This ambitious book covers more or less the same ground as Marais’s *South Africa: limits to change – the political economy of transition* (1998), but is much longer, updated, and revised in certain crucial ways, particularly on the basis of work published since his previous one. The first chapter traces the economic and political history of the country from the late nineteenth century, covering as well the history of resistance up to the late 1970s. The second covers resistance in the 1980s, and the third the period of negotiations in the early 1990s. The fourth covers the evolution of post-apartheid economic policy and the fifth the present-day economy. There follow five chapters on different sectors: the world of work, poverty and inequality, the social protection system, AIDS and TB, and the crisis in health and education. The final four chapters examine whether or not South Africa is a developmental state, the Mbeki-Zuma battle, the state of the ANC and the state of the left. The book is encyclopedic but ponderous. Though it is well-researched, it is plodding, repetitive and fails to hold one’s concentration.

The first chapter contains nothing much original, save that Marais has shifted from viewing the economy through the eyes of Gelb’s ‘racial Fordism’ to Fine and Rustomjee’s ‘minerals-energy complex’ (MEC) (Saul and Gelb 1981, Fine and Rustomjee 1996). Gelb’s analysis ‘neglected the major sectors of the economy, laid undue emphasis on the consumptive sectors and failed to explain why the capital goods and intermediate sectors did not develop. South Africa’s stunted industrialisation [Fine and Rustomjee] argued, was a symptom of the distorting weight of the MEC; demand constraints… were not the main culprit.’ MEC failed to vertically
integrate its core sectors forward into the rest of the economy (30, 31-34, 88). Thus the economy was heavily reliant on commodity exports for foreign exchange and had an industrial sector arrested in the semi-industrialised phase (87). Marais however fails to locate the fundamental crisis of the South African economy (as is the case for the world capitalist economy) as a crisis of over-accumulation, as spelled out for example by Patrick Bond with substantial evidence (Bond 1991).

Marais continues from his previous book his criticism of the ANC’s strategy for the overthrow of the apartheid state, following particularly Michael Morris (41, 53-56; see Limits to change, 56-61). Though he is correct that guerrilla strategy was militarily impotent, and that a revolutionary situation did not exist inside the country in the 1980s, he underestimates the extent to which mass popular resistance had politically (though not militarily) crippled the state. He writes that, at the end of the 1980s ‘One option for the apartheid state was to resort to an indefinite period of unmitigated totalitarian management of society’ (58). In my view, such an option was totally ruled out: it just would not have been tolerated by the masses. Moreover he writes as if the youth were incited into millenarian activity by the ANC, when in fact the situation was far more complex. And he wrongly blames the violence in KwaZulu-Natal on the youth, rather than on the Inkatha warlords, against whom the youth acted in self-defence (55-57. See also 73).

Marais lists a series of factors which led the regime to unban the ANC, PAC and SACP and institute negotiations. The collapse of the Soviet Union is mentioned as a factor influencing the ANC: however he neglects that it equally influenced the NP government (60-61). He also concludes – it was the position of his earlier book as well – that in 1994 ‘[t]he real issue was the terms on which inclusion and assimilation occurred, specifically, which social classes’ interests would be privileged. In the South Africa of 1994, the class content of that project was still undefined – even though telling clues were available’ (78. My emphasis). Here, in my view, he is profoundly mistaken. Marais dates the ANC’s pro-capitalist project only from 1996 (98, 444), whereas in reality it was from the start. Marais neglects the findings of Terreblanche and others regarding the pre-1994 economic deal struck by the ANC with big capital in parallel with the political deal with the state. Thus in November 1993 the Transitional Executive Committee accepted a loan from the International Monetary Fund, in secret, and, as a condition of its acceptance, big business, the NP government, and leaders of the ANC signed a secret protocol on economic policy which was completely neo-
Review: *South Africa Pushed to the Limit*

