

Introduction

Re-introducing the minerals-energy complex

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This collection of papers on the minerals-energy complex (MEC) had its origin in a workshop organised under the auspices of the University of KwaZulu-Natal's Economic Development Strategic Initiative.

Just over a decade ago, Ben Fine and Zav Rustomjee co-authored what some regard as one of the most significant books on the South African economy, entitled *The Political Economy of South Africa: from Minerals-Energy Complex to industrialisation* (Fine and Rustomjee 1996). The book generated some debate both within academia as well as in policy circles in the context of the political developments in South Africa at that time, and the need for the new government both to understand more about the nature of the South African economy, and to think through the kind of policy framework that would be required to address the economic legacy that apartheid had left.

However, it would not be unfair to say that the MEC as a way of characterising the South African system of capital accumulation was ignored and dismissed in many circles. Arguably the most robust critique of the notion of the MEC appeared in an article by the late Trevor Bell and Greg Farrell in *Development Southern Africa* 14(4) 1997. There Bell and Farrell argued that 'there is no historical evidence to support the contention that the MEC as a system of accumulation prevented diversification of manufacturing industry and thus retarded industrialization' (1997: px).

But the MEC has seen something of a revival in academic writings in recent times: scholars including David McDonald, Gavin Capps, Patrick Bond and others, have returned to it as a foundation and framework for their thinking and analysis (see eg MacDonald (ed) *Electric Capitalism*. HSRC Press, 2009). Moeletsi Mbeki has used the term when he describes how unchanged the economic structure of South Africa remains after 14 years of

democracy and this despite the interventions of BEE. The SACP's Jeremy Cronin has invoked the term in a similar context.

In 2007, 11 years after the publication of the book, EDSRI hosted a one-day workshop on the theme 'The MEC: how significant does it remain to an understanding of the nature of the political economy of South Africa?' The workshop held in June 2008 at Makaranga Lodge (Kloof) debated and discussed the ways in which the MEC has evolved, mutated in the light of factors such as the globalisation of the SA economy after apartheid; its financialisation, ie the shift to the centre of the economy of finance imperatives; the 'demise' of the Group system or mining finance-houses; the listing in London of some of South Africa's major mining and finance houses, such as Anglo-American, BHP Billiton and others; changes in the global demand and supply of some key minerals in the wake of developments in China and India, and the energy crisis then and still in some ways being experienced in South Africa.

In the course of my own research on the nature of contemporary capitalism in South Africa, and in a broader joint project with my friend and colleague, Keith Hart, we have revisited the concept of the MEC. We have been struck by the compelling power and logic of its argument and analysis. At the same time, many questions remain about its significance:

- is the MEC a theory or system of accumulation?
- to what extent has it internalised developments such as the form of contemporary globalisation, as well as the shift to financialisation?
- what does it tell us about power relations and 'politics' in contemporary SA?
- finally, what does it imply for policy?

Apart from this, for me, this is also an occasion to put back on the agenda some of the elements that energised and excited those of us who were participants in the heady days of progressive intellectual discourse in the 1970s, 1980s and early 1990s. The post-apartheid intellectual debate, I would dare to suggest, has been sterile, lacking in innovative thinking, deeply divided on ideological grounds, and deadlocked: could the revival of this 'old debate' help?

References

Fine, B and Z Rustomjee (1996) *The Political Economy of South Africa: from minerals-energy complex to industrialisation*. London: Hurst.