INTRODUCTION
REVENUES, RULE, REDISTRIBUTION

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In recent years, a new stream of research on the crisis of the state in South Africa has emerged, as revenues have faltered and ageing infrastructure cracked. Inevitably, the core of the South African economy attracts the most attention – notably the crisis of Eskom (Chipkin *et al* 2018, Tooze 2023). Nonetheless, it is on the poorest, rural margins of South Africa, which generally have higher rates of poverty and weaker fiscal bases, where the crisis is worst. To take one important example amongst many, according to the latest reports of the auditor general, around half South Africa's municipalities face financial distress or insolvency: unable to manage, raise revenues and deliver basic services, such as water and electricity (Ensor 2022). Of these collapsing municipalities, the overwhelming number are 'Category B4' rural municipalities, typically found in the former 'tribal Homelands/Bantustans'.

Thinking historically, it is also on the rural peripheries of South Africa, particularly in the chieftaincy areas and the former 'tribal Homelands/Bantustans' of the apartheid era, that the sweeping shifts in historical patterns of revenues and rule are seen most starkly. At the start of the twentieth century, black South African peasants endured some of the most stringent personal taxes on the continent – designed, in the laconic words of Cecil Rhodes, to give them 'some gentle stimulus' to enter the industrial economy forged by settler colonialism as migrant mineworkers. In the first decades of the twenty-first century, these peripheral regions of post-industrial South African, which endure some of the highest rates of inequality and unemployment in the world, are sustained by fiscal transfers primarily from the central state. Accordingly, South Africa has become a case study *sine qua non* for students of the new forms of social pensions and social transfers that are emerging in the Global South (Nattrass and Seekings 1997;

Ferguson 2014). Yet what is missing in these debates, thus far, is a discussion of what might be thought of (to paraphrase the title of Margaret Levi's important book) as the politics of 'revenues, rule and redistribution'. For as Levi suggests, quoting Schumpeter, 'the budget is the skeleton of the state stripped [bare]' (1988, 6; Jerven 2022, 105–32).

This special issue picks up questions of revenues, rule and redistribution through the exploration of three interlinked themes. First, state-society relations take on a new valence when examined through the lens of taxation efforts. Explicit resistance, implicit tax avoidance and new relationships between state actors and local residents animate what are otherwise fairly presentist debates about service delivery protests and the nature of the neoliberal state. Second, and as this Introduction makes clear, when placed in historical context the articles in this special issue show a significant shift in the nature of revenue relationships over the course of the twentieth century. Whereas 'native taxes' were once thought to underpin 'native development', increased state expenditure in the late apartheid years engendered a new relationship between revenue collection and redistributive social development expenditures. Despite this shift however, many of the papers argue that the mechanisms of expenditure distribution remain localised and fractious, heavily shaped as they are by precepts of 'decentralisation'. The outcome has been a far from smooth story of redistribution in post-apartheid South Africa. Thirdly, and building on this, the special issue explores how revenue redistribution has filtered through a fractured multiplicity of networks and intermediaries, opening new opportunities for accumulation, clientelism and the shoring up of political power.

This special issue comes out of a series of workshops held over the course of three afternoons in September 2021, which brought together a new generation of policy researchers, civil society activists, and academics. It was convened under the auspices of the University of Witwatersrand History Workshop and supported by a BA/Leverhulme Small Grant (SRG18R1/180570). We would like to thank friends and colleagues who contributed to these workshops and the many discussions that have followed. We would also like to thank the editors of *Transformation*, who have allowed us to experiment with a format that brings together academic articles, briefing reports, and activist interviews – a format that seeks to embrace the vigorous diversity of debates, which makes South African intellectual life so special.

HISTORICAL QUESTIONS (1): BLOODSUCKER TAXES

The imposition of peasant taxes in Southern Africa around the turn of the twentieth century is often cast as one of the 'original sins' of settler colonialism on the continent. Cecil Rhodes' infamous phrase – that the hut taxes he introduced to the Eastern Cape districts of South Africa in 1894 could both fund segregated structures of African local government and also give African peasants 'some gentle stimulus to come forth and find out the dignity of labour' – struck a resonant note (Verschoyle 1900, 375). For in the late nineteenth century colonial states across the world were using the 'stimulus' of taxation to set up structures of rule, extract revenues, obtain workforces and expand trade flows (Daunton 2007). In West Africa prosperous peasantries exported into colonial markets and revenues were mainly obtained through indirect taxes (Boone 2003, 7, 28–29, 103, 143; Gardner 2012, 5--6; Nugent 2010, 45–55, 58). By contrast, South Africa's peasantries experienced the highest levels of direct taxation of all the settler colonies in southern and eastern Africa (Amin 1972, Mkandawire 2010, xlvi, x). Protests - even rebellions - were not uncommon. In fact, Cecil Rhodes' hut taxes were never successfully implemented in the Transkei districts of the Eastern Cape (Bundy 1987). In Natal, a revolt against poll taxes levied in 1905 ended with the decapitation and display of Chief Bambatha's severed head.[1]

