn Cock writes, the family "is pivotal to the maintenance of the neoliberal social order. This order is marked by an intense individualism and a privatization of social relations which involves individuals retreating into the private sphere of the family/household.…The ideology of familism, the family as a haven in a heartless world has a powerful appeal in opposition to the impersonality of the market and the indifference of the state." In addition to housing, water, electricity, health, and education, our struggles need to create and insist on alternative social structures to take the care of children and elders out of the family and into the realm of socialized support to achieve gender equality and human liberation.

Shackdweller struggles were seen by the left as key to challenging the apartheid state. For example, in 1981 the United Nations Center Against Apartheid stated:

"One of the most notable developments arising out of ordinary people's courage and ingenuity in resisting apartheid has been the squatter camps. The

position of women and family life were central to this development, and women and their organisations such as the Crossroads Women's Movement played a major role in organising and defending the camps…They have been set up in various parts of the country, but particularly in the Cape Peninsula because it is this region that the effects of the system have been most acute."

But how many people today, shackdwellers included, see shackdweller and housing struggles as a struggle against an unfair and immoral global order? The depoliticization of the history of the housing crisis justifies a lifetime on the waiting list, slum eradication legislation, and state sponsored Red Ants and Anti Land Invasion Units today. Mamdani argues that the absence of any mention of the social catastrophe of forced removals in the victim–perpetrator gross violation of human rights framework of the TRC was equivalent to a truth commission established in the Soviet Union after Stalin ignoring the Gulag.[98]

The lack of outrage, of connecting the dots between power and politics and people's lived realities on the margins of cities and economies, is worrying. The crisis of social reproduction – the inability to make ends meet and the continued idea/practice that making ends meet is a private affair and the responsibility of the family – has had serious implications for gender/power relations between men and women.

As this paper has attempted to show, women have felt these effects in particularly brutal ways, and black working class men have been put in an impossible situation where they are expected to provide and yet cannot. They are taught to use violence and to dominate and often the only place they can do that is in the home. Instead, politicising hunger, shack demolition, segregation, and forced removals (as presented in the cases above) show us how these crisises have been constructed and what politicizing struggles for survival, and speaking collectively with our feet, can achieve.

Notes:

1   Jacklyn Cock, "Maids and Madams in retrospect," Rosa Luxembourg Annual Seminar Proceedings, 2008.p.44.
2   Sarah Mosoetsa, *Eating From One Pot: The Dynamics of Survival in Poor South African Households*, (Wits UP, 2011).

3   Elaine Salo, "Gender Based Violence and Sexuality in South Africa," (Harold Wolpe Memorial Trust Open Dialogue, Cape Town, 23 March 2005).

4   J. Western *Outcast Cape Town*, (Minneapolis: University of Minnesota Press, 1981), p. 30-33.

5   Nombonisa Gasa, "'Let them Build More Gaols,'" in Gasa (ed.) *Women in South African History: They Remove Boulders and Cross Rivers, Basus'iimbokodo, Bawel'imilambo* (Cape Town: HSRC Press, 2007), p. 134.

6   Penn, "Land, labor and livestock in the Western Cape during the eighteenth century," in (eds.) James and Simons, *The Angry Divide: Social and Economic History of the Western Cape,* (Cape Town: David Philip, 1989), cited in Worden, p. 9

7   Nigel Worden, *The Making of Modern South Africa: Conquest, Segregation and Apartheid.* (Oxford: Blackwell, 1994), p. 67-8.

8   Western, p. 32.

9   Yvonne Muthien, *State and Resistance in South Africa, 1939-65.* (Brookfield: Avebury, 1994), p.33.

10   Worden, "Adjusting to Emancipation: Freed Slaves and Farmers in the Mid-Nineteenth Century South-Western Cape," in James and Simons (eds.) *The Angry Divide: Social and Economic History of the Western Cape*, (Cape Town: David Philip, 1989),.\ p. 31-9.

11   Cherryl Walker, *Women and Resistance in South Africa.* (Cape Town: David Philip, 1982), p. 7.

12   This included: stand permits, residential passes, visitor's passes, seeking work passes, employment registration certificates, permits to reside on employers premises, work on own behalf certificates, domestic service books, washerwoman permits, and entertainment permits. Inter-Departmental Committee on the Native Pass Laws, 1920, p. 3-4. Cited in Walker, p.27.

13   These were the responses of Dr. Abdul Abdurahman in the African People's Organisation (APO), and Sol Plaatje, in *Tsala ea Batho* 6 April 1913, both cited in Gasa. p. 135

14   APO Newsletter, June 1913, cited in Gasa, p. 136.

15   Muthien, p.20-1.

16   The Cauldwell Report; The Slarke Report; The Social Survey of Cape Town 1938/9; The Britten Commission of 1943 ; Guardian 21/6/1940, 31/5/1945.

17   Britten Report, 1943, p. 5, 39.

18   Muthien, p. 37-8.

19   Muthien, p. 128.

20   Muthien, p. 128.

21   Guardian 4/5/1944, 29/6/1945, 13/7/1945, 1/11/1945 cited in Muthien, p. 129.

22   Guardian 4/5/1944, 29/6/1945, 13/7/1945, 1/11/1945 cited in Muthien, p. 129.

23   Muthien, p. 129.

24   *Guardian* 8/11/1945, *Torch* 18/3/1946, 6/5/1946, 13/5/1946, 20/5/1946, 27/5/1946, Hansard 13/5/1946, in Muthien, p. 129.

25   Muthien, p. 129.

26   Including, Katie White, Hettie McLeod, Gladdys Smith, Annie Silinga, Dora Tamana, and Mrs. Anthony. Muthien, p. 131.

27 *Guardian* 27/6/1946, 14/2/1946, 14/3/1946, 23/5/1946, cited in Muthien, p. 130.

28 *Guardian* 17/1/1946, 14/2/1946, 14/3/1946, 16-23/5/1946, 20-27/6/1946, 10/10/1946, Torch 8-15/4/1946, 27/5/1946, in Muthien, p. 130.

29 Mrs. Anthony in *Guardian* 25/7/1946, cited in Muthien, p. 130.

30 NAC 13/8/1947, cited in Muthien, p. 130.

31 Food Controller, Van Eck, in Cape Times 16/5/1946 cited in Muthien, p. 131.

32 Guardian 20-27/3/1947, 2-17/4/1947, 15/5/1947, in Muthien, p. 131.

33 Muthien, interview with Hettie September (nee McLeod) 1988, Guardian 26/1/1950, 18/6/1953, 30/7/1953, 6/8/1953, Torch 27/10/1951.

34 Muthien, p. 100-101.

35 Muthien, p. 140

36 Muthien, p. 135.

37 Muthien, p. 138.

38 Muthien, p. 43.

39 Muthien, p. 139.

40 Muthien, p. 41.

41 Worden, p. 96.

42 Mrs. Anthony, Chairperson of the Women's Food Committee, cited in the Guardian 20/1/1948. Cited in Muthien, p. 131.

43 Muthien, p. 171.

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45 Posel, *The Making of Apartheid 1948-61: Conflict and Compromise* (Oxford UP, 1991), p. 8-9.

46 Rebekah Lee, "African Women, Urban Areas and the Development of the Apartheid State: The Case of Cape Town, 1945-1970," (Oxford M.Phil 1999), p. 2.

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55 Hilda Bernstein, *For their Triumphs and for their Tears* (London: IDAF, 1978), p. 31.

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61 May 1989 in, William Frater, "Crossroads 1975 to 1983, A Turning Point for Influx Control," (BA honors thesis, Department of History, UCT, November 1990), p. xv.

62 Worden, p. 126.

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Angela Conway,
Southern Cape Land Committee

The Changing Face of Rural Workers

IN CONSIDERING THE changing face of rural workers one has to also consider issues of tenure, housing, access to basic services and agrarian reform. Rural workers' labour and employment are closely linked to tenure rights. This paper is based on the experiences of the Southern Cape Land Committee in the rural areas of the Southern and Eastern Cape. The paper considers the challenges and mobilisation strategies of rural workers, primarily in these areas.

Farm workers

The majority of workers in rural areas work within the agricultural sector, primarily as farm workers on commercial farms. In the past farm workers and their families lived on the farms where they were employed. Workers' tenure and labour rights were intrinsically linked and skewed power relationships were entrenched into an owner/ serf-like relationship. In some rural areas, particularly KwaZulu Natal (KZN) and Mpumalanga, farm workers or labour tenants lived on the land for generations, using portions of the land for small-scale agriculture. These workers enjoyed insecure tenure rights and faced eviction from their homes if they lost their employment. However, they did have permanent jobs and a relationship with farm owners, often very paternalistic, which afforded workers and their families some protection. At the same time farm workers living on farms were able to supplement income from small-scale agriculture, wood collection and similar activities.

With the strengthening of tenure rights in the form of ESTA (the Extension of Security of Tenure Act), which does not prevent but rather regulates evictions, farm owners have become increasingly reluctant to house workers on

their farms. There has been a spate of evictions and relocation of farm dwellers into urban townships, resulting in impoverishment, a loss of cultural ties and unemployment. Commercial farmers now opt to source casual workers from neighbouring townships. The general trend is that workers wait at pick-up points in the township where farmers pick them up in large trucks and drop them off after work. These workers are usually employed on a daily (or sometimes weekly) basis without contracts or benefits and with no relationship between workers and employers. Workers are very vulnerable as principles of "no work / no pay" usually apply meaning employers are not bound to pay for sick leave, rain days, public holidays and so on. There are high levels of non-adherence to labour legislation and limited or no enforcement from the Department of Labour, aggravated by the lack of effective unions in the sector.

Increasing casualisation has also meant a re-gendering of the workforce on farms, with women employed as the majority of casual and seasonal daily workers. These women remain unskilled and are loaded with the responsibility of being the bread winners, as well as domestic responsibilities and motherhood. With high levels of unemployment nationally even vulnerable employment opportunities such as these are sought after. In intensive farming areas such as the fruit farming area of the Langkloof there is an ongoing influx of people moving into small, rural towns seeking casual and seasonal work. This has led to the formation of labour dumps with sprawling informal settlements, backyard shacks and overcrowded RDP houses in rural towns. Services are inadequate and schools catering for children with a home language different from the predominate language of the area are non-existent. During off-season times, unemployment and poverty levels peak resulting in pockets of extreme poverty and hardship. Many employers do not adhere to the labour legislation, in particular injury on duty procedures, and there are a large number of workers disabled at work who receive no compensation, and live in rural towns in abject poverty.

There is also a growing move by farmers to use labour brokers to source and manage farm workers. The labour brokers often source workers, usually young women, in the former homelands like the Transkei. Workers find themselves trapped into slave-like conditions as they already owe the broker the transport

costs from their homes to the farming areas before they have even secured their first contract. People are housed in appalling conditions with limited access to legal avenues for support in challenging unjust work and living arrangements.

A particular challenge facing farm workers is the formation of so-called equity schemes. Commercial farmers, often those who are struggling to remain commercially viable, may apply to the state land reform programme to turn their farms into "equity schemes or trust farms". Farmers can then access grants to make workers shareholders on the farms. The schemes are in the main designed by consultants without an adequate process to address the existing skewed power relationships, leaving workers ill informed of their rights and ill equipped to serve on decision-making structures such as Boards of Directors. Thus workers become token shareholders. Often these same shareholders / part owners are dismissed from the farm and leave with no compensation or course to seek legal redress. After many cases of abuse of equity schemes, a moratorium was placed on the programme, but it has been lifted recently.

Another group of farm workers whose lifestyles have significantly changed are the itinerant workers. In areas like the Karroo a number of farm workers are itinerant workers, with particular skills like fencing, who move from farm to farm securing contract positions. Traditionally these itinerant workers, or "Karretjie Mense", travelled on donkey carts with their entire families and lived in houses provided by farmers for the duration of their contracts. Within the democratic South Africa the lives of these itinerant families have changed radically. Farm owners, fearing claims to tenure and occupation rights, are no longer willing to house entire families for any length of time and will only provide short-term accommodation for single male workers. At the same time there is growing pressure on parents to ensure children attend school, and thus women and children no longer travel on the carts. They remain in one place while their male partners travel and seek work, often away for months at a time. Dotted around the Karroo are settlements of women and children, many living in tiny, makeshift plastic structures located near rural, farm schools. These women live in extremely harsh circumstances, aggravated by the harsh climate, and struggle to keep their children fed and in school. They are often forced to collect the leftovers or discarded vegetables on neighbouring

farms, sometimes illegally. There is growing pressure from surrounding commercial farmers and local authorities to relocate the families into urban townships, which people are strongly resisting, fearful of losing their culture, history and camaraderie, and of the crime and discrimination they might face in townships.

Rural workers affected by the privatisation of state assets

In line with neoliberal fiscal policies, the ANC government has pursued a policy of privatisation of state assets like the forestry and railway industries. This has had a huge impact on rural workers who were employed within these industries. Towards rationalising the railway system and increasing profits, small, rural railway stations have largely been shut down, leaving entire settlements of former workers retrenched, dependent on state grants and living in a no-man's land where neither the new owners of the railway system, Transnet, nor local authorities take responsibility for providing services. The residents of the railway settlements occupy large, sturdy railway homes and have employed diverse strategies to supplement their livelihoods. They are resistant to relocation into crowded urban townships. Where Transnet has maintained some workers, this compromises the mobilisation of the settlements as workers are restricted in their actions fearing losing their work. In the forestry industry privatisation has severely compromised workers' employment and tenure conditions. Commercial plantations have been leased to business corporations and indigenous forests transferred to SANParks, both of which are clear that they are in the business of trees not of housing or people. Workers housed in forestry settlements for generations {where they were originally forced to live to be on 24-hour guard for forest fires}have established vibrant communities, and now face retrenchment and relocation to urban townships despite the fact that they live on state land which is a so-called priority for redistribution. The negotiations around the privatisation process took place with unions in the workplace, thus excluding the women whose lives and futures were intrinsically affected. The struggle for secure tenure and the transfer of the settlements under the jurisdiction of local authorities has been an intense and protracted process. While there have been some victories, with a number of settlements now transferred to the relevant local government

and processes of upgrading and securing ownership of houses underway, there is a renewed strategy of forced eviction from SANParks. They have begun evicting families of workers as soon as the worker dies and have now slapped rental arrear notices on the occupiers of the houses.

