

CONTOURS OF CAPITAL'S NEGOTIATING AGENDA

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In his 'Rubicon II' speech to the opening of Parliament in January 1986, P.W. Botha offered further indication of the direction of state restructuring in the context of the current crisis. Sabre rattling against 'communists' and 'revolutionaries' was accompanied by Botha's strongest yet statement of reformist inclinations. The normally cautious Buthelezi, for example, all but conceded that he was ready to join Botha in a 'national statutory council' after the latter had, amongst other things, indicated: the abandonment of 'outdated' concepts of colonialism and apartheid; support for the principle of common citizenship in an undivided South Africa with rights of all citizens to participate in all structures to be **negotiated**; the scrapping of influx controls as of July 1 and its replacement with a positive urbanisation strategy; strong support for the 'sovereignty of law'.

For those who might not have been familiar with the interventions of the Associated Chambers of Commerce (ASSOCOM) and the Federated Chambers of Industry (FCI) before Botha's speech, the extent to which he appears to be under the influence of such organisations might be missed.

The FCI intervention came shortly before Rubicon II and noted that 'a fundamental requirement is to create rapidly and urgently a climate for negotiation and a generally accepted framework within which negotiation can occur'. Emphasising the need for privatisation, deregulation and the elimination of social discrimination based on race, FCI emphasised all of the requirements which, in the event, were endorsed by Botha in his speech. They argued further for a lifting of the State of Emergency (agreed to by Botha in March 1986) and the release of political prisoners from detention so that 'political bargaining' could take place against an agenda roughly agreed upon by the state and capital (at the time of writing this aspect of FCI's proposals had not yet been acceded to).

Whilst the well-timed FCI intervention dealt with short term political tactics, the ASSOCOM endorsed proposal came earlier (August 1985), and it was a more comprehensive analytical work

dealing with the general principles envisaged for 'new South Africa' to be promoted by its 'new right'. The ASSOCOM document entitled *Removal of Discrimination against Blacks in the Political Economy of the Republic of South Africa* is co-authored by key verligte Nationalist intellectuals - Jan Lombard (Deputy Governor of the Reserve Bank and past Professor of Economics at the University of Pretoria) and Johan du Pisanie (current Professor of Economics at the University of Pretoria).

The Lombard-du Pisanie report is described in the Preface by ASSOCOM chief Raymond Parsons as 'an agenda for negotiation'. The intended negotiating parties are not explicitly identified in the report, but Johan du Pisanie, in personal communication, has indicated that the document has been sympathetically studied in 'Western capitals', by the South African cabinet, and by 'black leaders' who must remain unspecified at this time. This document, I would argue, is worthy of thought by any of those contemplating the implications of a negotiating table involving, possibly, the ANC and other black political movements.

Explaining the necessity for such a 'negotiation agenda' in their introduction, Lombard and du Pisanie (1985:i,2) repeatedly refer to the intense crisis of legitimacy of state structures in South Africa. They undertake no detailed analysis of the origins of this crisis in the report itself, but they are unambiguously of the view that the crisis must be resolved by removing racial discrimination from the system of class relations. Their perceptions both of the crisis and the way forward are aptly summarised as follows:

It is recognised that no real progress in stabilizing and normalizing relations between people within South Africa or between South Africa and other countries can be made unless legal racial discrimination is removed in the political institutions of this country. The future legitimacy of the Republic of South Africa both internally and externally depends upon this issue.

However, together with conservatively minded people in the world, and probably a very large segment of so-called 'liberals', we recognise some very serious

dangers for the stability and growth of the Republic's economy and the material well-being of its people in processes of political democratisation which basically conflict with the principles of private enterprise ... (Lombard and du Pisanie, 1985:2, emphasis original).

For all progressives, of course, the question arises as to what is meant by the ominous last phrases in this passage. Lombard and du Pisanie do not explain their perception of 'dangerous' processes of democratisation in any detail, but what is clear is their hostility, above all, to socialism. They express this hostility in measured and paternalistic tones. The problem, it is held, in a section entitled 'The Prior Removal of a Misunderstanding', is that whilst blacks support socialism, this support is derived from a conflation of apartheid with capitalism:

While most white citizens of the Republic oppose socialism, there is among the prospective black citizens of the Republic, on the contrary, widespread suspicion of, and opposition to, the prevailing economic system in South Africa. This antagonism is lending itself to vaguely articulated but strongly held support for socialism as if that political philosophy is the necessary alternative to the kind of game rules of economic behaviour blacks currently have to face in South Africa. Socialism is thus seen by many blacks as the true harbinger of economic security, freedom and prosperity.

Lombard and du Pisanie (1985:15) then go on to assert:

However, it is obvious that what blacks in the South African economy experience is the **antithesis** of a free private enterprise economy! (emphasis original).

The conclusion Lombard and du Pisanie (1985:16) reach is that blacks must be taught 'reality'.

It seems to be vitally important to clarify the

political climate on this level, ie to remove the grave misunderstanding among most blacks about what the two opposing ideologies of the market economy versus socialism stand for and to make it clear that neither in any way supports the ideologies of statutorially enforced separate development. Only then will it be possible to properly address the real issue, namely the preferability of the decentralised market economy over centrally planned socialism as a system of regulation of people's economic behaviour.

How, then, is the reluctant majority consciousness to be 're-educated'? Lombard and du Pisanie (1985) offer no specific proposals, but appear to assume that a particular form of state restructuring itself will accomplish such a transformation in consciousness.

The cornerstones of such an envisaged restructuring are as follows: First, there is heavy emphasis upon the need for a 'bill of rights' founded upon existing common law:

The essential character of the common law of the Republic is its emphasis upon the legal status of the individual as a person, as an owner of both material and immaterial property, and as a party to binding contracts and other voluntary agreements giving rise to rights and obligations (Lombard and du Pisanie, 1985:18).

