Debate

Post-apartheid South Africa under ANC rule: a response to John S Saul on South Africa

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Some twenty years ago, John S Saul expressed prescient concern about the future of South Africa given the fragility of the social order in the transition years. Despite the apparent danger of widespread violence in the 1990-94 period, the political solution proposed at the time seemed limited to ‘elite pacting’.\(^1\) Saul was fairly sceptical of the potential in this context for South Africa to be able to ‘sustain a process of long-term structural transformation’ although quite understandable in his sense of urgency for such a transformation to take place.\(^2\)

This contribution was intended as festschrift for John Saul. This article first reiterates his importance as a powerful critic of the political evolution of Africa in the second half of the twentieth century. Concerns about structural transformation run deep in Saul’s writings on Africa. Some of the most important themes that emerge from a consideration of his work are a) the emphasis on a ‘socialist transition’ as an ideal marked out by the nationalist left, notably by Samora Machel in Mozambique and Julius Nyerere in Tanzania; b) the necessity of such a transition both to concern itself with significant improvement in the material lives of the African masses and to engage their energies and self-organisational capacities; and c) the concomitant necessity for the stratum of people investing the African state after independence to avoid degeneration into a self-contained class of privileged bureaucrats, an African version of the Soviet nomenklatura. Amongst those that Saul could and can claim as forebears in this regard are Frantz Fanon and Steve Biko.

Tanzania’s politics involved a struggle to expand the number and efficacy of the petty bourgeoisie, and to release the energies of a more
conscious and vocal mass of workers and peasants. A likely danger is a vicious circle in which the petty bourgeoisie, on balance still relatively untransformed, demobilizes and instrumentalizes the mass of the population and guarantees, at best, a stagnant quasi-state capitalism. (Saul 1979:268)

The other essential ingredient for Saul has lain in a broader commitment to the struggle against international neo-colonial forms of economic interaction on the part of the former colonies, in effect, imperialism itself acting as a key instrument of a globalised form of capitalism. For this reason, he has been suspicious of a nationalist project that failed to situate nationalism critically within this larger global context. The danger here is that this petty bourgeoisie will promote ‘mere state capitalism, a situation in which the state can continue to push itself into the economy, but primarily under the aegis of capital’ (Saul 1985:17-18). This last quotation refers to Mozambique. In both Tanzania and Mozambique the socialist road was abandoned from the 1990s entirely although, in popular consciousness, it still has a purchase that represents a positive aspect of national heritage (see Pitcher 2006). While Saul’s writing on eastern Africa goes back more than 40 years, his concerns remain fundamentally the same today. While hopefully respecting these concerns, the brunt of this article is critical: the moral and political vision is still there but there is a need to ground this effectively, as was the case in earlier writings, in a deeper engagement with material realities and possibilities.

In this article, I propose to consider the experience of an African country characterised by a fairly well-developed industrial infrastructure, post-apartheid South Africa, which has broken with the colonially inspired divisions that blocked democratic development. Saul has in fact dedicated most of his writing in more recent years to South Africa. Here again he concerns himself with wrong choices, with the view that South Africa has been placed in a downward spiral which blocks progressive change. Is South Africa too ‘mere state capitalism’? Is there a new ruling class typifying that state? What are its relations to imperialism, as Saul uses the term and to other class forces within South Africa? Is there an agenda or, at least a potential, for ‘long-term social transformation?’

Saul’s critical views, most recently expressed together with those of co-author Patrick Bond, have not altered, to go by South Africa: the present as history from Mrs. Ples to Mandela and Marikana (2014). Much of his later comments there call up testimony from such insiders as the late co-author of the Freedom Charter, Rusty Bernstein, the economists Moeletsi Mbeki
and Sampie Terreblanche, one-time ANC prisoner Raymond Suttner, and former ANC cabinet ministers Pallo Jordan and Ronnie Kasrils. His negative views on ANC rule lead him to look towards an end to the ‘hegemony’ of the ruling party with some hopeful comments on the emergence of new forces on the left who might augur a more positive development to come. While this is real evidence of a moral slide in the view of other significant ANC supporters and indeed dignitaries of the past, it is not so clear that a serious opening for a rival party with a different perspective can be spotted on the horizon. What would what he calls an ‘an alternative politics’ actually be as opposed to the ANC’s ‘pact with the devil’? (Saul and Bond 2014:248, 270).

In what follows, a critique is implicit and indeed explicit. Saul and others disturbed at developments propose an overly voluntarist and political response. On the one hand, there is too much freedom assumed here for the political sphere largely by itself to power an economic transformation within a capitalist economy (and Saul has often testified to his distaste for the Communist model as a socialist road). On the other, there is not enough interrogation of economic possibilities and choices within capitalism which may in fact force us to face choices that are not ideal. Is a release of the energies historically to be associated with the pre-1990 union movement and/or the so-called civics organisations that flourished then not only to happen again as Saul hopes but to be harmonised with a different range of economic policies than those in place? There certainly is today in South Africa a nostalgia for those times, and struggles within the Congress of South African Trade Union (COSATU) are pointing to a restructuring of the National Union of Metal Workers (NUMSA) together with some less consequential union allies breaking away and trying to form a left politics on those foundations with community organisations. The United Front remains however in mid-2015 a project rather than a reality.