liberal (*Business Day*, March 24, 1994, reprinted in Terreblanche 2002:96-97). In addition, as Mbeki has written, the ANC and big capital did a deal through which the latter would support BEE provided that the former in government liberalised exchange control permitting monopolies to invest abroad – which led to a huge post-1994 drain of potential investment capital from the country (Mbeki 2009:66-68). Marais deals with the facts of these matters later, but fails to draw the conclusions (87, 92, 106, 114-5, 117, 123-7, 141, 150). Yet he even points out that in the ‘early 1990s’ those who were to become the ANC’s key economic policy-makers (Manuel, Ramos, Kganyago) all underwent ‘training’ at leading US investment bank Goldman Sachs! At the same time he claims that the fact that the country’s ‘major conglomerates were able to restructure themselves on a global scale’ (at the expense of the South African masses) was ‘an economic imperative’ (127).

Marais charts the detrimental effects of GEAR on the economy – more obvious today than they were at the time of his previous book, though he was already critical then. The adoption by the ANC government of an export-oriented manufacturing strategy – despite warnings from GATT that this would not affect unemployment levels unless ‘labour-intensive downstream industries can be developed’ means that the economy today remains dominated by the MEC, and dependent on it for export earnings. It has made the economy dependent on short-term capital inflows – ‘hot money’ – creating huge vulnerability and instability, despite claims that GEAR was intended to promote macro-economic stability (91, 104, 127, 132ff, 144). In addition the economy has become financialised, parasitically absorbing investment (128ff). Government, even with the challenge of the recession, continued ‘tinkering around the edges of an unjust and unsustainable development strategy’ (153). Marais follows Seeraj Mohamed’s analysis of ‘an increasingly bleak economic future’ unless there is ‘deep restructuring’ (152). Marais includes ecological concerns in this book, following a growing trend. He maintains, correctly, that ‘the ecological dimension remains at best an afterthought in government’s showcase strategies’, when radical measures are needed (153).

Marais has an interesting discussion on the term neo-liberalism. Following David Harvey, he disagrees that it entails withdrawal of the state from regulation in favour of the invisible hand of the market. Instead he argues that it ‘involves the systematic use of state power to recompose the rule of capital’ (134). Moreover he identifies phases in its application, from the initial ‘shock treatments’ to the later 1990s where social policy had to be
modified to counter the damage caused by the shocks (134-6). Thus, despite the claims of a transition in South Africa to a ‘developmental state’, Marais maintains (correctly in my view) that neoliberalism ‘continues to provide the organising framework and ethical compass points for South Africa’s transition’ (139).

In a later chapter which in part repeats these ideas, Marais explores the notion of a ‘developmental state’ and criticises Hirsch and Swilling and colleagues for maintaining that the government has abandoned neo-liberalism (338, Hirsch 2005). ‘The dichotomy that positions the neoliberal state and developmental state as two polar opposites is mistaken’ (339). He examines a range of ‘developmental states’ from those in East Asia through Costa Rica, Botswana, Mauritius and Nordic countries, and focuses on the ‘subnational developmental states’ of Kerala and Porto Alegre (344-6) both of which have involved ‘conscious attempts to devolve and democratise state power in pursuit of social justice’ (344), and which he regards with approval. (It is worth noting that the CPI-M has just been voted out in Kerala after a long time in government). He is skeptical about the possibility of South Africa becoming a developmental state in this sense (346-56).

In the ‘world of work’ Marais charts the trends of casualisation as well as of unemployment (with continually rising unemployment for women) (178). Employers blame unemployment on high wages, but since 1994 the share of profits in output has risen while that of wages has fallen (179, 184). Average real wages appear to have declined from 1995 to 2005 (179) – and a substantial percentage of workers in the formal sector were being paid R253 for a 47-hour week (180). The main cause of unemployment, for Marais, is the MEC/finance dominated economic structure, with high capital-intensity (181). Marais debunks the idea of waged work as a ‘magic portal’ opening into well-being (183-4), the idea that South Africa’s labour market is inflexible (185-7), the idea that the public works programme prepares people for more permanent employment (190-3), Thabo Mbeki’s idea of a ‘first’ and ‘second’ economy (193-8), and the beneficial effects of microfinance (224-6).