The privately owned forestry plantations are decreasing their permanent labour force and are outsourcing work by placing contracts out to tender. The tender requirements are prohibitive to the majority of forestry workers who are forced to work for contractors as casual workers without the protection afforded to permanent workers.

Workers affected by the conversion of agricultural land

Land continues to be a commodity used to generate profits. With the deregulation of markets and the rising costs of production commercial farmers are seeking other ways to use the land to generate profits. There is a trend to convert and develop agricultural land, particularly into elite golf estates or game farms. This is having an impact on rural workers, particularly farm workers and dwellers.

Farm dwellers' skills and lifestyles are not considered congruent with elite, rich developments resulting in evictions and displacements from farms to urban townships. Developers make promises of employment and investment opportunities which do not materialise except at best in short-term contracts secured during development or low-skilled jobs as cleaners and maintenance workers on the estates. Large estates generally use labour brokers and even outsource their transport to companies rather than using local taxi corporations. In exchange vast tracts of productive land and huge quantities of water are gobbled up for the use of an elite few at the expense of food production, land redistribution and sustainable rural development.

State land forms part of the conversion agenda, especially land for conservation purposes. Despite principles and policies of "people in parks" and biodiversity, evictions and loss of jobs continue. State departments, especially SANParks, are resistant to considering ways to include rural people in conservation programmes and extreme pressure is placed on people to relocate, including through raised

rentals, shutting off access roads and incentives of employment offered to those who relocate. Entire communities face the threat of relocation, like the 23 families living at Coleske, in the Baviaanskloof, who are farm workers who lost their jobs during the conversion process.

The response of rural workers

Rural people are committed to preserving rural lifestyles and cultures. While young people continue to migrate to the urban centres they often come back to the rural areas when they fail to secure work. There is a passion which underpins the mobilisation of rural workers and dwellers resulting in a number of strategies, organisations and movements.

Farm workers organisations

Traditionally farm workers have not been well organised. The challenges of organising are compounded by geographic isolation, the fact that the workplace is on privately owned land, high levels of intimidation and collusion between farmers and law enforcement agencies. There is an absence of strong unions within the farm worker sector at a national level and farm workers are often mistrustful of union organisers who are perceived as taking membership fees and never being seen again. However, there are growing levels of organisation and resistance amongst farm workers and dwellers.

In the winelands of the Western Cape levels of unionisation are increasing through unions like Sikhule Sonke. In other areas farm workers are organising into on-farm or area committees, bringing together farm workers and dwellers from a number of different farms. Through these structures workers are able to challenge non-adherence to labour legislation, unfair labour practices and to engage with relevant state departments to address the service needs of farm workers and dwellers. The committees also build levels of organisation and leadership amongst farm workers, laying a solid foundation for future possible unionisation.

In the Western and Eastern Cape farm worker structures in a number of districts are currently running a campaign targeting the Department of Labour

for better inspections on farms and enforcement of labour legislation. Women, who are usually only employed as seasonal workers, are able to play a leading role in the organising structures where the male workers might feel intimidated and fear loss of employment. This has also resulted in a challenging of skewed gender power relationships. These local structures are engaging at provincial level through exchanges and joint actions which begins to build provincial movements. However, farm workers are still not well organised nationally, and at a regional level in Southern African. While there have been some attempts at national campaigns and to foster solidarity with farm workers in Southern Africa, representatives often struggle to secure mandates and grassroots support within such a diverse, scattered sector.

Forums of rural workers

One of the primary challenges to organising rural workers is geographic isolation. Workers seize opportunities to come together and build movements and sectoral forums, strengthening the voice of rural workers and women not represented by workplace unions. As an example, the 16 forestry settlements on state and private land in the Southern Cape formed the Forestry Indaba in June 2000. The Indaba has successfully mobilized in all 16 settlements, engaged in a number of mass actions, made presentations to portfolio committees, engaged decision makers and undertaken research to support the call for secure tenure and upgrading of the forestry settlements. The Forum is now taking up the SANParks evictions. The Indaba has achieved some major successes, in particular securing the tenure of the majority of settlements within commercial plantations. There is an effort by employers to undermine the Indaba through setting up workplace bargaining councils or structures and "community liaison officers". The more outspoken Indaba members, especially women, have been targeted and offered paid positions to effectively silence dissenting voices. Another challenge faced by the Indaba is pressure to formalize and register as a legal entity of sorts. State and corporate bodies are now refusing to engage with a "loose structure". The Indaba continues to grapple with these issues and remain focused on their vision for mobilisation.

The Transnet settlements of the Central Karoo have also formed a regional forum to drive the campaign for secure tenure and upgrading of settlements. This structure has led mass actions calling for provision of services and upgrading of houses. In 2010 the Transnet Forum engaged the Western Province Premier and Transnet CEO and secured an agreement for upgrading of the settlements and transfer of title of the houses to occupiers. This is now being challenged again by Transnet, who have issued letters of eviction to a number of occupiers. So the struggle continues!

Strengthening rural livelihoods

Rural workers and dwellers continue to explore and expand strategies to strengthen rural livelihoods, support resistance to relocation, both voluntary and forced, to urban centres and combat the effects of job shedding. There is a growing move towards taking control over food production through agro-ecological food production sites. Farm dwellers and other rural settlements have mobilised for access to the means of production (land, water and seed) and are producing their own nutritional food. This strengthens tenure rights and challenges the commodification of food and the high prices of rural food outlets.

Small-scale agriculture is the primary means of strengthening rural livelihoods. Each rural settlement has an organisation of small-scale farmers who supplement their food and in some cases generate income. Farmers are becoming more organised locally and nationally to influence statutory policy and budget towards a climate more supportive of small-scale agricultural production. At the same time people are exploring appropriate and affordable methods of service provision to counteract the strategy that it is too expensive for local authorities to support small rural settlements.

Conclusion

The challenge facing rural workers and dwellers is to build movements across geographic and sectoral divides. While there are pockets of resistance and organisation, there is no united voice which draws together farm workers, forestry

workers, railway workers and other rural workers and dwellers to challenge the root causes of discrimination and patterns of accumulation. The issues go way beyond organisation of workers and as such the unions have not been successful in building a strong organised rural workforce. The challenges of geographic spread and skewed power relations in rural areas make it particularly difficult to organise and build accountable social movements with grassroots support. The fact that the ANC government has identified rural development as one of their key pillars demonstrates growing awareness around rural issues. The time is ripe for rural workers, rural women and men, to strengthen mobilisation strategies and build social movements towards a vibrant and just rural countyside.

Nandi Mgijima, ILRIG

Race, Class and Gender Relations Then and Now: The Case of Domestic Labour

Introduction

Prior to the industrialization of South Africa, people were regarded as subsistence societies. At the time land provided people with crops for food, and supported cattle and other animals which were used for food, clothing and labour. Without the right to use land, people in subsistence society could not survive. Members of the family worked together to produce their basic needs. Women would usually grow food and prepare it while men were hunter gathers, supervising older boys, training them to look after the animals.

As Fredericks Engels argued in his classic work, *Origin of the Family, Private Property and the State,* sexual inequality did not exist before the advent of private property. During early eras of human history the sexual division of labour within the system of economic production was complementary, as opposed to hierarchical. In societies where men may have been responsible for hunting wild animals, and women in turn for gathering vegetables and fruits, both sexes performed economic tasks that were equally essential to their community's survival. During those eras the community was essentially an extended family, and women's central role in domestic affairs meant they were accordingly valued and respected members of the community.

The development of capitalism and cheap black labour

The explosive economic growth that resulted from the discovery of diamonds in Kimberley in 1867, and of gold in the Witwatersrand, transformed South Africa

into an integrated industrial economy. The mining industry and the towns around the mines began to grow, absorbing many Africans on the mines. For those men who were not lucky enough to secure employment in the mines, they were forced to take jobs as domestic servants, and they too became part of the migrant labour system.

The state played a crucial role in the realization of forced proletariazation through the enactment of laws that had an inhumane effect on the lives of the African population. The central function of the state at the time was the creation and administration of what was essentially a system of labour coercion, directed against Africans. Those conditions and consequences of coercion were central to the existence and changing nature of South African capitalism.

Tax had to be paid in cash, not with cattle as before – tax for huts, poll tax and the labour tax. In the Cape, the prime minister and mine-owner Cecil John Rhodes introduced a law called the *Glen Grey Act* of 1894 compelling Africans in the Cape to pay R1 every year for cattle and hut taxes, thus forcing many peasants off the land and into white-owned companies in the cities.

Due to these laws Africans were forced off their land and out of their homes. As a result more men became migrants, with women often left behind in the rural areas to look after the entire family. Jobs were often hard to find and many African women worked as agricultural or domestic workers, though wages were extremely low, if existent. Women domestic and farm workers were among the most oppressed and exploited of all workers in colonial and apartheid South Africa; laws protecting them as workers were non-existent. They had limited or no access to education and no right to own property.

Cheap labour lay at the heart of the apartheid system. For African working class women, this often meant slave wages, long working hours, as well as racially motivated physical and verbal abuse at the hands of mainly white employers and apartheid state institutions.

Gender and class then

The relationships established between a white employer and a black woman worker in the domestic service situation carried an intimacy and degree of personal

interaction that no other field of employment has ever had; this allowed for the development of personal relationships, which in some ways transcended the rigid social colour bar in society, yet finally remained bound by its parameters.

In the case of African women, their engagement in the labour market was as domestic workers working under very harsh conditions. They were often exposed to violent situation at work, with sexual offences committed by the husbands of their employers (wives). Walker states that many of the reported and unreported cases of 'immorality', illicit sexual intercourse between black and white, took place between white master and a black maid.

Sexual abuse of African women by European settler men was treated very leniently by the police; when a white defendant was found guilty, the courts usually handed out very moderate fines. These domestic workers worked for the survival of their families by providing reproductive or caring work to the families of their white 'madams' living their families unattended. As Hansen writes: "Domestic workers and their employers are not free and equal participants in interaction, their distribution is shaped and coloured by the structures which control the distribution of power and resources in South African society."

According to Cock, these structures define the relationship between whites and blacks as a master–servant relationship in all spheres, enforced through a variety of effective controls and sanctions. The impact of the migrant labour system on the position of women and the organisation of gender in the rural periphery of Southern Africa was very complex. The transition period opened up an initial period of fluidity, legally and socially, with new but limited opportunities for women who were dissatisfied with their situation to escape. All of the above results were an absurd and very painful situation for indigenous African women who for all practical purposes headed up their families, regardless of their economic means or education, due to the 'migrant' labour system and other colonial practices.

Domestic labour in post-apartheid South Africa

The post-apartheid South African state has established one of the most extensive efforts to formalize and regulate paid domestic work. According to Ally, key

pieces of labour legislation were extended to include domestic workers, and others introduced to give domestic workers, for the first time in South African history, access to the same rights as all other workers, including the right to organise into trade unions, a much-publicized national minimum wage, mandatory contracts of employment, state-legislated annual increases, as well as a world-first inclusion into unemployment insurance benefits, and state sponsored training.

The current minimum monthly wage for domestic workers in Area A, which includes the areas in this study, is R1 506.34. We need to ask:

- Is this a reasonable wage for the amount of work that is associated with domestic labour?
- What considerations have been taken at arriving on the initial minimum wage?
- What mechanisms are in place to ensure that workers get the stipulated minimum wage?

Most of the domestic workers employed in black townships earn far less than the stipulated minimum wage, with salaries ranging from R450 to R800 a month. These workers are also not registered for the Department of Labour's Unemployment Insurance Fund (UIF). The working conditions of domestic workers working for black 'madams' are deplorable, and they have no social security benefits or any other safety net to fall back on after termination of service. Their earnings are barely enough to sustain them and very little is left to take back home.

Despite a range of labour legislation formalizing their employment, power imbalances in the workplace still prevent domestic workers from claiming their legal rights. Unlike other workers, their trade unions have limited organisational capacity and collective bargaining rights, creating a situation where domestic workers (especially those that 'live in') are confused about their rights. One critique of the law of collective bargaining is that it is built on a big business – big union model and this does not capture the reality of the workforce that is increasingly engaged in atypical forms of employment. The law of collective bargaining fails to accommodate the different needs of domestic and informal workers who may be in the employment of more than one employer. It leaves

out a vast majority of unorganised workers – almost all women in the informal economy and large numbers of workers in flexible work.

Why is domestic labour an option?

Despite being the largest economy in Africa, South Africa is still faced with many socio-economic challenges, remaining the most unequal developing society in the world. Using the broad definition of unemployment, South Africa has the highest unemployment rate in the world (40%), resulting in widespread poverty of more than 30–40%. These rates include those who have never worked before and who are looking for jobs. Within this context of growing unemployment, the larger proportion of those unemployed is women. Labour statistics from the first quarter of 2011 (January – March) indicate that the number of unemployed women increased by 70 000, while men showed a decrease of 102 000.

Admission of South Africa into global markets meant intensifying the neoliberal agenda. It was first the continuation of the apartheid government's programme of commercialization of state owned enterprises, the signing of General Agreement Trade Tarrifs (GATT) and later the adoption of South Africa's macro-economic policy, the Growth, Employment and Redistribution programme (GEAR).

The capitalist economic restructuring system is synonymous with patriarchy, denying women equity, decent and stable employment. The structurally hostile neoliberal capitalist economy has continued to displace the black working class, especially women, outside the job market. Uneducated blacks from former homelands and rural areas are the most exposed to unemployment, with some having never entered the world of work. Large inflows of immigrants due to policy prescriptions from the international financial institutions (IMF, WB and WTO) has seen many educated and uneducated immigrants from Southern Africa increasingly engaged in the reproductive labour in South African homes. The structural adjustment progamme also continues to cause impoverishment and unemployment in the African urban and rural periphery.

