

Review

Patrick Bond (2000) *Elite Transition: from apartheid to neoliberalism in South Africa*. Pietermaritzburg and London: University of Natal Press and Pluto Press

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If you are looking for a book that provides a talking point covering the transition to democracy in South Africa and afterwards, Patrick Bond's *Elite Transition* is certainly quick to come to mind, especially if what you want is a radical critique of the new South Africa: Bond is not shy of promoting himself in a very up-front way as the promoter of a 'progressive' or Left perspective. His book has much in common with Hein Marais' *South Africa: limits to change* but it brings the issues Marais explores much closer to the present.¹ By contrast, and it says something about the lack of serious debate in current South Africa, there is virtually no sustained defense of government macro-policies outside the realm of occasional writing and more or less financial journalism. So far the Left has the field largely to itself and this review, while perhaps in some respects (but definitely not all) seeing itself as a Left critique of Bond, rather than a defense of the status quo, tries at least to break the ice and encourage critical discussions on these absolutely vital topics.

In the course of this book, Bond reviews the transition process from the point of view of social and economic policy. He then considers the emergence and critique of the RDP, which he argues was never applied in practice. He looks at the actual policies of the ANC government, inspired in his view by the World Bank, and concludes by viewing those policies as in disarray and vulnerable to the emergence of new insurgent international forces.

There are some important positive aspects to Bond's assessment which deserve highlighting first of all. Bond provides a very good guide to South African issues for the last five years of the twentieth century, as they have

appeared in the press, in a readable and fairly reliable form. One must certainly endorse his view that GEAR, to the extent that it has emphasised the importance of foreign investment, fiscal rectitude and supply side measures, has been signally unsuccessful. The real economy has grown very slowly despite repeated positive projections, attracted little investment and shed jobs at a rate of knots. High interest rates, even if currently well below the peak, have muffled or stifled expansion.

His most fascinating pages concern the transition where he played a significant role personally. He captures extremely well the strange 'age of scenarios' when various hucksters were selling views of the future to any South African makers and shakers of whom they could get hold. He is also very interesting on the inner workings of the RDP: Bond was himself a key author of much of this 1993-94 document's social programme. Finally, Bond's international perspective, his constant insistence that South Africa must be understood as an operator within a global system, is salutary.

Bond describes Marais' work as that of a journalist. But he himself writes most effectively in more or less that sort of vein. The *analytical* content of the book is far less satisfying and requires a much deeper and more consistent perspective than Bond provides for us. This is where the book is a disappointment.

The RDP

We might start with the RDP itself. Bond considers the RDP to be a much less radical document – 'centrist' being the word he favours – than he was prepared to admit in the past. This is correct especially when the RDP is taken as a whole. As he points out, conservative forces in South Africa were happy enough to endorse it in the first election phase. The economic section of the RDP is very non-prescriptive and in no sense radical. This was of course not emphasised by the ANC during the 1994 election campaign, the campaign for which this lengthy document was written. Thabo Mbeki is quite right when he asserts that the RDP and GEAR are not inconsistent; it is the way that they have been contextualised in the media that has made the difference between them seem so stark.

But the more serious problem with the RDP was that the social section, which Bond helped to write, while containing some very well-researched material on South African social conditions, failed to prioritise policies. It scrupulously avoided the possibility that there may be hard choices to make. Nor was it integrated in any sense with the economic section of the

programme and thus how the delivery side was to be paid for was never made very clear. Without this connection, without this explanation, Bond puts himself in the position of demanding social rights and delivery but with only the vaguest sense of how they could be paid for. In *Elite Transition*, Bond lists no less than 30 RDP promises which he considers the ANC broke and no doubt he'd be happy to add another 30 on request. But aren't the promises in large part the problem?

'Can't pay, won't pay', to take the title of the famous play by anarchist Dario Fo, is a seductive slogan but, without an answer to the fiscal question, without structural advance on the part of the real economy, the danger could be spiralling inflation, serious debt problems and, in the end, intensified immiseration. It is unsurprising in retrospect that, as Bond documents, Jay Naidoo's RDP ministry was unable to achieve much and was relatively quickly dissolved.

Delivery in the new South Africa

Bond was associated with SANCO, the civics organisation, and was particularly active in radical housing campaigns that denounced the provision of 'toilets in the veld'. But can one seriously imagine a policy which would provide good quality housing as a gift to millions of unemployed and semi-employed people? Certainly there is no international precedent for such a policy. Where large-scale housing provision has been a major state concern, and there has been a genuine housing shortage, it has gone together with the needs of an actively employed working class, whether it be in Singapore, post-war Britain or the Soviet bloc countries in their heyday. This is not an option in current South African conditions. In my view, emphasis should far rather be on site provision, upgrades and servicing for existing housing as the most practical help that the state can actually give with the money shifted into the creation of secure jobs, if need be at low pay, on a mass scale. Pity that the ANC has swallowed a pious rhetoric that makes this seem shamefully inadequate.