South Africa has been a crucible for wide-ranging debates concerning the brutal incorporation of the peasantry into the colonial state. Initially, Marxist historians argued that the purpose of the peasant taxes was to drag African peasants into the colonial political economy.[2] In this materialist account of settler colonialism, the pauperisation of the peasantry turned the tribal reserves of southern and eastern Africa into 'labour reserves' that supplied settler capitalism with the 'cheap labour' of migrant workers (Wolpe 1972). More recent modes of historiographical thinking in South Africa have borrowed heavily from James Scott's dichotomy between the 'moral economy' of independent, peasant societies and the coercive capacities of state power. Writing in this vein, some historians go as far as describing the settler state - with its powers of measurement and taxation - as an extractive, evil sorcerer (Crais 2002, 173–5; Redding 2006). Bloodsucking livestock taxes were popularly known in some rural districts as the *impundulu*: a vampire-like omen.

In consequence, throughout the twentieth century, taxation has been synonymous with state coercion and exaction – and was something to be evaded, kept at arm's length, and, if necessary, resisted at all costs (Ndlovu 2017). This fraught relationship between state and society over the *long durée* is discussed in ***Timothy Gibbs'*** briefing paper on the collapse of cattle dipping and livestock taxes in many districts of rural South Africa in the post-apartheid era. Here it is important to recall that cattle dipping was introduced into the rural districts of South Africa - alongside new livestock taxes to pay for dip tank operations - just a few years after conquest and annexation, to counter an outbreak of East Coast Fever at the turn of the twentieth century. In the north-eastern districts of Transkei, dissidents armed with old rifles from the anti-colonial wars took to the hills when dipping and cattle taxes were imposed on them (Beinart 1994: 94--5). For the rest of the twentieth century, the state-organised system of cattle dipping was an object of suspicion and mistrust. Even in districts where livestock dipping worked relatively effectively, operations were run on shoe-string budgets and there would seem to have been plenty of cattle owners who evaded livestock permits and associated taxes (Scott 1990, 57). This was a fragile system - such that it largely cracked-up very quickly during South Africa's democratic transition. (Luvuyo Wotshela's paper discusses similar resistance to taxes imposed by the Ciskei Bantustan in the 1980s.) Strikingly, the post-apartheid government has shown no desire to revive livestock taxes or obligatory cattle dipping, viewing the costs of state surveillance as far higher than gains in revenues and animal health.

South Africa's changing political economy also intensified patterns of tax evasion and avoidance as, during the final third of the twentieth century, there was a secular decline in rural livelihoods and a concomitant tailing-off of peasant taxes. Patterns of dispossession were particularly brutal in South Africa: 1.1 million African farm tenants evicted from the commercial 'white farming districts' and dumped in rural slums in neighbouring Bantustans. Even in rural districts that escaped various forms of forced removals and evictions, households that would have been largely self-sufficient in key staples (like milk and maize meal) in the 1950s were buying 70% of foodstuffs from stores and supermarkets a generation later (Beinart 1988; Delius 1996 139–72). At the same time, migrant remittances declined, particularly after the mining industry employment figures dropped from a peak of 700,000-769,000 in the mid-1980s to 456,000 in the late 2010s (Monsur and Jones 1999; 117; Statista 2023). By 1980, around three quarters of locally raised taxes in the Bantustans came from various forms of income tax levied on the new class of salaried state officials (most especially teachers); and only a quarter from an older set of 'peasant taxes,' such as livestock, poll, quitrent, and hut taxes (Lebowa Expenditure 1974–1994).

Importantly too, one response of rural communities to the collapse of peasant production and labour migrant remittances was 'the reorganisation of... household activities around a wide variety of informal income [i.e. untaxed] generating activities' – ranging from unlicensed collection of firewood in state forests, to an illegal trade in *dagga* (Mpanza and Nattrass 1987, 23; Preston-Whyte and Rogerson, 1991; Francis 2000, 6). In this sense, rural South Africa parallels the rest of the continent, where peasant tax revenues precipitously declined from the 1970s onwards, as many governments turned a blind eye to 'informal sector' coping strategies, such as smuggling (Moore 2013, 17; Fjeldstad and Therkildsen, 2008, 113–34). Well before Nelson Mandela's democratic government officially abolished South African peasant taxes in 1994, in many districts of rural South Africa householders had effectively stopped paying these revenues.