Under GEAR, joblessness has become the order of the day. Industries like

mining, metals and machinery, agriculture, construction, public service, clothing, textiles and footwear were hardest hit as a result of privatization, deregulation and trade liberalization. Women workers were the worst affected with job losses in the agriculture, public service, clothing, textile and footwear industries. Privatizing strategies led to the state providing less money for places of care and other infrastructure in communities, therefore increasing women's unpaid labour.

The extent of the marginalization of poor people from the formal mainstream economy and programmes for income generation has led to chronic structural poverty, inequality and unemployment. Poverty has bred a dangerous work environment and because the burden of maintaining the home falls squarely on the shoulders of women, many desperate job seekers in the labour force are willing to take any job for survival purposes rather than dignity.

There has been an increase in the use black women performing domestic labour for black working class 'madams'. Economic restructuring has led to an entry of black and white women into the service sector jobs. This increase of women in employment is characterised by precarious jobs that are more insecure, dangerous and with low wages. In most cases these 'madams' engage 'non-standard' forms of employment, part-time work, temporary or casual work and or shift work. Families affected are not able to juggle between work, looking after their children and taking care of the sick and elderly. This has caused a rise in the number of households in demand of domestic workers to look after the children, sick, terminally ill, elderly persons and household chores.

Domestic workers are therefore providers of a useful function that relieves other women from their unpaid reproductive responsibilities to be able to engage in productive economy. In essence reproductive labour contributes to the course of capitalist accumulation and yet it is often socially and economically valued low by society.

Who is a domestic worker today?

Domestic labour refers to work performed around the house such as cleaning, cooking, sweeping, washing and ironing clothes, caring for the elderly, the sick

and children, caring for pets, and other related work carried out for an employer for remuneration. In South Africa domestic labour remains the single largest source of employment for black working class women. It is estimated that 89% of domestic workers are women, of whom 88% are black, with some internal and cross-border migrants.

There is currently an increase in the supply of migrant labour force that is willing to do whatever work there is, including dirty and dangerous work for South Africans families. Most domestic workers are young and middle-aged single women, hailing from South Africa's urban townships, rural areas and neighbouring countries like, Lesotho, Zimbabwe, Malawi, Zambia, and Mozambique. The working and living conditions of the immigrant workers are deplorable.

Racial and class labelling

Domestic workers are still subjected to racist and class derogatory labelling by their especially black 'madams'. I asked people about what names they are given or identified by:

a) **OoNontshongo**

This is often used to refer to a rural woman who still dresses in her traditional attire of "umbhekapheshaya", often smokes "impripri": they are regarded as very backward and are often tasked to do washing and ironing only.

b) **OoNokhitshi**

This is regarded as a very derogatory term used by ruthless employers who show no sign of respect and appreciation for the worker. The "Nokhitshi" is derived from "iKhitshi", a Xhosa word for kitchen.

c) **OAuntie**

This term refers to domestic workers regardless of age. The elderly and children in the employment situation would address a domestic worker by calling her "Auntie", a sign of respect towards the worker.

d) **Ababantu**

This literally means "die mense" or "these people" and it is often used in their presence, for example when employers are in conversation about domestic

workers. When I was interviewing a black employer from Goodwood, she had this to say "*Hayi wethu ababantu abakhathali bathatha lo nto ubanikayona*", ("it's better employing them than employing South Africans"*)*

e) Amakwerekwere

Amakwerekwere is the most common label given to people whose language is different and not understood locally. In the Western Cape townships this referred to the Tswana-speaking people from Kimberley and later extended to African immigrants.

f) Amaqabakazi

Again this label refers to domestic workers, often in their absence, especially in conversation relating to issues of salaries or benefits that they are meant to get as workers. It is a derogatory word, which means "the illiterate".

The relationship between workers and bosses

In most cases the relationship between domestic workers and their bosses has been characterised by high levels of exploitation, lack of respect for workers and defiance of the law. The situation is worse in the case of rural, immigrant and young domestic workers, who experience high incidences of emotional and physical abuse, earning low wages and working long hours. Based on interviews and observations I have conducted, the rights of rural domestic workers are not respected by most black employers. The following case studies illustrate their precarious employment conditions.

Case 1: Zimbabwean domestic worker in South African.

Sihle Ncube, a domestic worker in South Africa, was born to Zimbabwean parents in Zambia. Her father and mother come from a village called Gwanda, kwa Bulawayo, in the south of the country: "I was born in 1975, along with five girls, and I am the fourth in the family. My two sisters died, leaving behind two children in the care of my parents. My parents left Zimbabwe and went to settle in Zambia, returning back to Gweru, Zimbabwe, in 1996."

The family returned to Zimbabwe during fierce political turmoil. Mugabe's land reform programme and many laws had been enacted to prevent whites from claiming Zimbabwean citizenship. This had dire effect on members of the Ncube family and other black working class Zimbabwean families. When her family returned to Zimbabwe, Sihle was only 21 years of age. She and her siblings struggled to obtain Zimbabwean citizenship, due to exorbitant prices charged by the Zimbabwean Home Affairs. Due to the same social ills confronted by many working class Zimbabweans, Sihle was never able to continue with her higher education studies, instead joining the informal economy performing various income generating activities, like hair braiding and domestic work, in an effort to help support her family and educate the two younger sisters.

From 1996 Sihle had a temporary residence permit. In 2003 a Malawian family she worked for as a domestic worker came to her rescue, paying 12000Z$ dollars for a permanent residence permit and 7500Z$ for Sihle's citizenship. As part of her continued effort to seek alternative livelihoods, Sihle has been moving between three countries –Zimbabwe, Zambia and Botswana – in search of greener pastures.

In 2010, Sihle came to South Africa to join her extended family members who are based in Site B, Khayelitsha. She first worked in a hair salon in Khayelitsha and later managed to save some money and open up her own container doing hair braiding, while working two days as a domestic worker. Her duties include house cleaning, laundry and ironing. Sihle claims that she left the three countries because of poverty and diminishing employment opportunities. She works two days a week and earns a monthly salary of R500: "This is also not enough but better than what I would have earned in my country of birth and that is why I have a container so as to supplement this income."

Case 2: Rural bosses and their domestic workers

Ma Mpinga's story

Working for almost 40 years for one employer, Ma Mpinga (not her real clan name) is in her late 50s, a single mother of four children. She has no formal

education and this has made her totally reliant on her employer. She earns a meager salary of R800 a month. She is not registered with the Department of Labour for UIF. She works from Monday to Monday and her day starts as early as 07h00, ending when the family has had dinner around 19h00. She is also called on to work at other times, even after the said working hours. In all her working life she has never had the opportunity to spend Christmas with her own family. In essence she has never been entitled to take annual leave, paid sick leave and or observed public holidays. Her daily chores include preparing all meals for the family, cleaning the house, making up beds for the employer and her children and guests and looking after her employer's children and that of extended family members.

Ma Mpinga was out of work for almost two months due to ill health, as result of losing two children – a daughter who died of hospital negligence and her only employed son to HIV/AIDS. She never fully recovered from these losses and later died in hospital from hypertension, leaving behind her two unemployed children and four grandchildren. Her employer did not pay her fully for the months that she was not at work and she was not able to claim from the UIF because her employer had never registered her. While all Ma Mpinga expected from this long-standing employment relationship was to earn a decent salary and some benefits, the only thing the employer did was to pay her funeral costs and erect a tombstone after Ma Mpinga's burial. What an insult to the poor rural woman who sacrificed her entire life, and that of her family, looking after the employer's needs!

Ma Mpinga works alongside a Xhosa-speaking woman who did laundry and ironing and three Lesotho nationals who looked after the employer's livestock – cattles, goats, sheeps, cooking for dogs and doing gardening. They all earn R700.00, a hundred rand less than Ma Mpinga's salary.

Case 3: Former female teacher turns to domestic labour

After leaving teaching, domestic labour has since been Sindi's source of income. In 1996 56 year-old Sindi lost her husband and two children in a horrific car

accident. While jer two remaining daughters were seriously injured, they later recovered in hospital. Sindi holds a diploma in Junior Primary and taught in the former Ciskei until 2005.

"I have never been able to fully recover from my loss – and the second marriage was also a disaster that added to my psychological strain. So in December 2005 I decided to leave teaching and relocated to Cape Town." Sindi occupied her mother's house with her surviving two daughters. *"Ndihlala nabantwana bam bobabini – ndasokola kakhulu ngabo emva kwalangozi babe involved kuyo" ("They are both my gifts from God".*) Both Sindi's daughters have Matric, and an N4 in Business Management and Office Practice Certificate respectively. They are in their late twenties, and are both unemployed.

Sindi is a live-in domestic worker in Camp Bay, looking after a widower with his 7 and 9 year-old children: "Although I realized that teaching was not a viable option for my health – I did make some efforts to get back to the profession. I was never successful with those applications. So I had been without employment until October 2006 until I found this domestic work through my aunt." She works alongside a South African domestic worker and a Malawian male gardener. Her day starts as early as 0600, and finishes around 18h00 after the family's dinner. She gets off duty every second week of the month. Sindi thinks she is registered with the Department of Labour for UIF because of a deduction from her R3000 salary. In her words, "I think they can afford to pay us more because there is a lot that we do here – when I first started here in 2006 these children did not have a mother figure, so I have been doing everything – taking good care of them and giving them love … these kids lost their mom at an early stage and that and my teaching experience has enabled me to be intimate with them."

Case 4: Who is a gardener in South Africa?

Andrew Munthali a teacher by profession, but he works as a gardener in South Africa. He was born in 1973 in the northern region of Malawi. He is married with five children, of whom two died as a result of the 2002 Malawi famine:

"I also lost a brother and sister during that time – now I am looking after their children too – oh! I do not want to say a lot about that time."

Andrew first came to South Africa in 2004 and worked in Johannesburg as a gardener until 2006 when he was deported back to Malawi. Before migrating back to South Africa and Tanzania, Andrew taught Grade 3 (equivalent to SA Grade 7): "I have a teaching profession but salaries were very low with high food prices, fuel, it was equal to R270."

Andrew saw no way of surviving with a meager salary, in the face of the poverty and hunger that was killing people in Malawi. He sought work in various industries, leaving the teaching profession – until in 2009 September he decided to come back to South Africa. In Cape Town, Andrew first worked for a gardening company and left due to xenophobic tendencies: "The boss was very good – but my fellow workers were treating me badly, calling me names and claiming that foreigners are taking jobs belonging to South Africans – it was a bad experience and decided to leave that work."

In the same year Andrew was offered employment as a gardener in Camps Bay, Cape Town. He works from Monday to Friday, earning R150 a day less unemployment deductions.

Case Study 5: Lucy comes to Cape Town

Lindi Lucinda Pikoli is a 28 year-old girl from Kimberley, who was dismissed for not reporting for work on a particular Saturday after she was locked outside the house by the employer. According to the employer, Lucia "is a good girl but she is sometimes troublesome, she went out on Friday night with our garden boy, on her return I had instructed the gardener not to let her in my house. Lucia came back on Sunday and I told to leave my house and I paid her R300. Lucia is supposed to take one week-end off every month but she took more than that."

Lucinda states that her employer promised to pay her a monthly salary of R900: "I started working for them on March the 17th 2011 and I was paid R500.00 at the end of April with a promise that I will get the outstanding R400.00 later in the month and this was never paid. On May the 14th, I was

paid R500.00 and the employer claimed that she had reached the bank limit. When my employer came back from work on Friday, 20 May 2011, I told her that I want to visit my relative and this was not true but I had to lie to her as she would not have allowed me to go. I went out to a bar with the gardener and later went to visit my home girls. On my return on Saturday the gardener would not open for as he claimed that was an instruction given to him by the employer."

Lucinda said that her belongings were locked inside a house that she did not have access to: "As I was seated outside the pavement waiting on them to return home, their next door neighbour offered me something to eat. I later decided to go back to my friends and returned on Sunday and I was told to pack my things and go. When I asked her about the outstanding monies owed to me she told me that they do not owe me. I pleaded with my employer because I did not have a cent on me and her husband gave R300." Lucinda is now displaced due to an unfair dismissal and secured a place to stay in a shelter in Mitchells Plain, Cape Town.

Case 6: Two nationals employed by a working class family

"My name is Nomana Tafane, I was born in 1965 e Dikeni, in Tyume village in the Eastern Cape province. In 2000 my husband died in a car accident leaving me and five children without any form of support. At the time of my husband's death I was a semi-skilled waged labourer in the textile industry in Dimbaza, Ciskei."

Life became too difficult: "Things were not easy for my children. There were days where we would go to bed on empty stomachs. In the same year of the death of my husband I came to Cape Town to search for work and I stayed with my uncle."

Noma, as she prefers to be called, started work as a domestic worker in 2003 for a working class family in Langa township (a lady teacher and not sure what was the husband occupation). She worked for this family from January – December 2001 until her employment was terminated for operational reasons. For a while Noma was unemployed and life was really difficult. Then she began work again as a domestic worker for an old lady called Mrs Kama, who operated a crèche in E Section in Khayelitsha. Her employment was terminated due to the closure of the creche as Mrs Kama was no longer able to pay her.

Noma now works again as a domestic worker for a working class family in E Section in Khayelitsha. She works alongside Nthabiseng, a Lesotho national, looking after seven children aged between 18 months and 12 years. Other duties include cooking, cleaning, making five beds, feeding children, laundry, ironing – "it's really hard work and long hours". Noma whispers "abasibhatali – imali incinci for umsebenzi esiwenzayo – nangoku asiyazi nemali esizukuyifumana ukuphela kwenyanga." ("They are not paying us a good salary for the amount of work we are performing – we do not even know how much we will be paid end of May".)

Nthuso Funa was born in 1988 in Lesotho. She left school when she was doing Form C (equivalent to Grade 10). She was born from a family of six children – four girls and two boys and she is is the fourth child in the family. Her parents and one sister are working in Rustenberg, South Africa, and another sister is working in Somerset West, in Cape Town. Back at home in Lesotho they left one elder sister with two younger brothers, with their children. In 2010, Nthuso came to Cape Town. She first worked for a family of five at Ilitha Park, Khayelitsha. From her first salary of R850 she had to pay R450 for being employed, R30 for electricity and R50 towards groceries: "I spend the R320 for my personal necessities and send R200.00 home towards maintaining my child. The 'lady' does not allow us to come with our children to Cape Town."