One way to order thoughts is to gauge these issues through keeping tabs on the largely East Asian paradigm of the developmental state as shall be done in this article. Here one can indeed refer to the rubric of societies that in recent history, unlike most of the so-called Third World, have undergone rapid change with very considerable improvements in the opportunities and life-chances of the population. Although it is not a close fit to this model, the spectacular advances of the Chinese economy in the past generation are of course going to be brought to mind too. The GNP figures, inevitably not perfect indicators of human happiness, are however never said to lie here. One should mention a few African countries today – notably Ethiopia and
Rwanda – who are trying on this mantle with some plausibility at least at an early stage. However, all of these cases have one obvious negative feature that is far from Saul’s ideal, the absence of democracy and self-governance. In the developmental state model, a determined nationalist-minded elite leads a relatively rapid and impressive transformation with, in some cases, democracy following in the wake of economic success. At the least, the developmental state model requires institutions behind which sits such an elite, pretty much able to pursue major policy thrusts without interruption from below.

Moreover, by dramatic contrast to the Saul example and of course with the key Communist or post-Communist exceptions of China and Viet Nam, this transformation has gone on under the aegis of ‘imperialism’ rather than in opposition to it, starting with post-war Japan defining itself as the USA’s unsinkable aircraft carrier in the East! Yet while perhaps these are cases of what Saul has called state capitalism, at least they are impressive and successful examples of state capitalism, with continued dynamism economically and a capacity greatly to improve living standards. South Africa does not fit this model any more than have Tanzania or Mozambique but it makes a different way of calibrating South African developments that can hopefully teach us something about historical trajectories and historical contingency. These are lessons that will have to be learnt by any new formation today rather than simply shaking heads about the immorality of the killing of the miners at Marikana in 2013 by the South African police. In trying to answer these questions I hope to make use of theoretical writing on the developmental state both to evaluate South Africa from this perspective, notably through using Peter Evans’ (1995) concept of embeddedness.

‘Stagnant quasi-state capitalism’ or a developmental state?
South Africa is a far more economically complex and wealthy society than those associated most with Saul’s writings: Tanzania – ‘the poor country’ in the words of the classic *History of East Africa III* (Ehrlich 1976), Uganda, Mozambique, Namibia. But is this not merely a banality that avoids looking at the African destiny and African reality of South Africa, as Mahmood Mamdani emphasised during his time in this country (1996)? In practice, much of the bureaucratic degeneration process in which an ambitious petty bourgeoisie loots the state, disempowers the masses and does deals in order to find a role in the larger imperialist-dominated scene, can be identified as
part of the South African reality (Gumede 2005). Veteran political scientist Tom Lodge (2011) has very effectively applied the literature on neo-patrimonialism in African studies to contemporary South Africa (while conceding that an analysis of South Africa that only highlights this side of things is still far from adequate) in a recent contribution.

Corruption and cosy ties within the elite are of course also the daily subject matter of the South African print media. The mind-set of African National Congress leaders and cadres is certainly not dramatically different from their equivalents elsewhere on the continent. Nor are politicians comfortably in power for 20 years in any country immune to manifold temptations.

However, there are some significant differences in context which give the South African trajectory important elements that are not found elsewhere in Africa. The first of these is the existence of a large-scale modern infrastructure and very large racial minorities, of whom the formerly dominant white group directed the emergence of an economy that is well able to cope with many of the pressures of so-called globalisation. It is true that this is an economy largely driven towards resource extraction and export but the variety and interconnections associated with the ‘mineral-energy complex’ and the complementary financial and service activities derived from this source of capital can be compared far more closely to Australia and Canada rather than to Ghana and Nigeria (see Fine and Rustomjee 1996). After some difficult years, from 2001 growing world commodity demand flattered the strengths and hid the weaknesses of this overall orientation. This situation has however become far less favourable given the global financial crisis raising its head in mid 2008. So far South Africa has failed to transform the orientation of its economy, its infrastructure and its skill base significantly; in this sense, the expectations which one might have from other African situations have been borne out (see Feinstein 2005). However, the context has been one in which this direction has allowed for economic growth being sustained at higher levels during much of the Mbeki presidency and could well allow another equivalent wave again.

For instance, while the proportion of industrial workers in the overall ranks of the employed has fallen substantially, it is not true that deindustrialisation has simply swept aside South African industry. It is true that South Africa’s uncompetitive clothing and footwear industries have undergone severe pressure as the state has lowered tariff barriers and accepted the logic of freer trade and the textile industry has virtually died;
on the other hand, the large automobile industry has more than survived through deals, particularly with German manufacturers, that have intensified investment and dramatically expanded exports. The problem lies here in that export success is coupled with the total dominance of economic strategies coming from outside the country with South African research and development of negligible importance and a continued negative balance of payments in the auto sector as a whole. Moreover new programmes, as they advance, only take on a very small number of new workers.

Saul himself shows interest in the case of the Iron and Steel Corporation of South Africa (ISCOR), one of the key pillars of the economy at the height of apartheid days. ISCOR from the 1970s became a bigger and bigger cost albatross around the neck of the government, notably given its very limited vocation for export. Privatisation, which began just before the political transition, occurred in an environment of relief at finally ridding the state of a bottomless pit of costs; it was hard to find a customer. ArcelorMittal, the current owner, has turned this around profitably but again in line with its global strategies and with a very small percentage of the old workforce who nevertheless can now produce more steel than before. Nor is ArcelorMittal a bad employer compared to ISCOR if one looks at the record of payment, social benefits or even environmental impact; it is mostly an improvement. This kind of pattern is typical of the current fate of the most impressive metal related firms of the old regime which were and are more significant on the whole than the consumer goods producers. The other pattern that should be signalled is the investment South Africans make overseas. South African Breweries has become a giant firm that has bought into beer industries in China and the USA. The parastatal SASOL, the biggest single taxpaying entity in South Africa, has massive resource investment plans in the USA, currently on hold. This is not conventional imperialism. Both SAB and SASOL would see South Africa as mature and somewhat exhausted markets apart from some diversification potential. What policies would induce such firms to invest rather in South Africa?