Marais underlines that nearly half the South African population lives in poverty, with a bias towards Africans and women (203). Africans became substantially poorer in the first decade after apartheid, though poverty levels began declining in the early 2000s, though the extent of this is controversial (204-5). Ironically, the decline in poverty is probably largely accounted for not only by the spread of social grants, but by the increased mortality rate (205-6). He also reiterates that income distribution in South
Africa is exceptionally unequal, with, again, a bias towards racial and gender inequality (208-9) and has a sophisticated examination of the impact of the ‘social wage’ in alleviating poverty (211-7). He writes of the slow pace of land reform (217-8), quotes Statistics South Africa figures showing 2.5 million children in African households went hungry at least some of the time in 2007, and says it is an ‘understatement’ that the health of the population has worsened in the past decade (220). This chapter also touches on crime, particularly against women and children.

Wages are main source of income for only 57 per cent of African households while pensions, grants and remittances are main source for 38 per cent (193). Welfare spending recipients numbered 2.6 million in 1994 but 14 million in 2010. One third of adult women were recipients in 2007 (238). Marais shows that these grants do not discourage people from seeking waged employment (245), and is skeptical of means-testing, preferring a basic universal income grant (247-8), which he argues has a ‘radical, emancipating potential’ (250). He notes the contradictory attitude of the ANC to social grants, on the one hand a commitment to them, and on the other a disdain for ‘handouts’ encouraging dependence on the state (252ff).

Marais points out that South Africa is ‘the epicenter of the global AIDS epidemic’, with one in every six people with HIV globally living in it – together with one of the worst TB epidemics in the world (262). He charts the reasons for the scale of the AIDS epidemic, including South Africa’s history of migrancy and the current prevalence of transactional sex, and examines the relationship between poverty, inequality, and AIDS. He notes that there is a racialised and gendered prevalence: among Africans, and women (269). The highest prevalence is in urban informal settlements (269-70). He notes Hani’s warning in 1990 that an unattended AIDS epidemic would result in ‘untold damage and suffering by the end of the century’ and traces the tragic consequences of the denialism of the 1990s – including the decline in life expectancy by 12 years between 1996 and 2008 (281). He notes that the system of home- and community-based care, while necessary, has degenerated into a reliance on non-paid women carers in the home and ‘very probably contributes to the feminisation of poverty’ (286).

Marais gives substantial evidence on the deterioration of the public health and education systems. Initial post-1994 development of a primary healthcare system was positive but since 1997 there have been setbacks. Following Di McIntyre’s research, he notes the grossly unequal two-tier health system, with 60 per cent of the funds devoted to 14-16 per cent (7
million) of citizens using private medical schemes, and 23 million people relying on an ‘overburdened, understaffed and poorly managed public health system’ (310-1) (McIntyre and Thiede 2007). He welcomes the government’s proposals for a National Health Insurance scheme – though does not note the potential pitfalls in its implementation. From von Holdt’s research on public hospitals in Gauteng he draws the conclusions of chaotic management structures and a need for accountability (319-21, von Holdt and Murphy 2007). In education, he comments on the poor quality of schooling and (again) inefficient management, and, once again, a two-tier system along class and racial lines. No one believes there are ‘any easy fixes’, he remarks (327). He points out that all other countries experimenting with outcomes-based education confined it to vocational training save New Zealand, where the attempt like South Africa’s to apply it to the whole educational system turned out to be unsustainable (330): it was a ‘folly’ (329).