After December 2010 Nthuso left the 'lady's' place, and she now stays with a fellow national in a backyard shack in E Section, paying R250 a month each in rent. She is now a live-in domestic worker in E Section, Khayelitsha. According to Nthuso in January she received R1 600, in February it was R1000 and in March she got R800. Both of these employees said: "We are not sure what they will pay us in April."

Ma Mpinga's story is not unique. Based on our interviews and observations conducted over the December holidays, rural women domestic workers' rights are not respected by most black employers. Most of the domestic workers are forced to work as live-in workers and paid far less than the minimum wage set out by Sectoral Determination 7.

The current minimum monthly wage for domestic workers in Area A, which includes Emalahleni local municipality, is R1 506.34, but most domestic workers

we spoke to earned between R300 and R800. They receive no pay for overtime. The most common form of compensation for extra work done is in kind in the form of prepared food (left-overs). These women are regarded as illiterate and therefore not deserving of decent salaries. A young black woman employer had this to say: "If they [domestic workers] are serious about being employed they should take whatever we are offering them because 'ngamaqaba' [they are not educated] and even the state that stipulates payments for them will not be in a position to provide jobs for these women." It is this kind of attitude that domestic workers face in the case of black employers. Their weak position forces domestic workers to work under these unbearable conditions, often being unaware that of the laws that exist to protect them. Neither Noma nor Nthuso are aware of any legislation regulating the employment and or a regulated minimum wage for domestic workers. They both claimed that they have no knowledge or never heard of a trade union that organises domestic workers. For Nthuso it is not her intention to join a trade union even if there was one: "We are starving in Lesotho – I need money to feed my child." Noma is looking forward to any help that she can get that will address her situation.

Who is the 'madam' today?

Based on interviews and observations conducted, employers of domestic workers are still largely white and black bourgeoisie, petty bourgeoisie, with a noticeable increase of middle and working class families. The majority of black employers are single women, married and or young couples, middle and elderly bosses. Other employers are agencies, human traffickers who sell young girls to employers and in return demand payment from domestic workers for placement.

The supply is easy to get!

Nthuso and other girls from Lesotho are trafficked for domestic labour exploitation by a black woman known as "Rhemakatsi" from Khayelitsha, near Cape Town. According to Nthuso, she heard about a South African woman recruiting young women for employment in South Africa. She and other girls went to

meet the 'lady' and they were offered employment in South Africa but there was no mention of the type of employment. There were about 12 girls, Rhemaketsi and the driver in a taxi to Khayelitsha, South Africa. As one remarked, "I do not think Rhemaketsi will ever afford you an interview – she is aware that what she is involved in is illegal – she has erected a shack that sleeps ten to 20 women. There are no beds, they sleep on the floors, and living conditions for these girls are bad." The living set up of these young girls is similar to the migrant labour compounds erected during the apartheid era. Nthuso was very reluctant to provide me with the physical address and contact numbers of Rhemaketsi, saying repeatedly, "I do not think she will answer the call, I do not think that the number is still in use." The physical address she supplied is incomplete but at least she gave me the section in Khayelitsha.

Who will protect workers?

The level of unionization of domestic workers in South Africa is still very low. They face formidable challenges to organising, including restrictions on freedom of movement, fear of angering employers and risking deportation, and a lack of free time outside of working hours. Although most workers were aware that trade unions are organisations for workers, a few did not seem to regard domestic workers as workers who could also be organised into trade unions. "Njengabasebenzi basemakhitshini singanakho ukujoina imibutho yabasenzi nathi?" ("Are domestic workers also permitted to join trade unions?") For Mampinga and the immigrant workers, this was not a cause for concern for they were interested in becoming part of the broader labour market so as to sustain their livelihoods. The majority of domestic workers interviewed were not aware that there are trade unions organising domestic workers.

The organisational future of unions depends on organising and addressing the interests and concerns of workers. Trade unions, like all social formations, did not develop and grow within a vacuum, but rather as a reaction to certain political, social and economic conditions at a specific time. "Trade unions are a vehicle for workers to liberate themselves from poverty and unemployment. It

is a voice of workers to demand their rights in law and improve their living and working conditions."

Workers join trade unions for a host of reasons, including but not limited to believing that trade unions represent workers interests and there is strength in numbers. Trade unions can negotiate on behalf of their members to improve working conditions, like better pay, less working hours and leave benefits. It is obvious that trade unions can still play a critical role in protecting workers who are discriminated against on the basis of sex, race, colour, religion, political opinion, national extraction or social origin, disability, family responsibilities, or age.

Conclusion

The socialization of society has resulted in gendered division of labour in the household and in the workplace. The fact that unpaid reproductive work within the home is considered to be the primary responsibility of women has severe implications for the sort of work women do outside the home. Cock cites studies that show that working women have less than two-thirds of the free time enjoyed by their husbands because their combined labour both inside and outside the household total seventy to eighty hours a week.

Domestic workers have organised their private lives based on the needs of their employer. Cock argues that:

"Domestic workers are largely 'trapped' workers; as black women they are trapped in a vulnerable and powerless situation within which they are subject to oppression and exploitation. Their exploitation is evidence by deprivation of their family life, of unreasonable working hours, of time to pursue social and leisure interest of their own choosing, of a negotiated wage, of favorable working conditions, of the ability to rent or purchase accommodation in a chosen place, to sell their labour in the place of their choice, of respectful treatment, of the acknowledgement of the dignity and importance of their labour; of legal protection, of membership in an effective worker organisation and of effective bargaining power, of regular paid leave".

Behind employee vulnerability in the region are high levels of unemployment and accompanying poverty, posing a major challenge for the labour movement globally. The survival of a social movement trade union is imperative to challenge the decaying socio-economic situation faced by working class women.

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Part 4
The State, Ideology, Control and the Media
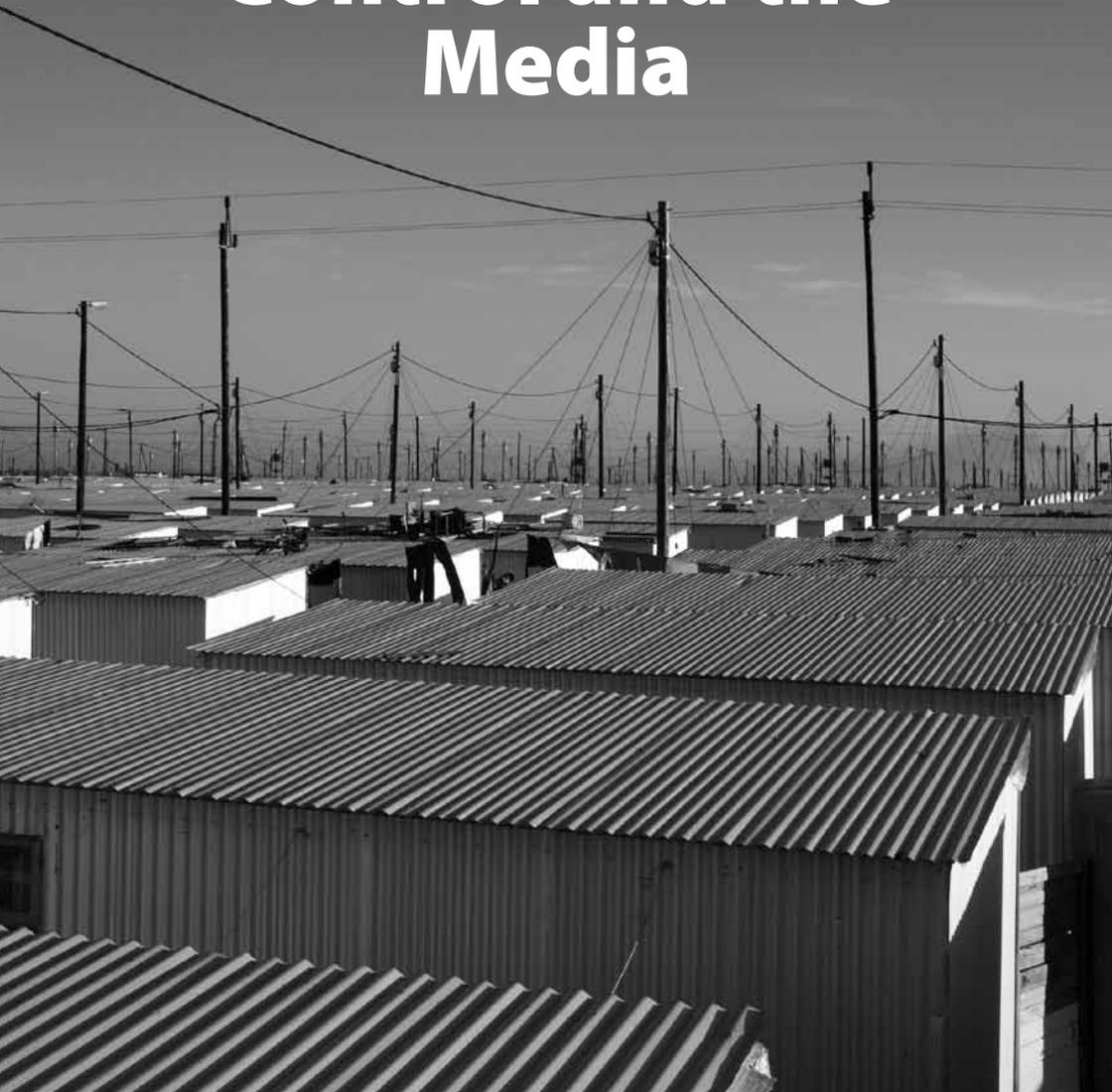
Fazila Farouk, South African Civil Society Information Service

The State of the Media: A Progressive Critique

In looking at various social formations in South Africa today, I will talk about the media because they are a crucial role player in most, if not all, societies and this is true for South Africa too. As one of the primary sources of news and information for a vast majority of people, the media is extremely influential in informing and shaping public opinion. What the media writes about, how it writes about these things, what it chooses to highlight, and what it chooses to obscure or hide are all-important elements of how public opinion is formed. Moreover, the media reaches a lot of people, thus making it important for us to engage with and influence the information and views that are promoted.

I will limit my focus on the media to print media, talking about newspapers because this is the chief form of media with which my organisation engages. I work for a non-profit organisation called the South African Civil Society Information Service (SACSIS). Launched on 5 May 2008, SACSIS shares a birthday with Karl Marx! We are a news agency that feeds opinion pieces to the mainstream media; our op-eds are produced by a team of progressive writers working in various capacities in civil society. What sets us apart from Reuters, Associated Press, Bloomberg and other news agencies is that we write specifically from a social justice perspective. We believe that poverty is a denial of human rights and thus we take a pro-poor angle in all the stories that we publish.

In this way, SACSIS is trying to shift mainstream discourse away from a focus on the needs of people to a focus on people's rights. So we write about the relationship between democracy and governance and its implications for the realisation of socio-economic rights. Within this we focus on a few key subject areas such as economic justice, land and housing, environmental justice, public

services, human rights and so on. While we also track international events and issues, our main concern is writing about issues that affect South Africa. To the best of my knowledge, we are pioneers in our field.

Since our inception we have been trying to influence the media narrative from a progressive perspective. Every week since our launch we have released two to three articles to a mailing list of 600 media people, covering print, television, radio and online media. To date, we have released about 400 articles, with 200 being published in the vast majority of South Africa's daily newspapers. It has been very interesting for us to track media priorities based on which of our articles have been selected for reprinting.

The media have a strong anti-government bias, but are not necessarily critical of government for the same reasons as progressives. The media are critical of government due to their orientation, which ranges from a liberal bias underpinned by a faith in the market to deliver more efficiently than government to conservative advocacy of neoliberalism, rabidly promoting the privatisation of all sectors of society. Hence this healthy scepticism about government's role and performance, which is a story the media like to tell. The media is very much in the business of telling stories. The story they like to tell about our government is that it underperforms, that affirmative action has led to a number of appointments of unskilled people who can't do their jobs and that our politicians are corrupt.

Much of this is true, but there are two problems with this narrative: firstly, that it is also underpinned by an inherent racism or Afro-pessimism; and secondly, this only tells half the story. The other half of the story tells of how big capital is holding this country to ransom, but this story of corporate malfeasance is not one that the media tells very well.

At least one editor has acknowledged this fact publicly. At a roundtable discussion hosted by SACSIS last year, *Cape Times* Editor Alide Dasnois acknowledged the lack of attention that is paid to corporate malfeasance, saying the following:

"One of the conversations we have in our newsroom is this: Why is Julius Malema's Breitling watch so interesting and the watch which is worn by the Chief Executive of First Rand not interesting at all? And the reason

– comes up in our discussion as well – is how he got his watch. If he got his watch in an underhand manner than the watch becomes more interesting. OK, whereas in the society in which we live, it is perfectly alright for the Chief Executive of First Rand to do what he does and to get a very large watch out of it. But what about the Chief Executive of Premier Milling or some of the other milling and bread companies, which have done illegal things in our country, putting up the bread price and colluding over the bread price and so on. Why are we not photographing him and focusing on the watch on his hand. I think that that's a question that we in the media need to answer and that we don't answer very well."

This roundtable discussion on "The Media and the Economy" provides a very good case study of bias in the media. The roundtable was attended by several editors – Alide Dasnois of the *Cape Times*, editor-in-chief of the *M&G*, Nic Dawes, and editor-in-chief of Avusa Publications, Mondli Makhanya (Avusa publications include the *Sunday Times*, *The Times* (daily newspaper), *Daily Dispatch* and *Business Day*). In order to get to the bottom of how the media understands the political economy of South Africa, we posed several questions to the participating editors: Is the economy on the right growth path? What are the prospects for making it more inclusive? How does the media report on the economy? Does the media have a vision for South Africa's economic development?

Dasnois said that she didn't believe that the South African economy was on the right growth path and that she didn't think that the prospects for making it more inclusive were particularly good.