Tourism has become a far larger and more lucrative business while commercial agriculture has survived the collapse of many state supports and some sectors thrive (although it no longer exports more than it imports as it did in the late apartheid era). South Africa has also benefited substantially from intensifying linkages with the rest of Africa where it now fits some of the old Amin/Frank/Wallerstein *dependencista* representation of a ‘semi-periphery’ intervening between the First and Third Worlds far better.
than ever (see Amin 1974). Within Africa, South Africa’s trade balance is very favourable and there is significant investment in a range of sectors. For instance, South African purchases of cheap Zimbabwean assets and its striking involvement in tourism and retail goods merchandising there and elsewhere are manifest examples. These are structurally important features quite different from those that would characterise Tanzania or Mozambique.

**Contradictions in the ANC**

To understand the direction of policy in South Africa, the most basic requirement is to grasp the character of the former liberation movement and now dominant party, the African National Congress (see Gumede 2005, Booysen 2011). The ANC in the last election in 2013 captured almost the identical percentage of the national vote than it did in 1994, slightly over 62 per cent of the total. The opposition lacks a clear logic of attack and very much sits on the same policy terrain as the ANC itself. Moreover it is divided between different fragments that would make extremely unlikely bedfellows. However, inside the organisation, the ANC, one can denote three major areas of contradiction that already were very visible in the liberation movement period for those with eyes to see (see Lodge 1983).

Firstly, there is the question of the national character of South Africa. Historically, the ANC is an organisation that represented the interests, initially defensively, of the black elite after its foundation in 1912: it was their organisation first and foremost. From the 1940s, racial nationalism, moreover, played an active mobilising role in its extension. Under pressure, the ANC moved in the last years of its legal existence towards an alliance (still, of course, in place) with the banned South African Communist Party. It was mainly Communists who framed the 1955 Freedom Charter with its bold proclamation of an ideal deracialised society, not one that has afterwards sat very comfortably with black nationalists. Following from this, the ANC has developed into a petty bourgeoisie eager to promote not just state capitalism, as Saul predicted, but state capitalism defined in racial terms and skewed to benefit the ‘previously disadvantaged’.6 This is obviously a source of tension with the established bourgeoisie.

A struggle against racism proved both enormously attractive as a selling point to the international anti-apartheid movement and then later, in the course of framing a way in which a transition without a revolution able to offer progressive policies quite separate from the racial issue could proceed after 1990.7 Radical liberals and socialists from within the ANC-SACP
alliance, aided by some whites outside it, enjoyed a remarkable success in framing a very progressive, rights-based Constitution in 1994 (modified in 1996), which represents a governmental order quite outside the conventional experience of African nationalism elsewhere; in addition, lively voices in the media constantly expose corruption and abuses of power (see Calland 2006). In other words, South Africa became in conventional liberal terms, a democracy, unlike most developmental states able to pursue very rapid economic growth.

At the same time, the ANC has become a typical party-state as it has invested the national bureaucracy. This constitutional order often sits uncomfortably with the centralising and patron-based culture of the ANC party-state and can be denoted as a second contradiction. This was demonstrated very vividly in the battle waged during the struggle between president Thabo Mbeki, eager to assert and indirectly maintain control of the party, and forces that rallied around deputy president Jacob Zuma. Zuma was ousted as deputy president but ultimately succeeded Mbeki, himself forced to resign in 2008. In conducting this war, the evidence strongly suggests that Mbeki abused the national intelligence services, the special elite police service known as the Scorpions and the public prosecutor’s office and was able to manipulate the courts in an effort to disgrace Zuma. In turn, however, Zuma’s supporters seem to be in the process of instituting changes that could seriously affect the independence of the judiciary and other key institutions. They are convincingly accused time and again of doing everything to fend off prosecution of the president on charges of corrupt behaviour. Indeed, the political opposition makes this rather than any belief in an alternative policy road the main issue of political contestation.

The third contradiction is class based. During the 1970s the alienated black working class of urban South Africa was able to swing into very high levels of mobilisation against the state. As John Saul ably tells the story himself, whereas its constituent parts mostly organised under a leadership that had at best a hands-off attitude to the ANC in the early years, COSATU, once formed in 1985, embraced the banner of the ANC. They had little choice: there was intense pressure from black workers (and ambitious new leaders) who believed that the ANC was the best hope for black unity and struggle and threatened inter-union violence as an alternative. However, from insurgent days, the movement did continue to display a heritage of democratic practice and class consciousness which had also made a profound impression (Friedman 1987). COSATU had little appeal for workers who were not black
and was thus notable for a union movement in largely excluding skilled members in mining and industry.

While the unions have lost the sense of being a vanguard for a new political or social order which they were beginning to acquire in the 1980s, they remain a major force and the main federation is also still in the Triple Alliance with the ANC and the South African Communist Party, which really lacks any distinct socialist mission beyond the ambition to expand influence within the ruling party. The union movement is important to the ANC and given the democratic character of the state, so are the mass of poor voters inevitably interested in social reform. The fights within the ANC that led to the ousting of Mbeki and his replacement by Zuma have led to a situation whereby the party is especially dependent on the votes of the rural poor in the country. It is also notable that in the richest province, the Western Cape which is controlled by the opposition, the ethnic African vote (as opposed to whites and Coloureds) continues to go to the ANC by overwhelming margins. Where ANC support has waned is in Gauteng, the locale of the national capital of Pretoria, industrial Ekurhuleni created out of the East Rand towns and townships, and the economic giant of Johannesburg. Here it is likely the black middle class which identified far more with Mbeki and looks down on the poorly-educated Zuma which has tended to stay away from the ballot box and even in small numbers support the Democratic Alliance.