Lombard and du Pisanie (1985) appear of the view that common law has wide acceptance amongst blacks, and that it is the **violation** of common law norms by the state that has provided the source of much black resentment. They therefore recommend that these norms be entrenched in any future constitution; a recommendation which is seen to also be of crucial significance for the long term security of capitalism:

[Common law] should be so entrenched in the constitutional character of the Republic that they cannot be rejected or eroded by future governments without substantial consensus of the population groups who orig-

inally reached consensus on their recognition ...

The danger of total or categorical rejection of these fundamentals of the South African economic system by temporary, simple majorities in any future parliament of the Republic is obviously not very real under the present constitution of the Republic. The extent of danger, may, however, have to be reconsidered once the terms of black participation in politics are clear. This is so simply because it will take some time before the majority of blacks come to firmly embrace the private and competitive enterprise economy as the natural extension also of their ideas of human dignity, etc. should the forces of national and international politics in the meantime bring about the kind of constitutional changes that allow unlimited, simple majoritarian government in South Africa, these foundations of the private enterprise of the private enterprise economy will obviously be exposed to rejection. Under these circumstances it is highly desirable for those inhabitants of the Republic who continue to value these foundations to be able to fall back on the protection of a specific clause or clauses in the constitution that explicitly prevent Government from acting in ways in which deny the validity of these foundations (Lombard and du Pisanie, 1985:23-24).

Although they never say so, what Lombard and du Pisanie appear to be banking on is a military that is loyal to the constitution and not necessarily to parliament. The entrenchment of relevant constitutional 'common law' clauses is also seen to be dependent upon the expansion of **judicial control** which, in turn, is regarded as part and parcel of the necessity for having a **federal structure of government** (pp 25-26). Indeed, aside from their concern to establish a 'bill of rights', an emphasis upon **federalism and local autonomy** is the second proposed cornerstone of state restructuring.

After having expounded upon the necessity for monetarist

economic policies to redress problems of 'confiscatory levels of taxation' (p.30) and the 'unfortunate' expansion of state expenditure which allegedly fuels inflation (pp 27-30), the authors argue for the strict independence of a Reserve Bank within a federal political structure. They then move on to a weighty chapter (pp 33-71) on Local Authorities. The heavy emphasis upon local government appears to have two origins.

Firstly, it is clear that the legitimacy crisis of the South African state has been largely spawned by the collapse of black local authorities. This gain by the progressive movements in South Africa has been responded to by the state through the promotion, for example, of Regional Services Councils. The Lombard and du Pisanie (1985) report came within the context of a specific request by the state through the promotion, for example, of Regional Services Councils. The Lombard and du Pisanie (1985) report came within the context of a specific request by Minister Heunis for ASSOCOM to make a submission to the Cabinet on 'the political future of urban blacks', as Parsons explains in his preface.

Lombard and du Pisanie (1985) themselves are critical of the Regional Services Councils and associated Primary Local Authorities on the grounds that they have been imposed on people 'top downwards', and will therefore exacerbate the legitimacy crisis. However, in many respects their own proposals are more regressive than state initiatives have been to date. In particular, they argue that local authorities should be regarded as public utility companies which are formed to provide services only when the people within an area perceive that they have the resources to afford such services. This idea of a 'bottom up', market-like creation of local government is offered to counterpose the state's recent legislation which at least contains the possibility of effecting redistribution to poor areas.

A second reason for heavy emphasis upon local authorities emerges in the final chapter of the report which outlines the structure of federalism at the national level. The following observations are made here:

It is clear that while the various ethnic groups in South Africa each have a relatively clear geographical

base, some degree of overlap of the geographical areas where different groups are mostly found occur. Should regional authorities on the basis of one man one vote be established in any set of regions which are bigger than individual municipal areas, a single group would obviously dominate political processes in most of such regions. The Whites would not form a majority in any of such large regions. Nor would the Asians.

It follows that the political problems associated with the pluralism of the South African society as a whole would also occur in each such large regions. Should territorially based federal states be established in South Africa, it is clear that **local authorities with extensive powers covering as many culturally sensitive government functions as possible**, will be most important in safeguarding the autonomy and self-determination of the various population groups. The federal principles governing the relationship between the national government and the state governments will have to be made applicable to the relationship between all state governments and their local authorities. Should this rule not apply, no guarantee would exist that local communities would be able to maintain their autonomy (Lombard and du Pisanie, 1985:9), emphasis original).

What this amounts to, of course, is a prescription for the maintenance of **class** apartheid even after acts such as the Group Areas and Population Registration Acts are (possibly) scrapped from the statute books now that influx control is to go. As American blacks and, more particularly, the poor have discovered in the United States, market based segregation and inequality can be most effectively maintained by high degrees of local control over land use and development (is this what is meant now in South Africa by 'orderly urbanisation'?) and the management of substantial quantities of taxation and service provision (including for example schooling) at local authority level.

To conclude, the contours of capital's 'negotiation agenda' are becoming increasingly clear, and they apparently are being incorporated incrementally into National Party policy, as Rubicon II demonstrates. If, as seems likely, a South African

equivalent of Lancaster House is not far around the corner, progressives should be gearing up intellectually to meet the kind of challenge that is being offered by ASSOCOM and FCI. Interventions of the Lombard and du Pisanie (1985) type, and their parallels with National Party policy, certainly support some of the predictions about directions of state restructuring made early last year in the SA Labour Bulletin by Cobbett et al (1985). However, it is becoming increasingly clear that the **regional** element of restructuring, so heavily emphasised by Cobbett et al (1985), is currently not central to the thinking or strategies of the state and capital.

REFERENCES

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