Dawes was a little more circumspect in his assessment of the failure of the economy to deliver to the poor (I think this stems largely from the fact that he does believe that our economy is on the right growth path and he buys into our government's fiscal policy vision). Dawes believes that South Africa's fiscal policy has a progressive vision and he seemed particularly impressed by the fact that it tries to harness the energy of the market to redistribute wealth. In his own words:

"What you see embodied in the fiscal policy of this government is a very serious effort to ameliorate poverty and to redistribute wealth. There is an enormous redistribution of wealth going on in this country from a narrow tax base to a huge social grants program -- through a social wage that now constitutes something like two thirds of the budget. The gap between intent and effect is profound and that's a gap that has to do with state capacity and governance."

Thus, the media believe that the problem facing this country is not about a failure of macro-economic policy, but a failure of governance and state capacity. This reinforces my earlier remarks about how the media likes to dwell on the story or narrative of the useless and corrupt ANC-led government. This view was reinforced by Mondli Makhanya who said:

"There is broad consensus about a market economy with redistributive capacity…it's a consensus that was driven by the government that came into power in 1994 and I think we in the media became part of that consensus."

To her credit, Dasnois pointed out that she was not part of that media consensus.

According to Dawes, the answer to developing pro-poor economic policy is not the set of alternatives that the left is putting on the table. At the time of the roundtable, COSATU had released a policy document on economic growth and job creation. The words used by Dawes to describe the ideas promoted by COSATU in their document were "old" and "musty".

A progressive critique of the media, which was highlighted at the SACSIS roundtable discussion on the media and the economy, is that the media polarise the debate between the left and the right, and have a neoliberal bias. Dawes denied categorically that the media have a neoliberal bias, stating that newspapers give a good amount of column space to progressive perspectives.

However, I disagree with this view, based on my reading of editorials in newspapers and the open declaration by editors at the roundtable of their strong

faith in the capacity of the market to redistribute wealth in this country.

With regard to polarising debate between the left and the right, Dawes confirmed this, explaining that the media reports on the "clash of arms" between the left and the right. They set up an easy oscillation between these polar binaries and use this method to report on all broad macro-economic debates – whether relating to the national budget, nationalisation of the mines, inflation targeting and so on.

This approach smacks of lazy journalism, and does not do justice to the nuance of debate. One obvious omission is the middle ground between the left and the right, which is not receiving coverage. So when the media say that they report on the clash of arms, we can be sure that the debates are not set up in such a way as to present arguments in a manner that informs, educates and equips the public to engage as informed citizens in our democracy. The debates deliberately provoke an excited and anxious response from the public, rather than calm and rational reasoning. While newspapers are very interested in the human-interest angle, they never really get to the 'big picture' stuff, which tends to leave the public uninformed.

Finally, there are also obvious indicators of the power of capital in the media. For example, who really wants to know about the Rand/Dollar exchange rate, every second of every minute of every hour of every day, yet the media provide this service to the business community, along with a huge amount of reports on companies in dedicated business sections of all newspapers. Imagine the scenario if we had regular and sustained reporting of human development indicators – that would certainly even things out in terms of balanced reporting between the needs of business and of society.

In conclusion, the media terrain needs to be contested in the battle for the hearts and minds of people. It is crucial for those of us working in civil society to take our fight into the media terrain. Unfortunately, it is not an easy terrain to navigate, given private ownership of the media by interests with a fairly well defined agenda of promoting free market capitalism or, at best, gentle critique.

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Social Control, Unemployment, Labour Supplies and Neo-Apartheid Services

Introduction

Unemployment is without doubt one of the main facets of the stubborn reality of South Africa's deepening social crisis. By 2010, almost 45% of Africans were unemployed compared to 38% in 1995. For the most part, the poor still live in townships – the original spatial containers for apartheid state administration. At the same time workers' share of income declined from 56% in 1995 to 51% in 2009. As inequality deepened and the wealthy in the 'new' South Africa were able to command an even larger slice of social wealth, they walled themselves off from the poor in exclusive high security complexes, privatised malls and 'gated communities'. Unemployment and separate development – the overriding features of late apartheid – have alarming continuities with this new South Africa. Recall that the Bantustans were created to pump out cheap labour for the mines, workers lived in hostels and urban townships. Unfortunately we know that the townships and Bantustans are still there and although there are basic services, nothing has changed about the way these places feel and function.

Apartheid seemed to have worked awfully well. It produced an enormous almost endless supply of cheap labour. By the 1980s it was clear that this was the biggest problem for the apartheid state. Apartheid was so 'good', so successful at creating an enormous army of cheap but unskilled labour – what Marx calls a reserve army of labour.

The places where workers come from (township ghettoes) do not produce highly

skilled people because the poor don't even sleep properly at night. They produce unproductive workers and that is one of the reasons we cannot compete in the world today for foreign investment. How on earth do you expect people to invest when the workers do not even sleep at night because of shack fires? The water gets cut off. We still live in the same apartheid places, far away from where we work and it is time-consuming, unpleasant, tiring and expensive to travel. That makes us one of the strangest countries in the world, where the workers are very cheap, but they are also very unproductive. The education we get is useless, because 50–60% of the unemployed have got Grade 12 but no jobs. How do we explain that? My argument is that we are still living under apartheid – but a slightly different apartheid. One of the worst things is that middle class people have left the township, so there is even more class apartheid. It is intensified because now you are not only black, but you are the poorest of the poor and it is like being in a cage.

This paper takes a deeper look at unemployment in South Africa and how the post-1994 state deals with the 'problem' of masses of unemployed. It argues that the African National Congress (ANC) inherited a social formation which it has yet to change. This social formation involves a form of capital accumulation and socio-geographical structures of reproduction that remain more or less similar to apartheid capitalism. Yet in its job of managing the vast numbers of people that might be 'surplus' to capital's needs, the ANC has developed new tools. Pass laws have been replaced by more democratic means of oppression and policies whereby 'basic needs' are met. Altogether a system has evolved to keep the masses at the level of 'bare life' through social grants and free basic services to so-called 'indigents' in townships. But these basic services now constitute a new form of surveillance and administration of the poor, and basic services ignore relative poverty. Radical and imaginative interventions by the state are required to ensure large-scale job creation and struggles will be increasingly fought out on the terrain of widening inequalities and public services.

The key questions explored in this paper are: has the ANC tackled structural issues and the key socio-socio-spatial issues? How does the ANC rule and what new and old mechanisms are there for ruling? How important are social grants and free basic services in maintaining some kind of social control over the so-

called 'surplus people'. As one government official put it: "What does 14 million social grants and free services buy us?" How much is needed to keep the peace? How, if at all, does the ANC intend to tackle the grotesque power of private property and its role in reproducing black townships , which once upon a time was described as the essence of colonialism of a special type (see Cronin 1996).

Most policy think tanks argue that *the* central problem of South Africa is to create decent jobs and to find an ecologically sustainable and equitable growth path. Alongside unemployment, however, poverty, inequality, education and the geographies of poverty are also seen as key areas. About 70% of 48 million South Africans earn below R949 per month. South Africa has the worst inequality in the world; the top 10 % command 51% of national income, of which 17% are Africans, mainly employed in top jobs in the civil services (IES 2005). Including social grants, the lowest decile earn a mere 0.2 % of national income (IES 2005). The average white salary in 2008 was R75 200 compared to an average for Africans of R9 790. Whites have done better under 'post-apartheid' in terms of their proportion of national income than under apartheid.

Another common discourse in South Africa today, especially among business lobbyists, World Bank and even former left-wingers, is that 'unreasonable' wage demands, narrow-minded trade unions and rigid labour laws have combined to make job creation almost impossible. But other more critical scholars say the 'problem' is not purely 'economic' and they refuse to divorce it from social policy and political questions. These political questions are: the role of the state, the socio-spatial arrangements and shape of our cities, exclusionary land ownership patterns which make labour both expensive but low-skilled, the organisation, and a host of other factors such as the highly monopolistic forms of ownership, and the structure of the economy itself.

Unemployment – the dimensions

By any standard South Africa has an extraordinary unemployment rate, even in official terms. Figure 1 shows the vast difference in official unemployment statistics between South Africa and comparable third-world countries.
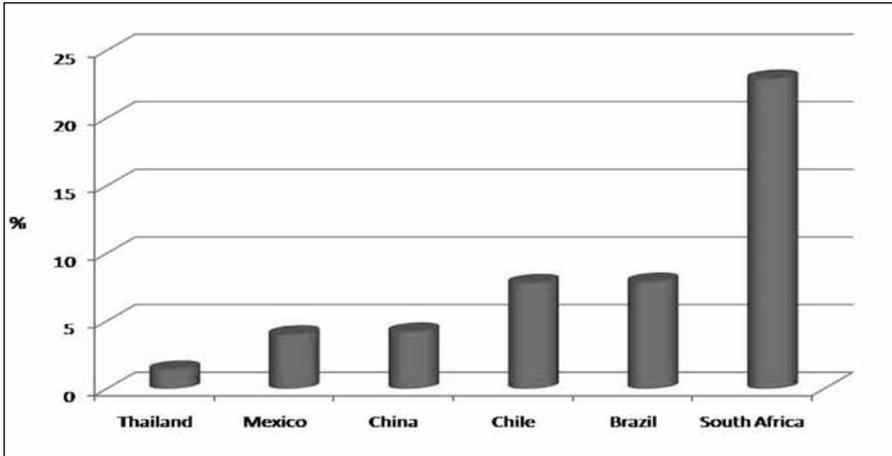
Figure 1: Comparative unemployment

Official or *strict* definitions of unemployment say that an unemployed person is someone who is without work, but can work, and is actively seeking work. Hence, official figures exclude 'discouraged work-seekers' – those who did not take active steps to find employment in the month prior to the survey, even if they had a declared desire for work. On the other hand, the *expanded* definition of unemployment includes those who would accept employment if it were available, but have given up looking for it.

Who are the unemployed? Unemployed and 'discouraged work-seekers' are mainly African and female. In the townships and districts such as O.R. Tambo there is s figure of 78–79% unemployment. In Khayelitsha the figure is 40%, if you go to Soweto it is 55%. In September 2005, two of every three discouraged work-seekers were female (Statistics South Africa 2005). About two thirds of all unemployed are below 35 years of age. Government officials speak of "NEETs" ("…not in education, not in employment and training"). In early 2011 51% of South Africans between 15 and 24 were unemployed. Worse still, the chronically unemployed have never experienced work as part of their life experienced and may even be "untrainable" (NPC, Diagnostic Report, 2011). The period spent jobless has been increasing. It seems that the longer

the duration of unemployment, the worse the chances are of finding a job and the greater the pressure for implementing effective job-creation programmes. In 2003, about 1.7 million people had been unemployed for at least three years (Department of Labour 2004).

Table 1: Official unemployment rate (narrow definition) by gender and population group, September 2001 to September 2006

	2001	2002	2003	2004	2005	2006
African Male	31.5	31.5	30.0	27.6	26.6	25.3
Coloured Male	19.5	19.9	18.8	19.7	20.6	16.6
Asian Male	15.7	15.6	15.5	12.4	14.0	6.6
White Male	4.7	5.0	4.0	5.1	3.6	4.6
Male Average	**25.8**	**25.9**	**24.7**	**23.1**	**22.6**	**21.2**
African Female	40.7	42.3	38.7	36.0	37.1	36.4
Coloured Female	23.1	26.6	23.6	24.1	24.6	22.6
Asian Female	23.5	27.1	18.4	15.4	18.6	14.3
White Female	7.4	7.4	6.2	5.8	6.9	4.4
Female Average	**33.8**	**35.9**	**32.0**	**30.2**	**31.7**	**30.7**

Source: Statistics South Africa 2006

The unemployment rate is lower for those with less education (Statistics South Africa 2002). This means that, perversely, having less education is an advantage in the lower end of the labour market. In South Africa underemployment is a major problem. A significant number of jobs are no longer permanent, full-time employment (see Table 3). There are part-time employees, temporary employees, employees on fixed-term contracts, employees supplied by temporary employment agencies, casual employees, people who work from home, and workers engaged under a range of contracting relationships. All these working arrangements affect the quality of employment.

Table 2: Number of employees by type of employment contract and industry

Industry	Permanent	Fixed-Term	Temporary	Casual	Seasonal	Total
Agriculture, Forestry & Fishing	455 000	27 000	99 000	63 000	69 000	715 000
Mining & Quarrying	383 000	25 000	10 000	–	–	423 000
Manufacturing	1 150 000	64 000	126 000	81 000	–	1 434 000
Electricity, Gas & Water Supply	86 000	22 000	12 000	–	–	123 000
Construction	270 000	91 000	182 000	112 000	–	662 000
Wholesale & Retail Trade	1 141 000	55 000	207 000	176 000	–	1 585 000
Transport, Storage & Communication	371 000	22 000	75 000	29 000	–	498 000
Financial, Insurance, Real Estate & Business Services	790 000	87 000	60 000	24 000	–	965 000
Private Households	535 000	19 000	317 000	188 000	–	1 074 000
Community, Social & Personal Services	1 757 000	89 000	136 000	67 000	–	2 055 000

Source: Statistics South Africa 2005

Employers generally want people with work experience. There are also notable gender disparities among the three groups of people who were not employed. Whereas 61% of 'unemployed' men had never worked, a larger proportion of 'unemployed' women (68%) had never worked. An even larger proportion of female 'discouraged job seekers' (77%) had no work experience, as against 72% of male 'discouraged job seekers'.

Why is this so?

Common explanations of the causes of unemployment include: insufficient economic growth to absorb labour supply or the wrong type of growth. Thus technological change has increased the demand for more skilled employees and led to large-scale job loss in the lower rungs of the labour market. The changing structure of the economy, as seen in the shift away from the primary sectors (mining) towards the service sectors, is also a factor. With the opening up of the economy since 1994 there is even less manufacturing, mining and agriculture, and more services; increasing capital and skills intensity. It is argued that South Africa cannot compete with low-waged countries, but neither can South Africa compete with high-skilled and low-waged countries like China. Shockingly poor and unequal education outcomes, high transport costs and monopoly capital squeeze out small-scale business and entrepreneurial activity. The agricultural sector is not a job creator unlike rest of developing world.