Into the 1980s the ANC in exile looked with some suspicion at the emergence of spontaneous social and political protest movements which it did not control, especially at the onset; this belief in ‘democratic centralism’ à la russe was critical in the maintenance of coherence during the long years in the wilderness and still has very widespread appeal. Nonetheless it was increasingly realised that the workers and civics movements had to be joined, imitated, embraced, if the ANC did not wish to be passed by historically. However, this was far from developing a coherent outlook towards the radical structural transformation of South African society although these movements contained the germ of such an outlook. On the contrary, rising star Thabo Mbeki and younger Western trained specialists beginning to emerge such as Max Sisulu and Tito Mboweni (and probably behind them, the pious leader of the exiled organisation Oliver Tambo), were increasingly convinced that the ANC in power must find its place within the broad trends of capitalism developing globally, especially once the faltering thrust to reform and implosion of the Soviet Union got underway.
I have elsewhere tried to discuss in some depth the adoption of economic policies by the ANC in the transition years (Freund 2013). On the negative side, it is startling how little orientation or expertise there was in the direction of coherent social democratic policies appropriate to the particular circumstances of South Africa. Mbeki and Mboweni were important players but Nelson Mandela himself, easily converted to the need to work with dominant global forces and with South African business (notably through the influence of Harry Oppenheimer whom he systematically consulted), was hardly innocent in this regard. The recent memoirs of Niël Barnard reveal how extensive and intense the contacts between himself, as head of South African intelligence services and Mandela were before the state decided it was safe enough to release him (see Barnard 2015). Figures we might identify as left-wing such as SACP stalwart Chris Hani, Pallo Jordan and Ben Turok, played little role in hammering out an approach to the future economic development of the country; their opinions were not consulted.

One can note two elements that did try for such a role. First, there was the Macro-Economic Research Group, or MERG, which embraced a large range of international and national figures initially but came under the aegis of a group of anti-apartheid movement veterans by and large. Their proposals made in 1993 showed strong signs of developmental state and of left Keynesian thinking but, to sum up a complex story, they were relative political outsiders with little real influence on Mandela and the ANC leadership, who sidelined and disowned them. In addition, there was the Reconstruction and Development Programme document flung out quickly with backing from former UDF based planners but largely pushed by COSATU. The RDP provided a thorough and impressive wish-list (rather typical of UDF discourse) but without prioritisation, any sense of connection or indications as to funding. The RDP was adopted and instituted and the secretary-general of COSATU Jay Naidoo was put in the first cabinet to give it coherence. However the minister of finance, former Cape Town activist Trevor Manuel, fought against this structural imposition which was fairly quickly dismantled. Unfortunately, those who wave the banner of the RDP as a lost cause rarely actually look at its incoherence and its limitations as a document.

It was also true that the road to political power lay in understandings with representatives of the old regime, of big business and of interested parties internationally that have been described as ‘elite pacting’. There has been so much internalisation of ‘good governance’ along the lines of the
international financial institutions (IFIs) that it is not clear that pacting correctly describes the practice. South Africa has established a wide range of ties connecting it to such institutions; it has established an economy much more open to international investors, reduced tariffs in many areas markedly and successfully established a fiscally conservative financial regime. After the first few years in power, it was not representatives of the old order but rather those from within ANC ranks who energetically pursued these policies. International praise for the ministry of finance, for the South African Revenue Service and for the Reserve Bank, all institutions run far more competently than in apartheid days according to conventional voices in the international and national media, has resounded in consequence. Here we can certainly denote a ‘neo-liberalism’ that we could equate with an abandonment of the masses and a marginalisation of the ANC allies in the Communist Party and the trade unions. This is the side of the ANC Saul and Bond grasp very well. There is much truth in Patrick Bond’s catchy view that the ANC talks left but walks right but this perspective is insufficient to explain the whole contemporary picture (see Bond 2004).

Having said this, however, it is equally possible to identify a whole set of trends that go against a neo-liberal logic and reflect a somewhat different trajectory, a trajectory which stems very directly from the playing out of contradictions that are housed within the ANC and to the realities of operating in a democratic framework to which the ANC is strongly committed; constitutional democracy is closely tied to the legitimacy of the party. At the level of macro political economy, it is questionable whether the ANC has ever been keen on genuinely weakening the state – or even turning it primarily into an arm of capital. This is one part of the IFI Weltanschauung it has never adopted. Its own empowerment depends on the state being effective and retaining considerable dominance. Thus privatisation has often either involved continuing state partnership in enterprise and the private sector involvement introduced has been intimately tied to favouring the emergence of a black African business class beholden to the party-state itself. In any case, from 2004 the state has bluntly declared that the limited privatisation introduced into state activities would henceforth not be extended; in particular, the parastatals created since the 1930s would continue to operate as key actors in economic development. Local government however serves as a key clientelist arena but it is not a source of any kind of policy. Thabo Mbeki specifically endorsed the definition of South Africa as a developmental national state, about which somewhat more below, and
this has been reiterated by Zuma (see Freund 2008). The Industrial Development Corporation, a major player in the old economy, has revived and taken on large numbers of staff; it defines itself as at the service of industry and quintessentially developmental. Research on a local economy reveals considerable state support for industrial firms of varied kinds and with varying levels of success (Freund 2014).

Mbeki in power may have taken for granted the importance of fitting into the economic trends associated with ‘globalisation’ but he matched this (if not always very comfortably) with a politics that emphasises Third World identity and linkages and a focus on South Africa’s African associations (NEPAD and the reconstruction of the OAU into the African Union), participation in peacekeeping forces and peace brokerage, most successfully in Burundi and the Democratic Republic of the Congo. With the exception of Zimbabwe, the stability of southern Africa in the early twenty-first century has been very notable; this cannot be understood without underscoring the role of South Africa as a force in this regard. South Africa effectively refused to co-operate in Western-led efforts to isolate or intervene in Robert Mugabe’s Zimbabwe or to destabilise the al-Bashir regime in the Sudan. Zuma tried in vain to get negotiations going in the midst of the fighting in Libya between Muammar Gaddafī and his opponents, wisely it has turned out.