In his final three chapters Marais turns to politics. He regards the way the AIDS and TB epidemics were handled, the introduction of GEAR, and the arms deal as three developments that ‘would decisively shape South Africa’s transition from apartheid’ (360). He chronicles the downfall of Mbeki and the rise of Zuma, backed by COSATU and the SACP who rebranded him as a leftist. He reminds us that despite the ANC’s apparent electoral dominance, the percentage of total eligible voters who cast votes for the ANC fell from 54 per cent in 1994 to 39 per cent in 2004 (376) (and probably lower in 2009) – but also that despite the number of social delivery protests, the protestors often end up voting for the ANC (376-7). A Gramscian from the time of his first book, Marais looks at how the ANC established and maintains its hegemony (leadership), how this weakened in the early 2000s due to growing inequality and how the role of Zuma is to try to re-establish it. In the course of this he examines the discourse of nationalism, and the less-liberal-than-Mbeki regime of Zuma, the increased role for traditional leaders in the 2000s, and the Malema phenomenon. He rejects the idea of Mbeki as the head of a clique capturing the ANC and deviating it from its historic principles (even on the issue of AIDS denialism) and points out how little those who subsequently supported Zuma criticised while Mbeki held sway. He also criticises Vishwas Satgar’s account of a ‘passive revolution’ (non-hegemonic class rule) from the 1990s to restructure capitalism through reforms from above as portraying too much manipulation, and underestimating the extent to which popular organs shaped the terms of the settlement (397-9). I disagree: the settlement was an example of ‘elite pactung’
which went completely over the heads of the masses.

Marais examines the role of the SACP in the Tripartite Alliance, and maintains that the plural views in the SACP in the late 1990s have been silenced (434ff). Indeed one wonders whether Marais would continue to regard the SACP as a component of the ‘left’ when its two most prominent leaders form part of a government that is still functioning with policies of neo-liberalism, and its socialist left-wing purged (97, 139). He states that COSATU and the SACP’s support for Zuma constituted a failed attempt at a ‘short cut’ to left policies (439-43). He examines the increasing isolation of COSATU from community struggles, and the strategic confusion of the civic movement. He recounts the emergence of the new social movements, and the out-marching of the ANC at the World Summit on Sustainable Development in 2002 – but argues that these movements ‘seem trapped on the margins’ and have been unable as yet to build a counter-hegemony to the ANC (455). He praises the flexible tactics of the Treatment Action Campaign (455-6).

Marais’s book excellently and comprehensively charts the symptoms of serious illness in South African government and society. He believes that as of today the underlying crisis remains ‘unresolved and will generate increasing instability’. But where does he position himself in relation to resolving the crisis? On the one hand he writes ‘How this unfolds will depend on the character and prospects of a possible alter-hegemonic project and on the versatility of the current bid for hegemony, structured around the ANC-led state’ (403). At the same time he asserts that the ANC ‘continues to dominate the ideological realm and to a large extent monopolises both the semantics and the grammar with which future options are envisioned. Although not ceaseless, those ideological advantages are priceless’ (455). His final two pages list several roles that the new social movements can play from ‘working the system’ to trying to build an alternative hegemony – in the context of which he mentions the Conference of the Democratic Left, now the Democratic Left Front. Earlier he has written that the tasks for the left are to ‘shape, support or, where necessary counter [the ANC’s] endeavours’ (388). Does Marais believe the ANC is reformable? He claims there is ‘room and a need, for each and all of these approaches’ (460) – hedging his bets in other words. In other pages he writes of the state’s ‘basic responsibility for social reproduction’ (223) and the need to ‘repair public trust in the state’ (231). It appears he is a social democrat, part of the soft left, and not a socialist – in my view a Utopian stance given the world-wide crisis of capitalism and the environment. He does not see the roots of the crisis in the system of
capitalism which the ANC is defending, or the need to end that system through replacing the existing state with a democratic state, controlled by working people. Thus the book in the last instance – like his first one – despite its achievements, disappoints, since it does not present a clear way forward.

References