Unemployment in South Africa is largely of a structural nature. Structural unemployment is the systematic failure of the economy to soak up the labour force, even at the peak of the business cycle. During periods of economic growth, job opportunities in South Africa have not increased fast enough to absorb both the existing numbers of unemployed people and those entering the labour market for the first time. The simultaneous elimination of existing jobs and the creation of new job opportunities mean no net increase in jobs. Where employment losses in such declining or inefficient industries and firms are concentrated geographically, the social costs can be particularly acute.

The media and capital have argued that COSATU causes unemployment because of strikes and demands for unrealistic high wages. Government is also blamed for too much regulation protecting workers. Capitalists complain that it is hard to fire workers.

A longer view of the crisis

Unemployment (narrow definition) in South Africa rose slowly from the 1970s – from 8% to 21% in 1992. By the time the ANC won the elections in 1994,

unemployment was at 25%. Since then it has hovered around 30%. The long-term decline in employment has been worse in a number of sectors, notably mining and textiles. Between 1988 and 1992, manufacturing employment fell by 6%, metal products by 12%, and clothing and textiles by 23% (Labour Market Commission 1996). Between 1987 and 1995, employment in the mining sector fell by 32%, meaning 239 738 lost jobs. The single biggest contributor to the decline in formal-sector employment in this late apartheid period was job losses in the major parastatals (Labour Market Commission 1996). The main aim of late apartheid was to create this huge amount of cheap labour. They were very successful and now we sit with this incredible problem. This is where we are now. This is how bad things are. In the so-called post-apartheid situation, we will reap all the bad things that apartheid created, and in fact the situation has worsened.

The role of municipal services in the social crisis: Where are we headed?

South Africa today is awash with labour and community protest. What is the role of local government in this? Why do people find local government to be unhelpful even oppressive? Today local government is the policing agency to control the mass of unemployed and the social crisis. Someone has to put the lock on the cage at night to keep the poor in cages. The new jail keeper of the proletariat and the poor is local government. They claim that they deliver services; actually they might as well say that they are feeding those in a prison.

Local government gives households a limited service which breaks down most of the time, and then they switch it off when residents cannot pay. There is nothing free about free water services; for example, you have to walk 200 metres, get raped, wait 20 or 30 minutes to get the water, and then carry it back in a bucket – and they call it free basic water. Now you have it and now you don't! What kind of water supply is that? So there is this constant oppressive presence on the part of the state and local government to police the poor, the workers and the unemployed. Rather than supply services at a high level to promote opportunities for a more productive and easy life, local government is

using services to keep tabs on us, to understand what we are doing. We don't have service delivery – we actually have forms of surveillance.

What then objectively is the role of the ANC and the Democratic Alliance (DA) government? If you forget the ANC's or DA's intentions, you come to this horrible conclusion that when the government says 'sustainable' development, they actually mean sustainable ghettos, sustainable poverty. Their aim is mainly to sustain poverty – not to eliminate it. So this is what the word 'sustainability' means to them. Service delivery is all about disciplining poor people and is actually a form of oppression. Every time you take something from the government, they say, "sign this piece of paper… have you got an ID book? … can you give us evidence of how many people live in this house, fill in the form.." If you want to get something from the municipality, you must start this whole business of paying off your debts first and signing indigency and debt acknowledgement forms.

Conclusion

So where are we headed? I think we are in a very dangerous situation. It's easy to organise unemployed people and make them really angry. It's easy to start blaming, saying it's the Xhosas or people from the Eastern Cape making problems here in Cape Town. This is the danger that we face as a fragmented working class, fragmented in all sorts of ways while political gangsters fight over who will run the townships and the towns and get the contracts and tenders.

The key thing learnt in the 1980s is the need for community – labour alliances. The various sectors of the working class cannot do things on their own and we must avoid that horrible reality – the possibility of another civil war between the poor. This is where it could end up and the ruling class will say: "Okay it's fine, let them kill each other as long as it happens inside the township and does not spill over to us". One of the best forms of social control is to let poor people kill poor people. Thi is what we must avoid and that is why building understanding, working out how to cooperate and build the unity of all poor people, whether they are from the Eastern Cape or the Western Cape or from Zimbabwe, is paramount.

Part 5
Drawing the Threads Together
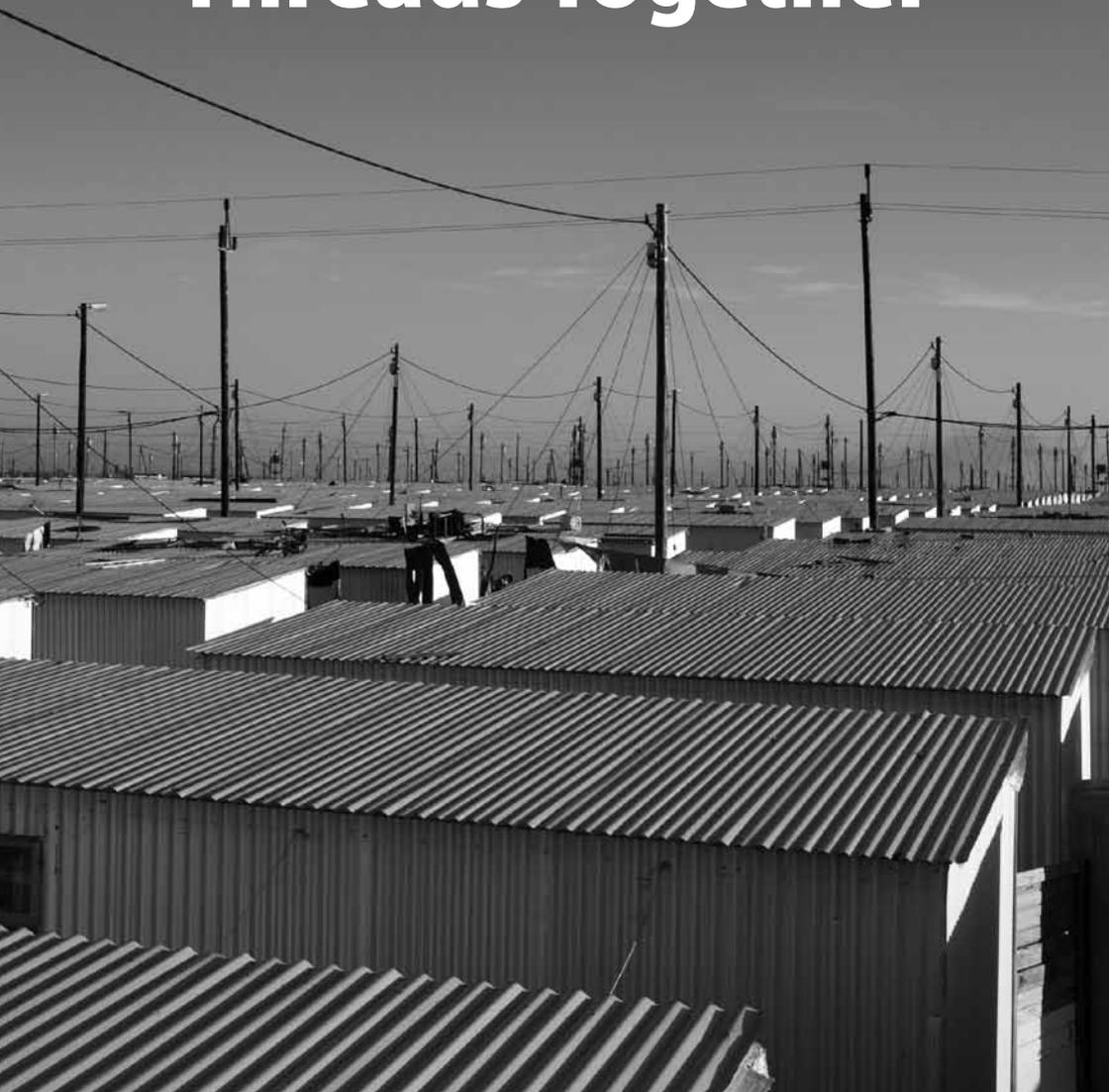
John Appolis, GIWUSA
Monopoly Capitalism

ON THE EVE OF democratisation in 1994, we find the South African economy dominated by six conglomerates: Anglo-American Corporation, Sanlam, Rembrandt Group, Anglovaal, SA Mutual and Liberty Life. Anglo American had ownership and influence in almost every sector of the economy through its control of 86 Johannesburg Stock Exchange (JSE) listed companies – representing 43.4% ownership of JSE-listed companies. At the time Anglo American, Sanlam and SA Mutual between them controlled a staggering 755 of the JSE's market capitalisation. We find mining, industrial and finance capital interconnected and integrated and conglomerates like Anglo American spread out in all sectors of economy: mineral processing, steel, engineering, consumer goods, retail, banking, newspaper, with dominant core still mining.

This diversification and spread was the result of the crisis of over-accumulation of the 1960s/1970s. Through the repression and banning of mass organisations in the 1960s, South African capitalism made mega profits. However, these mega-profits could found no outlets for investment because of the seized economy. Capital controls imposed by the apartheid regime also kept capital internally. The conglomerates looked internally for ways of expanding their reach of accumulation. They acquired internal companies and other disinvesting companies to seek profits.

In 1994, we also found a direct relation between conglomerates and financiers. For instance Anglo American had ownership with Southern Life, First National Bank and First Corporate Bank, The Rembrandt Group had ownership in Lifegro/Federated Life, Vollskas/Boland Bank, Rand Merchant Bank and UBS.

However, soon limits were reached in the internal devouring of other capitalists, and the conglomerates had to find other outlets for capital accumulation. By the 1980s, international multinationals were already on the

path of neoliberalism and financialisation, and the South African ones did not want to be left behind. They had a burning need to export capital. They were already doing it illegally: between 1980 and 1993, illegal capital outflow constituted 5.4% of gross domestic product (GDP). To be part of the process of globalisation, South African conglomerates pushed the apartheid regime to undertake the liberalisation of the economy – e.g. privatization and removal of financial controls. The Botha regime experimented with these, and some measures were implemented but many recommended reforms from various commissions were not carried through because of the political crisis, resistance from the masses and sanctions. South African capitalism reached a dead end under the apartheid regime and had to find a solution to the crisis of political and economic legitimacy.

Realising that the African National Congress (ANC) was amenable to take over, from the National Party, the role of political administrator of South African capitalism, the conglomerates became initiators and supporters of the democratisation of the political system. The ANC – using its liberation credentials and political legitimacy, which the National Party Regime lacked – pushed through and implemented a full package of homegrown neoliberalism and liberalisation of the economy.

The macro-economic policies of the ANC government were tailored to the interests of the conglomerates and finance capital. Financial liberalization – including bank deregulation, interest rate liberalisation, exchange rate flexibility and the removal of exchange controls – is central to these policies. Under the democratic ANC government, financial controls were removed on 27 occasions between 1994 and 2010.

To take advantage of the neoliberal space provided by the ANC government and become part of the global process of financialisation, the South African conglomerates embarked upon unbundling strategies by listing overseas, selling off some companies but also using institutional investors (finance capital) to keep controlling interest in others.

In the 1990s, the ANC government allowed South Africa's biggest companies – Anglo American, DeBeers, Old Mutual, South African Breweries,

Didata and Investec – to move their financial headquarters and primary stock market listings to London. Today the outflow of profits, dividends and interest payments to Anglo, DeBeers, Old Mutual, SABMiller, Mondi, Investec, Liberty Life and BHP Billiton is the main cause of South Africa's dangerous current account deficit and in turn, the soaring foreign debt. Capital outflow from the country, as a percentage of GDP increased from an average of 5.4% per year between 1980 and 1993 to 9.2% per between 1994 and 2000, and averaged 12% between 2001 and 2007, reaching 20% in 2007.

Conglomerates ensured that they are able to take wealth out of the country mainly through transfer pricing, especially in and round mining. Capital flight from the country has thus worsened under a democratic government and, as Moeletsi Mbeki remarked recently, "big companies taking their capital out of South Africa are a bigger threat to economic freedom than ANC Youth League president Julius Malema."

The financialisation of the economy and conglomerates

The research institution, Who Owns Whom, found that there has been a massive decline in ownership concentration on the JSE. In contrast to 1994, the interest of the three giant conglomerates – Anglo American, Sanlam and SA Mutual – had declined in 2009 below 25% of the JSE market capitalisation. In contrast to 1994, in 2009 Anglo American has 11% of the JSE market capitalisation. They also found that in 2009 foreign ownership of the JSE-listed companies amounted to 56% as compared to less than 3% in 1994.

Formally it appears that there is now less ownership concentration and more ownership in the hands of foreign capital (institutional investors) in the South African economy. But here a distinction must be made between foreign and foreign. Anglo American and the other conglomerates that have listed overseas are classified now as non-South African companies; so what appears as foreign ownership is actually South African. Take for instance, Anglo-gold Ashanti. Though Anglo American does not exercise management control over Anglogold Ashanti it has a controlling interest in Anglogold Ashanti through

an institutional investor, the Bank of New York Mellons Dr. The latter holds American Depository Securities on behalf of a non-US company.

In fact, whilst South African conglomerates globalised and listed on other stock exchanges, South Africa remains the source of their biggest profits. In other words South Africa remains the place where they extract the bulk of their wealth. To take Anglo American for example, in 2010 it derived 48% of its revenue from South African operations (see Table 1).

Region	% to revenue
SA	48%
South America	23%
Australia & Asia	12%
Europe	8%
Other Africa	7%
N America	2%

Today we find Anglo-American Corporation is mainly a commodity focused conglomerate. This is not to say that Anglo-American is now less a conglomerate than it was 17 years ago; rather in addition to shifting its wealth overseas, it has maintained monopoly positions in a number of key commodities. Anglo-American:

• is the world's number one primary producer of platinum;
• is the world's number one diamond producer (through De Beers);
• is the world's fourth largest producer of iron ore;
• is the world's largest producer of seaborne manganese and among the top three producers of manganese alloys; and
• owns huge gold mining interests.