Attempts to establish some kind of bloc with the most economically significant states outside the existing old boy’s club have culminated in South Africa joining the BRICS association. Left nationalism in Cuba and Venezuela were the delight of the visual state-controlled media in South Africa in the days of Hugo Chavez. While clearly South Africa co-operates with some aspects of America’s ‘war on terror’ where it sees its own security interests affected, it was palpably hostile to American intervention in Iraq and the Middle East, tilting towards support for Palestine vis-à-vis Israel. While John Saul would deplore some of the more opportunist stances of the new South Africa that are blind towards authoritarian Third World governments, he could hardly find these stances simply ones that fit into plans deriving from the North Atlantic Treaty Organization. It is certainly possible to justify the role of the West as still economically dominant in the world today but its political successes are not what they were and its ability to impose itself in different situations often poor; South Africa has played its part in such changes. The consequences are sufficiently substantial that one cannot simply dismiss all of this as just ‘talking’ Left.
The more business orientated forces in the party with the approval of Mbeki often threatened to cut off the SACP and/or the trade union movement in the form of COSATU: these partners however, despite many spats, continued to need each other (Southall 2004, Booysen 2011). Despite the bitterness of the party split that led to the ousting of Mbeki as head of the ANC at the Polokwane congress, since that time most factions have come round to support for unity. The breakaway Congress of the People party has not distinguished itself as a serious rival to the ANC nor has it taken with it most of the more conservative elements in the party. Its initial electoral success in 2008 largely fell away in the following election as factionalism set in. The balance sustained under Mbeki continues under Zuma, perhaps less coherently under a less intelligent manager. The regime steers a line that runs between business-defined delivery of services to the masses, acceptance of the prerogatives of the labour movement in the workplace following the adoption of generally very progressive labour legislation early on after the transition and redistributive policies which, while widespread, do not really much alter the extreme inequalities in South African living standards.\[^9\] With much fanfare, a National Development Plan was put together recently. Its hundreds of pages, often prepared with the consultation of some of the best brains in the country, cover many bases and add up to very little in terms of prioritisation or emphasis. This is an attractive document to show visitors.

Looking at redistribution, South African tax collection remains heavily weighted towards taxing high incomes (much less so with regard to business profits) and has become far more effective than before 1994. The majority of the population benefit from a series of major redistributive payments. The largest of these is the universal pension system but there is also an important child support grant system and a disability grant system that has expanded to include those sick with HIV-AIDS and other conditions that palpably make employment difficult or impossible. More controversial is the diffusion of services (notably water, electricity and free housing). Here there have been intense localised struggles over payments, quality and timing as well as over poor maintenance by incompetent and/or corrupt local agencies (Ballard et al 2006). However, unlike some authors, I would identify these struggles as intended by militant participants to push the ANC to do the right thing rather than aimed at undermining its power. Three key reasons for the struggles lie in 1) the incompetence of local government unable to fulfill mandates widely bruited at election time; 2) the strong tradition of potentially violent community protest at local level from anti-apartheid days, a tradition
which has also a justified reputation for sometimes getting desired results; and 3) factionalism within local ANC circles where party advancement is also the road to a better life for leaders. This accords both with how workers in opinion polls evaluate the purpose of militancy (sometimes taken to very destructive levels, occasionally destroying schools, health clinics and libraries) and with the generally high approval ratings the ANC continues to receive. In other words, I believe that the view that the ANC is a decayed nationalist movement that could potentially (at least in the visibly predictable future) be swept aside by globally prevalent ‘people-led’ social movements independent of past left or nationalist historical forces is romantic and delusional. Its capacity for patronage, its appeal compared to any opposition that would smack of pre-1994 political forces, and its genuine continued ability to deliver to the poor within limits, are still far too palpable. Moreover the problem of the South African masses as they themselves see it is not so much ‘exploitation and oppression’ (Saul and Bond 2014: 247) as exclusion; exclusion from the consumer society on the other side of the now invisible wall, given the lack of diffusion of a clear concept of social democracy and how to construct it and the incompetence and corruption they often experience trying to access basic services.\(^\text{10}\)

An interesting new element on the scene emerging before the 2014 election is the Economic Freedom Fighters party, which includes elements from inside and outside the ANC and is strongly associated with Julius Malema, the once powerful ANC Youth League demagogue who went too far in insulting Zuma and trying for the role of king-maker. In the election the EFF won support but less than COPE had previously. It is also plagued by factionalism and finds it difficult to function in an ANC dominated parliament. Whether it has a future is uncertain.