At the same time, Bond's critique of what the ANC has done is probably considerably too harsh. The ANC has delivered a large number of electric connections, water taps, telephones, houses, clinics, etc, if substantially less than the optimistic projections of the RDP seemed to offer. Indeed this policy of delivery was begun for political reasons in the last years of the old regime, eager to buy votes, on a basis which actually did raise our national debt from the measly 'underborrowed' levels of the high apartheid years to

moderate amounts of international indebtedness. It has been carried through to some effect precisely through the agency of parastatals and other non-privatised bodies that have survived from the developmental (if racist) state of the past. This relatively benign assessment of ANC delivery is not merely my own quirky opinion; it is what black South Africans repeatedly tell survey takers when asked for their view of the government.

Moreover the budget analysis I have made suggests, contra Bond, that the ANC, which taxes the middle class to the hilt for little return, spends liberally on social services aimed at the poor by international standards and has in particular substantially reduced the military component of the budget compared to the bad old days. Bond claims that South African politics towards its neighbours are completely unprogressive. How can one then explain the writing off of Namibian debt and the gracious cession of Walvis Bay to Namibia? At least this neighbour has benefited enormously from the change in government. The record is in fact far more complex and uneven.

The ANC and its limitations

A fairer analysis would suggest that the ANC is a centre-left government seriously interested in redistribution by the standards of the current international arena but where the contradiction is strikingly acute between conservative macro-economic financial policy and the desire to 'deliver' to those who form the polling-day army of the ruling party. Liberalisation has solved the crisis facing South African capital in late-apartheid days but it has offered little, and indeed can be said to have militated against, the solution of the national social crisis. 'Delivery' in the context of jobless growth and massive social indiscipline makes much less headway in helping people than it should.

The real failure of the ANC has been in the absence of the deeper social and economic interventions which are suggested by the example of virtually any successful international developing economy of recent decades. Economically it has battered onto the existing trajectory of South African capitalism; capitalism built on mining and resource extraction and now very successfully often moving out of production activities into finance, services and intensifying levels of global integration. This is not a trajectory that leads or will lead towards substantial internal investment, towards stimulating foreign investment or towards the promotion of equity, or even the expansion of jobs. Financial rectitude by itself is no substitute for a

genuine development strategy. However, by contrast with Bond, it seems far less clear to me that capital is itself in any crisis that it cannot resolve for the time being on its own terms; the ANC has hitched its star to a fairly sturdy waggon.

One obvious reason for the very limited success of the ANC in shaping a new road to development is the lack of capacity in human resource terms, exacerbated in many areas by the state's affirmative action drive, but another and perhaps profounder reason is the failure of the ANC, despite a good beginning, to move towards forging a new national ethos and a new moral basis to replace the harsh dictates of apartheid. Thus far the ANC seems allergic to the kind of dramatic but invariably difficult social intervention that would be required to attack the huge problem of AIDS or to tackle the multifold problems of education and skills formation root and branch.

We very much need a serious and sustained analysis of the ANC party-state in power, but Bond, unfortunately, does not really take on the *political* problematic suggested by his title. Nor, despite his kind words about Fine and Davis, does he make use of their historical assessment of the ANC in its crucial years as a licit organisation before 1960. Instead he is too inclined to take the ANC at its most utopian and high-minded word, to express shock at the violation of these lofty ideals in practice and to retreat from analysis into chat about individuals and their particular lapses and sins.

Bond has earned some notoriety for denouncing many leftists of the apartheid struggle days as sell-outs, including myself in a very minor way. Why should they not switch as blithely as he has from combating the malfeasances of the finger-wagging PW Botha to denouncing the current villainy of the Washington Consensus institutions? Why should they take money from sources Bond sees as irredeemably tainted? For Bond this seems to be simply a matter of old fighters losing their guts and willpower and falling into corrupt practices as they encounter middle age and worse. Of course, there is inevitably some truth in that as one would find in any equivalent political transformation. However, he fails to grasp other aspects of this turn-about. Probably the most important is that independent critical intellectuals, especially but not only those intellectuals who were not black, lost their political base when COSATU signed on with the ANC, accepting the exile organisation as the political master of alliance politics. They really had nowhere else to turn (except emigration or total opting out

of politics) beyond working for the post-apartheid government in a loyal and supportive way. Such intellectuals cannot be assumed to be the reason why the ANC went bad as Bond seems to suggest. The superficiality of the ANC's interest (even perhaps the SACP's interest!) in socialist, as opposed to national, transformation marks its long history. Indeed those intellectuals might be said to have bought into more conservative strategies in order to survive politically within the ANC world rather than being the authors of the moral downfall of the organisation, as Bond seems to suggest. Amongst the ANC would-be advisers, the more radical tended to opt for the relatively social democratic Macro-economic Research Group (Merg) option but, as Bond comments in a throw-away line, Merg had relatively little status and credibility with the ANC. It was denounced not ineffectively as the product of foreign fellow-travellers rather than South Africans. As Bond admits, moreover, 'elite pacting' at CODESA and other transition fora affected too few people to explain ideological transformation at the time.