What is also evident is that the conglomerates in conjunction with finance capital (banks, hedge funds) are engaging in financial speculation and manipulation of

the financial markets to increase profits. Financialisation does not only mean speculative activity overtaking production but also production of goods and services are subjected to financial imperatives. Shareholder value, and especially headline earnings, is the main objective of production. For instance the South African Futures Exchange (SAFEX) sets the prices of, for instance maize. Essentially SAFEX consists of the hedging and speculating activities of brokers in the employ of maize sellers, maize buyers and major banks. To influence prices maize harvests are underestimated and for every 1% underestimation in the maize crop there is a 0.71% increase in the maize price. In fact, the prices of wheat and grain would rise when there are reports on the number of people facing starvation –by raising the prices they increase the number of people facing starvation!!

Conglomerates like Anglo American used their monopoly positions to foray into speculation. To a large extent revenue and profits do not so much derive from the core operations but from financial activities, speculation and futures markets. Anglo-American Corporation's Group Operating Profit increased by 104% to $9.8 billion in 2010 (R68.6 billion), largely as a result of price increases across all commodities in which Anglo-American Corporation operates. Their forays into financial markets and other financial investments sometimes outstrip their investment in fixed investment. In 2010, Anglo-American Corporation had financial assets (including derivatives) worth R22 billion. A large part of their operations are engaged in financial speculations – hedging, forward swaps and contracts, options.

Despite democratisation, ownership and control of economic wealth are still in the hands of South African conglomerates. All facets of the South African economy are still dominated by monopolies today. Take the food industry, for instance, where there is a high level of concentration and centralisation of wealth. Seven capitalist enterprises controlled the wheat and grain milling industry and they are: Suidwes Landbou Beperk, NWK Beperk, Senwes Beperk, Afgri, Vrystaat Kooperasie Beperk, NTK Limpopo Agric Beperk and Oos-Vrystaat Kaap Bedryf Beperk. Four companies controlled and owned the food processing industry and they are: Premier Foods, Pioneer Foods, Tiger Brands and Foodcorp.

In the diamond industry, De Beers is the only dominant monopoly. The pharmaceutical industry is dominated by three companies – Aspen Pharmacare, Adcock Ingram and Cipla. The banking industry is dominated by four banks – Standard Bank, Nedbank, ABSA and First National Bank. Retail trade is dominated by Pick-'n- Pay, Shoprite Checkers. Every single sector/industry of the South African economy is dominated by a few monopolies. What is now hidden is the extent of the interlocking ownership across the various sectors of the economy, hidden in the form of institutional investment.

Ever-present past

What should be remembered is that South African capitalism from its inception – and throughout its evolution and development was (and still) is dominated by a very highly monopolised set of conglomerates. Now, and before 1994, the South African social formation is geared towards ensuring the reproduction of the general conditions favourable for capital accumulation on the part of these monopolies. Though a latecomer on the capitalist scene, South African capitalism took a mere 30 years to establish roots in all the major sectors of the economy. It took on a violent and highly monopolised form, imposed from above and outside. With the discovery of diamonds and gold in the late 19th century the slow yet violent transformation of pre-capitalist relations in the countryside had to give way for a rapid and violent imposition of capitalist relations in all spheres. In the space of a few decades capitalist social relations dominated all sectors. The drivers of this capitalist transformation were not an indigenous bourgeois class but the direct agents of imperialist capital. They did it by means of large investments of imperialist capital into the mining industry.

The impetus for the rapid monopolisation of capitalism in South Africa came from prevailing constraints – that is the technical and price constraints – under which gold mining took place. The gold-bearing ore, though plentiful, had a very low average grade and was located in narrow broken seams far beneath the surface requiring deep level mining. The price of gold was internationally determined and fixed over time.For capital accumulation to take place in the

mining industries there had to be access to vast amounts of capital to acquire the necessary machinery. From the beginning mining capital and finance capital were very much integrated and connected. In addition the use of expensive machinery in return required the minimisation of the costs of production in the supply and use of cheap labour. Capitalism came to rely on the state of the day to secure the regular supply of cheap labour.

In order to create the conditions for capital accumulation in gold mining British imperialism had to confront and reorganise the particular combination of social classes existing at the time. South Africa at the time was a fragmented country divided into different spheres of political control. Capital accumulation necessitated the violent creation of a South African nation state and this involved British imperialism launching bloody wars with the Boers and African indigenous communities. The violently created South African state then effected a racist and hierarchical division of labour within the working class, thereby setting in motion a polarisation of class forces. After 50 years of class struggle the ruling class managed to fashion, on the one hand, a supportive class – Afrikaner capital – and a social base consisting of the white middle class and working class. On the other hand there existed a dominated, oppressed and exploited black working class. At the centre of this configuration of class forces was the apartheid state.

Implications of financialisation of the conglomerates

Whilst the mining and manufacturing are still important sectors in the economy, the fastest growing sector in the economy over the last 20 years has been finance and related services, contributing as much as 20% of GDP. There are huge implications from the fact that the majority of the ownership of the economy is in the hands of financialised conglomerates, institutional investors and foreign capital. Such ownership is largely in the form of short-term portfolio investments, largely geared towards making quick profit in the short term – a form of financial speculation.

This has made the economy extremely vulnerable to outside developments

and pressure, creating constant instability and balance of payment problems. For example, the recent economic troubles of the European Union where there is the strong possibility of Greece defaulting on its debt repayment caused large outflows of foreign portfolio funds from South Africa. In the first half of September 2011, R14 billion left South Africa – R6.3bn due to equity sales and R7.7bn from bonds. The pace of outflows accelerated towards the middle of September 2011, where R15.8bn flowed out.

Financialisation, and accompanied capital flight from the country, has meant that domestic investment in productive activities has fallen and capital stock across almost all productive sectors has also declined. The result has been structural unemployment, extreme levels of poverty and inequality in the midst of plenty. In conclusion, until such issues as capital flight, the financialisation and monopolisation of the economy are fundamentally reversed, the working class has no chance of addressing the inequalities and poverty in the country.

Mandla Sishi, Ditsela Workers' Education Institute[1]

Historical Materialism, the South African Social Formation and the Actuality of Revolution

Introduction

The working class shall fulfill the mandate of human history; shall break the sinews of class oppression, and shall give final answers to humanity as to the future of capitalism.

This is not a statement of faith or romantic awe with which to look at the role and place of the working class in history. It arises from an analysis of the laws of development of the economic system, the changing function of the state – then and now – under neoliberalism and deepening social crises. These are the gasps of an agonizing system that must continue to preserve itself while wreaking a trail of destruction, and the fact that notwithstanding technological advance, it will have to continue churning out its own gravediggers.

However, it is not a matter of a mere convergence of these conditions that decides the future of an established system of production. A great deal of transformation in consciousness combining active struggle has to take place inside the forces of change (subjective factors). We have already seen moments ripe for an advance – such as the recent economics crises – pass by, as we fail to turn these against mainstream economics. We have ploughed the seeds of this failure. Over the past 12 years as social movement arose, not much can be shown in terms of cadre development.

The foundations laid are eroding. We need to pay attention to basic things: steadfast theoretical preparations amongst activists to stand the changing conditions of class struggle were traded on the altar of fashionable theoretical adventures of movementism, ala Michael Hardt and Tony Negri. Everything

began with the movement and the end was nothing. We have the same division of labour in the movement that continues to separate activists' practical fieldwork from progress in critical intellectual productive work. Any movement that closes its eyes to this critical question is doomed to fail.

The call of history

Every turn in historical development present its own major social questions, as combinations of old unresolved social problems intersect with those thrown up by the present situation. As a struggling people in the era of "deepening national democratic revolution", we confront puzzles of our own time. Our collective experience from the various fronts of the class struggle against capitalism and the ideas that support it, throws up baffling questions. Our reality is a muddled world reality, one which seems unmoved, unyielding and impervious to all good reason.

The struggle for clarity continues. It has never been this critical and urgent to pierce through the aesthetic tinsel and grandstanding of bourgeois appearances. The centre of all controversy remains understanding underlying positions and alignment of social forces around world political economy, the place occupied by the state, the mode of integration of national economies, systemic reproduction of combinations of both backwardness and of apparent progress, along with all the vicissitudes of imperialist globalisation – wars, famine, ecological destruction, i.e. the relationship of social, economic exploitation on a world scale.

Speaking of reason, there is reason out there, 'sovereign' and entrenched, with the key spokespeople being official orthodox economics scholars and political elites, which define the logic of everyday life. But a world reality that obeys no reason other than its own is often incapable of generating or of relating to other reason from within – it has no intrinsic capacity to save itself from its downright oblivion to reality. However this reason, or consciousness, is the direct product of material reality (Marx). It is not reason as in a bolt from the blue or the Hegelian notion of the cause or origin of reality. It can no longer be harmonized with common reality via an activist outpouring of more and more reason.

We are called upon to see through the multilayered rag of official explanations

of the capitalist society and unfolding world developments to their essence, connections and future paths, in order to change the material reality sitting at the foundations of dominant reason. In that awakening amongst the toilers, the language of reason takes a new turn. Historical development sets forth towards a resurgence of radical modes and methods of reason, of rearming our instruments of struggle.

At the same time, and consistent with periods of ideological retreat and political crisis, is the celebration of the triumphant individual – the displacement of collective processes of material existence, the atomization of resistances, just as the centralizing machinery of class exploitation reifies all social relations to mirror its own warped image. Nor is this a new phenomenon – it must have prompted Keynes' remark that practical men who think of themselves as free men are slaves of some defunct economist. As if that is not enough, are theories of disaggregation of the human experience that post-modernism has been their chief synthesizer, albeit now in retreat. On now numerous occasions we learn that we must capture the state, hegemonize working class influence over it, and thus expand the horizons and trickling down of the spoils of democratization as the new blueprint towards socialism.

So, these are complex and stubborn conditions inviting from us tools of investigation that are superior to the enemy's ways and those within our own ranks. We can succeed in this, thanks to the dialectic materialist breakthrough by the earliest fathers of scientific socialism. Those amongst you comrades who like reading books might know this: there are three very strange words in the English language, although their content is related and not so difficult to understand: cant, casuistry and sophism**.** *Cant* is the art of saying exactly the opposite of what you really mean. Both *casuistry* and *sophism* mean a deliberate and clever construction of arguments in order to deceive, giving stop-gap explanations. If we take the example of parliamentarism, that official theatre of deception, you have at hand parliamentary cants that employ sophist processes, which may not be visible to the naked eye or routine application of common sense.

A representative of historical materialism can therefore be measured by the depth and breadth of his grasp of this – and the problems arising from it – and by the

extent to which he is able accurately detect beneath the appearances of bourgeois society those tendencies towards proletarian revolution which work themselves in and through it to their effective being and distinct consciousness (Lukacs, 1924).

Thus, to infuse a capacity amongst activists to understand – the character of the South African state, the constituent social formations that form the basis of its existence, the interpenetration between state and capital (foreign and domestic), the current state of forces arrayed in opposition to the capitalist order, the constant drag, schemes and agencies of reification and reproduction of ruling ideas amongst the workers and community activist and the role of parasitic intermediaries between ruling classes and the proletariat – becomes the task a comrade can deal with if he/she is educated in the dialectic materialist conception of the historical process. Unfortunately to this day history has not been kind to bequeath us any method of superior analysis.

International developments

By 1990, the world number of physicians had grown to 1,6 million. Alongside this growth in the number of doctors, the number of armed forces, people engaged or geared for war conditions, had increased from 18 to over 26 million. The end of the Cold War promised peace and stability, but the global number of wars and conflict rose to 29 major wars in 1992, with deaths reaching a 70% year high. In the US in the 1980s, people working in the health sector doubled, but this did not prevent the US from occupying the last place in child mortality amongst major industrialized countries. Everywhere we see contradictions of one sort or the other. How do we explain these? How do working class theoretical tools of analysis unearth the myths and realities of development and underdevelopment in the world (see John Rees, *Algebra of Revolution*)?

What happens when we do not give attention to this combination?

- As activists try to follow various attempts to answer these questions, they come across mysticisms, half truths and a set of correlates that make no

connection with genesis or cause and do not isolate agencies that carry dominant world views for change. In other words, they encounter a riffraff explanation of reality.

- Because sophistry has become institutionalized as part of the national spirit, protagonists of the exploitative order rely on high-sounding phrases such as the Social Contract, Good Governance, the imminent arrival of the African century, Rainbow Nation, the great Constitution, people's Parliament, reconciliation, thus enjoining the collective mass towards responsibility for the national good that in the final analysis is the rich's good. Combining this with militant sounding rhetoric is the desperate political clamour for so-called 'deepening the hegemony of the working class' which must happen around the theoretical orbit of the 'National Democratic Revolution' (NDR). How many of the young and old comrades here are able to blow the NDR to pieces and offer an equivalent, if not superior, theoretical exposition of the farce that is the NDR?

- As activists grapple with the confused vocabulary of reformism and treachery, they may not awaken to the fact that they are forever marshalled into captive models of institutionalized resistance, of 'dialogue' and of 'consensus'. All the high platforms for dialogue, such as job summits, parliamentary debates, NEDLAC, Cabinet Lekgotla, turn out to be stage managed puppet shows, while the streets, as demonstrated in the Free State recently, are being recaptured through the barrel of the gun.

- Perplexed activists will always look up to their eminent icons of struggles. When their strained and careful look shows leaders humming in a soprano consonant with the musical script of the market; the dominant line of neoliberal logic; when the leaders call for comrades to "Be practical comrade, be realistic! Rome was not built in one day!", they may not be able to answer: "Hang on, comrade icon; at least you must credit us with the simple ability to judge the shape of the future structure from first bricks laid in its foundations?"

- Activists must be able to see how the runaway dogma eludes the 'critical' eye of even educated professors! How the political narrative of neoliberalism fills

auditoriums, how the entire system mocks the sacrifices of common people's struggles, and how great human ideals fade into a distant past.