In 2012 disgruntled platinum miners, mainly rockface drillers, unwilling to continue under the circumstances of the collective bargaining agreement they had with employers, turned against the COSATU miners’ union, NUM, and signed up for an independent union although a massive strike in this sector was largely spontaneous. Migrant workers, considerably better paid than under apartheid, still found it impossible to keep two households going at once which obliged them to rent shacks near the mine, and made them prey to loan sharks who took up much of their pay. Mineworkers doing far less dangerous jobs, occasionally women, but with skills dependent on formal education, earned considerably more than they did. These conditions became unacceptable especially when the platinum price rocketed for a while
seeming to show that bosses could easily pay workers far more. Confrontations between workers and what seemed to be a united front of capital, the NUM and the state in the form of a poorly trained police relying far too much on force, turned violent. With two of their own killed, the police ended up slaughtering more than thirty miners at Marikana. Yet from a slightly later vantage point, it would seem, despite the commentary of Saul, Bond as well as Peter Alexander and his team, Marikana has not proven a turning point. Other political parties have failed effectively to capitalise on it even if perhaps it has taken the moral claims of the ANC down a peg or two as it stands by its dubious policing activities. A government enquiry into Marikana recently released its report, condemning the management of the police but whether any heads will roll as a result is uncertain. The essential ties that bind the masses to the ANC have been loosened a bit but not cut. The final point to be made here is that the relationship between the ANC and the South African business elite has, to an uncertain extent, shifted since 1994. That elite has found the ANC the only potential political force available for effective co-operation but they have also found the party deeply committed to the creation of a new black business elite. No doubt Mbeki saw this elite as the foundation of a class of businessmen and women beholden to the party and eager to cooperate with it as opposed to the very much more hesitant white moguls representing existing economic power. This is symbolised by the slogan BEE – black economic empowerment – and through guiding legislation that formally lays down rules as to how corporate actors who wish to access state business must operate in terms of taking on black partners, directors, suppliers and the like. I have assessed BEE – now BBBEE (broad based!) – elsewhere but suffice it to say here that it needs to be defined very loosely to capture the real life situation (Freund 2007, 2008). The new wealthy consist not only of BEE shareowners, effectively handed wealth (albeit with the long spoon of heavily leveraged loans) but also of government ministers who themselves have been allowed to enter into these deals, of the executives in the parastatals whose management has been dramatically affected by affirmative action as well as other top bureaucrats and of black executive employees in existing firms. The often questionable and closed tendering process for state contracts is certainly the key to most of the BEE success stories. The chain of intermarriages and close family relationships within this class is multifold. Here we begin to have something like Peter Evans’ concept of an ‘embedded elite’ which transcends the private-public divide, consists of a
class educated together and socialised together which functions with a common \textit{habitus} in the sense of the sociology of Pierre Bourdieu, and which communicates through a discourse that its members have entirely internalised (Bourdieu 1977, Evans 1995). For the political leadership of the ANC, relying on and integrating with such an elite is very preferable to the distanced if inevitable relationship the ANC enjoys with the previously existing white business elite, not only because the dividing line of race continues to be significant but because the older elite has so little commitment as a whole to a transformed South Africa and functions so much like a satisfied and well-established bourgeoisie that has come out of a previous dispensation and is reluctant to invest in a new one.

\textbf{Race and class in the new South Africa}

Let us sum up these comments by suggesting that one can see a new shaping of South African society from the vantage point of the ANC at least (Freund 2007). First, at the top of the pyramid is the new wealthy elite. Of course, this involves a tiny number of people overall, generally with multiple political connections and focused on Johannesburg and Pretoria. It would, however, be a mistake, to miss the dramatic increase at the same time in the ranks of the black middle class, also focused on what is now Gauteng province but much more widely spread and reaching down to the lower middle class and aspirants from below. Here we have one bulwark of strength for the regime consisting of perhaps 10 per cent of the African population, the tenth that have mastered the way of functioning and talking, the skills and the sophistication, to operate in the English language in desk jobs but who have depended on the rise to power of a black government in order dramatically to expand their previous potential for status and accumulation confined by the racialised structures of apartheid. If anything, they would often like to move the ANC to the right.

Some writers have then spoken of a protected and unionised labour aristocracy forgetting the extent to which unionised workers live amongst and support people in the townships and squatter settlements and how easily jobs in the private sector can be lost. It is, I would argue, more useful, to point to the extent to which the character of COSATU membership has changed as numbers remain relatively stagnant overall. While COSATU still organises many miners, automobile workers and garment workers, sectors where the union movement has stabilised and revived in recent years, today perhaps up to 40 per cent of membership consists of state employees,
notably teachers, police members and health workers but also others at varying levels of wage and skill; here state patronage is palpable (Buhlungu 2010).\textsuperscript{11} This does provide a varied but secondary pillar of strength for the new dispensation, distinct from, if overlapping with, the previous one.

Finally there are the massive two-thirds of the black population that live in poverty, often dire poverty. Here the relationship with the state often seems more patrimonial than rights based; with all its limitations, there is some benefit of ‘delivery’ and redistribution albeit little structural change. Popular hopes for more generous hand-outs fuelled the Zuma movement and Zuma himself has the ability by contrast with Mbeki to play the personal role of the benevolent traditional patriarch but, given unfavourable international economic conditions, such hopes are very unlikely to be realised in coming years. However the construction of RDP houses and extension of basic services rolls on.

Table 1: \textit{Economic Sectors: employment}

<table>
<thead>
<tr>
<th></th>
<th>1960</th>
<th>2001</th>
<th>mid 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry</td>
<td>1,698,000</td>
<td>960,000</td>
<td>706,000*</td>
</tr>
<tr>
<td>and Fishing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining</td>
<td>605,000</td>
<td>389,000</td>
<td>383,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>679,000</td>
<td>1,206,000</td>
<td>1,667,000</td>
</tr>
<tr>
<td><strong>Total Population</strong></td>
<td>16,003,000</td>
<td>44,819,000</td>
<td>52,932,000</td>
</tr>
<tr>
<td><strong>Per cent of population employed in all three</strong></td>
<td>18.6 %</td>
<td>5.7 %</td>
<td>5.2 %</td>
</tr>
</tbody>
</table>

* Agriculture only

The world of the poor in South Africa often seems similar to that elsewhere in Africa in terms of living standard indicators although far better in terms of access to items of consumption but it is also characterised by more extreme forms of social decay. It is very important to realise that the long-term consequence of generations of migrant labour led to the decay of the balance which it created for a time. There is a widespread collapse of family life and HIV/AIDS spreads at a horrific scale, with more virus carriers than in any country in the world.\textsuperscript{12} Levels of violence and crime are astonishingly high. If secondary education is becoming widespread, the standards most schools offer are extremely poor and unemployment is the fate of most youth. The ‘informal sector’ is very underdeveloped in terms of productive activity (employing roughly 20 per cent of workers according to official sources compared to 90 per cent and more in India or Nigeria) but must absorb large
numbers of an increasingly urbanised population while peasant agriculture has become a very marginal economic activity. Not only have things not changed for the better at this level, one can talk even of deterioration as employers shed jobs and get rid of workers described as unskilled in mining, agriculture and other sectors of the economy.