Bond also fails to grasp that those who laboured long under apartheid were often extremely glad to be able to be doing something useful and/or prestigious for a genuine post-apartheid government, whatever its limitations: it was the dream of a lifetime come true. Finally, while as an academic in South Africa, Bond will be well aware of the academic scene, it is important to acknowledge, as he does not, the drastically diminished willingness of the universities to support critical activity of the kind that seemed crucial to promote in the days of sanctions and boycotts. They too hardly provide suitable havens that sustain left critics with no social or political base. The lack of a more serious political analysis lends itself to Bond coasting on the side of conspiracy theory which obfuscates the real issues.

Internet dreams and the final stage of capitalism

I do not share with him, moreover, the view that loosely-linked social movement groupings tied together by the Internet, if that, form a substitute political base. Indeed the dramatic decline of social movements and the incapacity of COSATU to form a coherent basis for independent political analysis in the way the independent union movement did in a remarkable phase of the struggle era, have been remarkable features of the first post-apartheid years. Bond's dream that the SACP will emerge as a serious source of Left opposition (or what he calls resistance) seems truly fantastic.

There is a consistent tendency in this book to substitute the creation of moral dichotomies of good and evil for real analysis. A negative aspect of the internationally-based assessment Bond is attempting is his tendency to see 'neo-liberalism' simply as the epitome of evil, although he admits that South Africa has by no means simply bought into its minions' prescriptions or taken much money from its main lending institutions. (As he admits, the first IMF loan taken up by the new South Africa, a relatively small one, came only in 1997.) It might be more useful, while pointing to the ways in which the ANC has held out against this kind of international consensus (for instance, by initiating strong labour legislation in complete defiance of the times), to suggest that the ANC elite does seek useful international alliances that are important to its *modus operandi*. Its prerogatives may be more political than economic.

Bond considers but very briefly (in comparison with the analysis he has made elsewhere for Zimbabwe) that the world and South Africa is suffering from what Marxists would call a severe crisis in realisation (or perhaps disproportionality, what Bond calls 'sectoral bottlenecks') leading to what he terms 'overaccumulation' where capital fails to find profitable outlets except through excessive financial speculation and unproductive investment in unneeded shopping malls and the like. This can be tied then easily to the poverty of the masses as they are unable to afford to consume more than the basics, if that. There are affinities in this 'overaccumulation' idea to Lenin's underconsumptionist view that the 'highest stage of capitalism' had been reached and was already in crisis a century ago and to the expectation of a gigantic crash, perhaps like that of 1929, that will put the whole global economic system in question – and far more to Rosa Luxemburg's insistence on the tendency for capitalism to implode.

Heady stuff but it can easily lead to a passive view that capitalism will collapse of its own accord in any event and all we need do is make ourselves available for the next media-orientated demo. Bond is far too inclined to see easy solutions in the Jubilee 2000 campaign (as if South Africa were seriously a major worthy candidate for international debt relief) or delinking from 'globalisation' à la Samir Amin. Most importantly, the universally applicable overaccumulation theory fails to capture the deep and locally seated contradictions in South African capitalism that need addressing and would need to be taken on by any serious reform of the system, whether within capitalism or beyond it. It would be unfair to say that Bond never refers to any such contradictions; he does, but in an unsustainable and

superficial way.

As an activist, I have no answer to offer Bond. Certainly his enthusiasm for social movements with international links does provide some sign of vitality in what often seems a politically dead scene. But it is important for intellectuals at least to try to formulate an assessment of our basic condition in this society as a step forward. This is Gramsci's 'pessimism of the intellect'. Then we need to start thinking through and debating what might transform the extended reproduction of various key structural features – in Bond's RDP terms, to build development through redistribution – in order to propose and experiment with policies that would lead to deeper change. Otherwise, no 'optimism of the will' can ever rest on a solid basis. For reaching this goal, this book, despite its important strengths and its underscoring of much that is unappealing about current South African conditions, is too superficial and predictable.

Notes

1. Marais has brought out a new edition, however.