The materialist dialectic of history is a method that makes it possible for us to see the difference between appearances and underlying processes, motives and interests whose detail can be explained, reported, analyzed and exposed in their internal mechanisms or essence rather than only their external forms. We will see how things have gone way topsy-turvy; in Marx's words, we will speak "the language of real life". We will have to say that the negotiation process excluded economic transformation, picked for itself the resolution of formal political problems and that it was a process of strangling a social revolution. We will have to say that we are poor because the transition to democracy prioritized abstract notions of reconciliation over wealth redistribution and common ownership; that democracy succeeded only insofar as it makes it possible to create stable conditions for accumulation along existing patterns of wealth ownership.

But as Steve Biko wrote, "those who kick us have no right to tell us how to respond to their kick". Forward to the revolution!

Notes

1   I am a political economy education activist based at Ditsela Workers' Education Institute in Johannesburg, a formation of the two biggest labour federations in South Africa. Views expressed in the article are not necessarily those of Ditsela Workers' Education Institute.

Shawn Hattingh, ILRIG

Andries Tatane: Murdered by the Ruling Classes

On 13th April 2011, people in South Africa were stunned at the sight of six policemen beating a man to death, screened on the evening news. The images of the police smashing his body with batons and repeatedly firing rubber bullets into his chest struck a cord; people were shocked and appalled. Literally hundreds of articles followed in the press, with politicians of all stripes hopping on the bandwagon and lamenting his death. Many called for the police to receive appropriate training to deal with 'crowd control' – after all, elections were only a month away.

The brutal death of Andries Tatane was the culmination of a protest march of over 4 000 people in the Free State town of Ficksburg, demanding the basics – decent housing, access to water and electricity, and jobs. They had written repeatedly to the mayor and local government pleading for these necessities, but were brushed off by local state officials, like group of modern-day Marie Antoinettes. Clearly officials had more important matters to attend to – like shopping for luxury cars, banking their latest fat pay checks, handing out tenders to Black Economic Empowerment (BEE) connections and talking hot air in the municipal chambers. When the township residents had the audacity to march, demanding a response, the police were unleashed on them, using water cannons and rubber bullets.

The reason why Andries Tatane was murdered was because he had the cheek, in the eyes of the officials involved, to challenge police force members who were firing a water cannon at an elderly person. For that act of human decency, Andries Tatane paid dearly. The message was clear – how dare anyone question the authority of the state and its right to use force wherever and whenever it is deemed necessary.

A war on protestors

The sad reality though is that Andries Tatane's murder at the hands of the state did not represent something new or even an isolated incident. For years, the South African state has treated people engaged in similar protests with brute force and utter contempt. Activists from community based movements like the the Anti-Privatisation Forum (APF), Abahlali baseMjondolo (ABM), Anti-Eviction Campaign (AEC) and Landless People's Movement (LPM) have been harassed routinely by the state, arrested and beaten. On the day of the 2004 elections, LPM members in Soweto were tortured by the police. Some activists have also been victims of attacks by vigilante groupings, with the police turning a blind eye. In reality, the state views community based movements as the enemy. The fact that the vast majority of community based protests are peaceful, usually involving little more than people blockading a road or burning old tyres, does not deter them from violent repression.

Numerous people involved in community protests, similar to the one in Ficksburg, have been murdered by police officials. As recently as February 2011, protests erupted in the town of Ermelo, Mpumalanga, one of South Africa's poorest provinces. The protestors were demanding the exact same basic necessities as in Ficksburg. The state did not respond by listening or engaging with the people, but dispatched 160 riot police, euphemistically named the Tactical Response Team (TRT). Police Commissioner, General Cele, personally warned the Ermelo protestors and organisers that the TRT was going to restore 'order'. In the process, two people were shot dead by police and 120 were arrested. Subsequently, raids were conducted throughout impoverished areas, and even an 80 year-old woman was detained. An illegal curfew was also implemented by the police and anyone on the street was fired at with rubber bullets. Indiscriminate police violence reportedly became the order of the day. In one incident, captured on a cellphone camera, a teenager was called out of a shop by a group of policemen. When he approached their car, he was shot at repeatedly with rubber bullets and forced to roll down the street as 'punishment'. Other people were also reportedly whipped by the police with sjamboks; no

doubt a deliberate reminder of colonial and apartheid style repression. People were literally driven off the streets by state-organised terror.

The bitter reality, however, is that Emerlo and Ficksburg are simply microcosms of how the state routinely dishes out violence towards those viewed as a threat. In 2010 alone 1 769 people died as a result of police action or in police custody. Sadly, Andries Tatane has become part of these shocking statistics. Sinister interrogation processes have also accompanied the direct violence directed by the state at protestors. Bongani Phakathi, accused of being one of the organisers of the Ermelo protests, was interrogated for 14 hours by the crack Hawks unit. Amongst other things, he was questioned about whether there were funders behind the protest. The questions reveal the level of paranoia on the part of the state around the ever-growing community protests. In fact, the state has repeatedly claimed that a sinister 'third force' lies behind the wave of protests. Over the last few years, the National Intelligence Agency (NIA) has been deployed in communities to supposedly uncover this 'third force' and intimidate people. In the process, many have been arrested and interrogated, with some even charged. For example in 2006, 13 people were charged with sedition in the small town of Harrismith because of their involvement in a community protest. Almost all of those charged were released due to a lack of hard evidence and the state was eventually forced to drop the sedition charges. Nonetheless, the goal of intimidating people is clear.

What has also become patently clear is that there is no 'third force'; these claims are being used to 'legitimise' the use of intelligence agencies against people. The 'third force' driving the protests is the appalling conditions under which people are forced to live. Sadly, it is not an exaggeration to say the dogs that guard the property of the rich, and are used by the police, live in better conditions than the poor in South Africa. It is also clear that police force members, the foot soldiers of the state, are taking their cue from leading state officials and politicians – whether aligned to the Democratic Alliance (DA) or the African National Congress (ANC). The likes of General Cele have encouraged the police to "shoot to kill" if they feel under threat. The ANC, DA and Congress of the People (COPE) have more than once branded people embarking on

protests as criminals that need to be dealt with. Despite regrets expressed about Andries Tatane's murder, politicians continued to say that protestors need to be subjected to effective 'crowd control'. Likewise, police officials stated that anyone who "taunts" the police must be "dealt with". This speaks volumes about their oppressive worldview. In response to a wave of protests in 2009, the Cabinet released several statements, including one stating that: "the action we will be taking is that those who organise these marches, those who openly perpetuate and promote violent action … the state will start acting against those individuals". The state's message to the poor is clear – protest and the state will come for you, isolate you and crush you. It is in this context that Andries Tatane was killed.

The way the state views and deals with community protestors currently has remarkable similarity, and continuity, with the practices of the apartheid state, despite the state being in the hands of a supposed black nationalist liberation movement, the African National Congress (ANC). Besides apartheid-style brutality, the post-apartheid state still makes use of apartheid laws to deal with protests. Under these laws, anyone wanting to protest has to apply seven days in advance, and the state can refuse permission on a number of grounds. If permission is not granted then any protest involving more than 15 people is deemed illegal. The state is then 'free', according to its own laws, to arrest or take action – a euphemism for firing teargas and rubber bullets – against those involved. Under such circumstances, freedom of expression is a hollow claim. With such practices it is also no wonder that the South African state is attempting to pass laws that would allow it to classify information to prevent public scrutiny of its practices, abuses and shortcomings. The state is not an entity of the people; it is an entity of oppression.

The wider war

The suppression of protestors is merely the outward sign of a larger and more intense war waged by the elite in South Africa on the majority of people. In fact, the elite, through capitalism, have been exploiting people through wage

slavery; stripping people of their jobs to increase profits; turning housing into a commodity; stripping peoples' access to water to make profits; denying poor people access to food; and cutting off people's electricity when they are too poor to pay. For years people have, therefore, been robbed by the rich and state officials. As such, the elite – made up of white capitalists now joined by a small black elite centred mainly around the state and ANC – have forced the vast majority of people in South Africa to live in misery. Indeed, the elite in South Africa has created and entrenched a society that is defined by continued exploitation of the poor and workers; by continued racial oppression of the majority of workers and the poor, and by extreme sexism. The rich and state officials (the ruling classes) have grown rich and fat – living off the blood, sweat and cheap labour of the predominantly black working class and the poor. It is for this reason that the rich and politicians have come to enjoy one of the highest living standards in the world. They enjoy lavish houses, serving staff and massive pay checks – a lifestyle that even the royalty of old could only dream of. Thus, it should not be surprising that South Africa is statically the most unequal society in the world – it was and is designed to be so by the ruling classes, and is the basis of their wealth and power!

The state is war

It is this extreme inequality and deprivation – and accompanying experience of exploitation, oppression and humiliation – that drives people like Andries Tatane to protest. While we should rightfully be appalled by the death of Andries Tatane, and other protestors, at the hands of the state; we should not be surprised. The state is the ultimate protector of our unjust and unequal society. If the status quo is even remotely threatened or questioned, the purpose of the state is to neutralise the threat and/or silence or co-opt it.

In fact, anarchists have long pointed out that states, of whatever variety, are inherently oppressive and violent. States are centralising and hierarchical institutions, which exist to enforce a situation of minority rule. The hierarchical structure of all states inevitably concentrates power in the hands of the directing

elite. The existence of states and an elite are therefore synonymous. States are the concentrated power of the ruling class, made up of both capitalists and high ranking state officials, and are a central pillar of ruling class power. Thus, the state serves dominant minorities and by definition it has to be centralised, since a minority can only rule when power is concentrated in their hands and when decisions made by them flow down a chain of command. It is specifically this that allows minorities who seek to rule people (high ranking state officials) and exploit people (capitalists) to achieve their aims.

The fact that the state is an oppressive and hierarchical system has also resulted in the continuation of the racial oppression of the vast majority of the working class (workers and the poor) in South Africa. The anarchist Mikhail Bakunin foresaw the possibility of such a situation arising in cases where national liberation was based upon the strategy of capturing state power, as happened in South Africa. Indeed, Bakunin said that the "statist path" was "entirely ruinous for the great masses of the people" because it did not abolish class power but merely changed the make-up of the ruling class. Due to the centralised nature of states, only a few can rule – the majority of people can never be involved in decision making under a hierarchical state system. As such, he stated that if the national liberation struggle was carried out with "ambitious intent to set up a powerful state", or if "it is carried out without the people and must therefore depend for success on a privileged class", it would become a "retrogressive, disastrous, counter-revolutionary movement". Over and above this he stressed that national liberation and the end to all forms of oppression, including that of race, had to be achieved "as much in the economic as in the political interests of the masses".

Through their position in the ruling class (based on their control of the state), the black elite have escaped the effects of racial oppression and have become oppressors themselves (their power over the state at times has even been used by them, for their own interests, against other sections of the ruling class like racist white capitalists), but racial oppression continues for the majority of the working class. The privileged position of the black ruling elite – like their white capitalist counterparts – is based on the continued oppression of black

workers, who have been and are deliberately relegated to the role of extremely cheap labour by the state and capitalism in South Africa. Although the working class in South Africa includes white people, the main source of wealth for the white and black ruling elite depends on the exploitation of the black working class as a source of super cheap labour. It is this combination of racial oppression and exploitation on which the wealth of the elite rests. Thus, when the state and capitalism remained intact in South Africa, after apartheid, continued exploitation of the working class and racial oppression of the majority were assured. It is this context that has created the conditions leading to protests in townships like Ficksburg and Ermelo, and it is this situation that has assured that protests will continue.

The oppression and exploitation of the majority of people will, and does, happen even under a parliamentary system. This is because even in a parliamentary system a handful of people make decisions, instruct others what to do, and enforce these instructions through the state. When people do not obey or disagree, the power of the state is used to coerce and/ or punish them. Thus, the state as a centralised mechanism of ruling class power also claims a monopoly of legitimate force within 'its' territory; and will use that force when it deems necessary – including against protestors raising issues like a lack of jobs, a lack of housing and a lack of basic services. It is this violent, oppressive and domineering nature of all states that have led anarchists, rightfully, to see them as the antithesis of freedom. The brutal reality is that protestors in South Africa, like Andries Tatane, who are demanding a decent life and greater democracy, have ended up victims of the mechanism of centralised minority rule: the state. In terms of trying to silence protestors – whether by baton, water cannon, rubber bullets or live ammunition – the South African state has been carrying out one of the main tasks for which it was designed, organised violence.

Conclusion

The fact is that capitalism and the state system are key to why South Africa is the most unequal society in the world. The state entrenches and enforces this

status quo, based on the exploitation and oppression of the vast majority of people. Andries Tatane was a victim of this system. For as long as capitalism and the state exist, inequality will exist and people will be forced to live in misery. When they raise issues and protest; the state will try to silence them by co-option or violence or a combination of both. However, for as long as the state and capitalism continue to exist there will be thousands upon thousands of protestors like Andries Tatanes, Ernesto Nhamuave, Steve Biko and Hector Pieterson. The state and capitalism, to paraphrase Bakunin, are in combination a vast slaughterhouse and cemetery, sometimes killing workers and the poor suddenly and openly, and sometimes killing them silently and slowly.

If people want a just, fair, equal, genuinely democratic, non-racist, non-sexist and decent society then capitalism and the state system need to be ended. Certainly, people should continue to demand and organise to achieve immediate gains like jobs, better wages, housing and services, but for as long as these systems of class rule exist, domination, inequality and oppression will also exist. Thus if genuine material equality is to be achieved, people need to organise to take direct control of the economy, and run it democratically, for the benefit of all and to meet the needs of all.

Only under such circumstances will we end the poverty which drives people like Andries Tatane to protest, and sacrifice their lives. Only under such a system will racial oppression be ended. Likewise, if people want a genuine democracy and a say over their lives, then people are going to have to get rid of the state and replace it with a form of people's power based on structures of self-governance like federated community/worker assemblies and federated councils at regional, national and international levels. There have been historical experiments, although on a limited scale, with such structures of direct democracy, including in South Africa during the anti-apartheid struggle. We need to learn from these. If we want to ensure that there Andries Tatane did not die in vain, we need to revive the best practices of Peoples' Power and work towards achieving a free and egalitarian world – a world based on the principles that have become known, through a 150-year struggle for justice, as anarchist-communism.