They are problems of omission rather than commission, exclusion as much or more than exploitation. The above table culled from census figures shows how employment has dried up and services do not make up for this decline. The delivery the state offers only touches the edges of these problems. On the one hand, the ANC has never had a sense of mission vis-à-vis education which is all too commonly understood in terms of the diffusion of pieces of paper rather than genuine skills; on the other, it has no real thrust in terms of industrial or other economic investment that could justify its rhetorical interest in defining itself as a developmental state. Pressures from below mean that the very considerable uptake in secondary and tertiary education creates lower standards; an equivalent thrust for quality is hard in this context to be an effective priority. This is a situation which can be found also in many parts of the Middle East and Latin America. Indeed educational improvement does not guarantee employment expansion in any case. The Zuma government contains elements that would like to break new ground and move forward in both these aspects and others that would or could not.

Here Saul’s new barbarism as a prophecy for South Africa does have some purchase. However, it is also not so clear where the answer to these problems does lie. The often-cited (but rarely discussed) RDP which Saul’s co-author, Patrick Bond, flung out as an alternative was a remarkable artefact of the first post-apartheid election but it never explained how it proposed to transform the conditions it ably described (ANC 1994). It is not only the World Bank’s connivance at dominating the intellectual landscape that makes it hard to see the way forward; part of what is described as ‘globalisation’ does represent shifts in world capitalism that are undermining the prospects of peasants and proletarians (or requiring dramatic readjustments and new forms of mobility) that are simply not reversible. Governments as determined to usher in real changes for the masses as those in Brazil and Venezuela struggle to find suitable policies. How can the South African state transform the skill base and outlook of the mass of poor people? How can it teach entrepreneurs and managers to plough completely different furrows in creating value? Where can it find viable niches where large numbers can obtain dignified and stable
employment as a basis for reconstructing society? Simply destabilising the affluent or intensifying the pressure on the delivery button is not really a convincing answer. Similarly, as state announcements increasingly reflect, trickle down strategies do not create real opportunities nor do superficially democratic but obviously top-down consultations that are often at best talk shops. Many of the problems that the ANC faces in social transformation, in other words, come from a lack of ideas, rather than simply greed, complacency or indifference to the masses. Thus far the answers the party in power has proposed have just nibbled away at problems from the side revealing themselves as non-committal or ineffectual in finding solutions in comparison with their relatively successful nurturing of an educationally defined black middle class.

South Africa in the light of Asian models
Is Saul right to characterise the turn away from popular engagement as ‘mere state capitalism’? I would like to suggest that this question is not perhaps entirely framed the way that is most useful. Evans’ concept of embeddedness relates closely to trajectories of economic strategies focussed on industrialisation which can lead to impressive economic growth and better living standards. Yet is this meaningful in the South African case? Compared to what I would call two previous waves of embedded socialisation: first in the wake of the Anglo-Boer War and associated with the people around Lord Milner; and second as Afrikaners and British seemed to be coming together in the days of Jan Christiaan Smuts to promote a Keynesian development wave driven by the mineral boom it is less clear that there is such a strategy currently. If none develops, the new BEE aristocracy will seem shaky and parasitical, parasitical moreover on people who dislike them and are to some extent disinvesting in South Africa. However their purchase on political life may continue for a long time to come.

Thabo Mbeki began the process of defining South Africa as a developmental state. His admiration, at a distance, of an Asian model for development and, in particular, the willingness to take Malaysia as a model, especially Malaysia’s development since the adoption of the New Economic Policy in 1969, represents an interesting way of conceptualising this issue further. The NEP has much in common superficially with BEE and some BEE vehicles show the influence of NEP which has transferred some of Malaysia’s rapidly growing corporate wealth into the hands of ethnic Malays. In particular, the idea of harnessing the advancement of Malays to the main
thrust of business expansion in the era of globalisation has been quite successful although the actual prowess of the handful of state-dependent Malay tycoons is more questionable. NEP related policies have created a large and generally competent class of professionals and business people among the Malays of Malaysia. Here too there are parallels although the ANC so far is much less successful than their Asian counterparts have been.\textsuperscript{13}

However, in Malaysia ‘mere state capitalism’ has had very big and positive effects on the Malay masses in terms of support for smallholder agriculture, in improving human development indicators and in easing the process of urbanisation. Malaysia’s social integument was and is very different. By South African standards, this is a country without slums. Through its capacity at deeper social intervention on the part of the masses, this is a capitalism which has up to a point delivered some real transformation, transformation which has long-term potential in further improvements and in creative response to global economic change in a middle-scale country limited in its ability to shut out the influence of international corporations. It is by no stretch of the imagination a ‘socialist transition’ but it mimics some of the key features that such a transition can potentially offer. It also suggests that capitalism in the Third World, for all its unevenness, cannot really be reduced to ‘barbarism’.

In my view, this is where the lack of success of the ANC needs especially to be measured. At present, one might argue that the ‘organic crisis’ about which John Saul wrote together so presciently with Steven Gelb two decades ago has been in part solved; the social crisis is largely unresolved but the accumulation crisis business ran into after 1970 is no longer apparent (Saul and Gelb 1981). If growth rates are not very high, it is instructive to be reminded by Thomas Piketty that growth rates in stable capitalist societies that are not playing ‘catch up’ in his words, are generally modest and the more so when natural resources with their changing money values loom so large (Piketty 2014). There is a very strong tendency in capitalism for inherited (and corporate) wealth to grow absolutely but also proportionately without a strong countervailing state garnishing this wealth as he insists.

But conceivably this situation could change. In South Africa’s northern neighbour, Zimbabwe, whose historic development has paralleled it on a smaller scale, since 1990 we have seen a stubborn nationalist movement resist change in the wake of growing economic and social pressure and become more overtly chauvinistic and racist in character. Pressure from
below (the veterans’ movement) precipitated a collapse of the post-1980 model with disastrous macro-economic effect. Much of the economy has collapsed and the apparently stable social bargain that ensued after black majority rule was instituted has proven extremely vulnerable. In Malaysia, by contrast, it is affirmative action type measures that are increasingly questioned even by Malay intellectuals and are being applied less and less substantially as the NEP begins to look more like a historical stage that may be passing. Is the South African road pointing toward Zimbabwe (when perhaps, one day, the going gets rough) or to Malaysia (where things seem to be getting easier)? Even in Malaysia, the construction of a common society, that overrides the colonial racial/ethnic divide and can endure the temptations of populist politicians, is far from over.

The amazing irruption of forces from below in response to the late apartheid situation did not die out after 1994 through repression, whether in iron or velvet gloves, in South Africa; it gave way to state patrimonialism, a developmental ethos and a lapse into consumerist individuation in civil society that will be difficult to reverse. South Africa is a textbook example of how limited constitutionally bound political change can be in promoting socio-economic change. In this sense, it has become Neville Alexander’s ‘ordinary country’. Democracy as practised in South Africa, which is in some respects very vigourous, itself blocks change and imposes moderation and compromise. The ANC often comes up with foolish and authoritarian plans but they are denounced in the media, revised and often dropped. Almost every positive step that would seem to be important is approved and taken up, whether alternative energy sources or improving science education, but generally slowly and inefficiently. Different lobbies operating at varied levels within the party and from outside, make for gradualism and hesitant change, frustrating of course when the continued long-term consequences of the developmental road of the past play themselves out. Nor would a different ruling party in this democracy find structural change coming easily.

It is hard to avoid concluding that South Africa, precisely because it is a real if imperfect democracy, is in gridlock rather than the victim of a heartless clique; different interest groups cancel each other out and change, as a result, is powered most by those in the private sector that can act without developmental direction from a governmental elite. Compared to John S Saul, I place less faith in initiatives from below and in so-called people-centred development. These are sometimes very positive phenomena when they occur and ANC democratic centralism which tends to stifle autonomous
initiatives can be overweening and counter-productive. However, if we harken back to Hitler Hunzvi and the Zimbabwe veterans, we might remember that the cry for improvement and for help from below can take forms that spell disaster (Kriger 2003). They need to come together with transformations at a larger and governmental level in order to build effective changes to make life better as Saul might well also acknowledge. Rather than hoping for a new sort of liberation movement, this paper tries to pinpoint weaknesses and suggest a different way of considering society.

The recreation of social forces in South Africa under ANC aegis as I have outlined it is not unimpressive and involves an array of positive changes; this is by no means mere propaganda. I am convinced that a more critical question as to whether the South African road is going to lead up the mountain or down the valley is whether or not the state capitalism embraced by the power elite can take on the character to intervene in, and to take with it, the bulk of the population and allow for a deeper social transformation than is presently visible on the horizon.

Notes
1. The key texts introducing this approach were Marais (1998) and Bond (2000).
3. Saul’s writings during and after his long stay in Tanzania are in my view his most grounded and challenging. His readers should familiarise themselves with his wide-ranging contributions. See as well his remarkable collection edited with the late Lionel Cliffe (Saul and Cliffe 1972).
4. I am going here to define globalisation in terms of the major new thrusts of international capitalism since the definitive end of the post-World War II boom circa 1970.
5. This is much the same fate as the former Inland Steel plant at the south end of Lake Michigan in the USA has experienced.
6. For some recent assessments, see Glaser (2001), Chipkin (2006), Macdonald (2006), Habib and Bentley (2008) and Soske (2009). There are many more one could add but almost all the concerned writers are white. It is noteworthy that black South Africans rarely broach this theme as a problem of real concern.
7. Thus feminists achieved major gains despite their very limited and late presence in ANC thinking (see Hassim 2006).
8. For a striking comparison with Brazil, see de Oliveira (2006: 21). De Oliveira
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envisions Lula’s Brazil as being propped up politically by the poor – and very poor – but committed simultaneously to a bourgeois economic order. Much of the secret lies in the distribution of minimum state grants to the poor.


10. However, it is true that exploitative and oppressive conditions are still commonplace in many labour sectors (domestic labour, security services, forestry, agriculture as well as mining). It is harder though to argue that this is what makes the system run anymore. There is a very general problem in the devaluation of basic labour devoid of academic qualifications.

11. This is due to increase further with the NUMSA breakaway.

12. Recent evidence points to HIV prevalence having peaked, however, and to a majority of sufferers taking up anti-retroviral treatment. Nonetheless the capacity of the South African medical system to reach, in particular, rural areas so as to ensure systematic and continuous chronic treatment, is limited.

13. For some accounts I have used, see Amin and Caldwell (1977), Jomo (1999), Jomo and Gomez (2000), Wah and Teik (2002).

14. For a grim and hostile take that assumes that the patrimonially based corruption in the ANC can only lead downwards towards economic collapse and eventual confrontation with the IMF see Johnson (2015). Lodge’s excellent and more nuanced perspective (2011) nonetheless convincingly also considers this sort of trajectory as a very real possibility.

References