This frayed, mistrustful relationship between the state and rural communities is very much a feature of ***William Beinart's*** interview with ***Sinegugu Zukulu***, an environmental activist from the amaDiba districts of the Eastern Cape. Historically, these Eastern Mpondoland districts were amongst the last to be annexed and colonised. These coastal districts were also at the heart of one of the most intense rebellions of the early 1960s, and another smothered rebellion against an attempt to raise cattle taxes in the early 1980s. This leads to something of a paradox in the post-apartheid era. Whilst peasant taxes have gone and government social grants are the mainstay of the local economy, the state is still often experienced as an alien force. Local social development projects happen in a haphazard manner, such that there is plenty of fruitless expenditure: half-built schools and expensive rural water schemes that break after just a few years of operation (see also Tess Peacock's interview.) The aggressive efforts of a multinational mining company, trying to strip-mine the sands of the coastal area of Xolobeni, has led to an outright oppositional relationship to the state, which has determinedly supported the mining (Healy 2022). The amaDiba chieftaincy is also on the frontlines of the battle against a multinational mining company that has been trying to strip-mine the sands of Xolobeni. Despite official promises that mine revenues will fund local development, these financial resources are often captured by local powerbrokers, and South African anti-mining activists see a 'rapacious collusion between state officials and politicians, multinational companies and traditional authorities to dispossess rural villagers of their land' (von Holdt 2019, 11). Zukulu belongs to a new generation of ecologically aware activists who see mining projects as an 'anti-development machine' (Ferguson 1994). More than a century after conquest and annexation, rural districts such amaDiba still see significant aspects of state power as a predatory 'bloodsucker'.

Taken together then, several of the papers in this special issue explore, from varying angles, long-standing themes in South African/colonial history of resistance to state power. Whether driven by contested notions of legitimacy, a fundamental suspicion with state led 'development,' or major shifts in the political economy underpinning the tax regime, any questions of revenues and rule necessarily highlight the fraught but often changing relationship between state and society.

HISTORICAL QUESTIONS (2): NATIVE TAXES, SEGREGATED DEVELOPMENT, FRAGMENTED INSTITUTIONS

Whilst South African historians have generally seen taxes simply as an instrument of coercion, we might also pay more attention to the connected politics of taxation and expenditure, and contested notions of 'development' – a focus that connects several articles in this special issue. Particularly in the first half of the twentieth century, 'native taxes' were levied to fund 'native development': most contentiously cattle dipping (1900s) and soil conservation/rural betterment programmes (1940s/1950s). At the same time, social development expenditures, increasingly funded through central transfers, became progressively more important in even the most remote rural districts: first schools (from the 1920s – but especially the 1970s), then pensions (1970s)[3], more recently water (1980s/1990s) and electricity provision (1990s/2000s). Today, it is no exaggeration to suggest that the poorest households in South Africa are dependent on these social development expenditures. At the same time, a paradox: the racist ideologies of segregation and apartheid - particularly, the stipulation that 'native institutions' must organise 'native development' that is at least part-funded 'native taxes'- made for fragmented, fractious, deeply unequal patterns of state provision for much of the twentieth century, which have persisted (in new forms) into the twenty-first century.

In the aftermath of the Union of South Africa (1910), the foundations of the South African fiscus were laid down, as part of the more thoroughgoing construction of a segregated South African state. 1914 saw the introduction of income taxes that would come to give South Africa a remarkably centralised fiscal system based on a system of direct taxation, which endures to this day (Liberman 2003). Nonetheless, South African architects of racial segregation were determined that 'native taxes' should also make a significant contribution towards 'native development'. In the chieftaincy areas, various ad hoc systems of indirect rule were consolidated into Native District Councils - the largest of which was the United Transkei Territories General Council (UTTGC), covering 26 districts of the Eastern Cape.[4] By the mid-1930s, the UTTGC disbursed £150,000 each year: maintaining 4000 miles of roads, running 1000 cattle dipping tanks, part-funding 1400 schools and three agricultural colleges. The foundations of the UTTGC's fiscal authority were the 1925 Native Taxation and Development Act, which standardised taxes across South Africa: a £1 poll tax, a ten-shilling hut tax, and a six-shilling cattle-dipping levy, as well as an optional additional two-shilling education tax (Evans, 1934, 34–45, 52–61). Liberal apologists took up the self-justifying refrain that 'native taxation' funded 'native development': building schools, roads and clinics, spreading the virtues of self-help, civilisation and Christianity. In an era when imperial governments were looking to make African colonies pay for themselves, these South African experiments were described by Lord Hailey's influential *African Survey* (1938) as a remarkable achievement in native self-government.

Lord Hailey's liberal belief that 'native taxes' could fund 'native development' was illusory, given widespread African poverty in an unequal settler society. Perhaps the most intractable question for the South African fiscal state that emerged in the interwar years, defining citizenship along racial lines as it did, was the question of how revenues be redistributed across race categories. This was the origin of the 1925 Native Development and Taxation Act: which limited interracial fiscal transfers after complaints from white electorates their taxes cross-subsided African schooling. In consequence, in the early 1930s, Africans received just 4% of government revenues when they made up four-fifths of the South African population (Evans 1934, 39-48). If these fiscal inequalities were papered over by the moderate increase in African smallholder production (that brought in increased peasant taxes) in some rural regions during the interwar years, a series of droughts in the 1930s exposed deepening rural poverty. Experts forecast soil erosion, cattle overstocking, landlessness, and a pell-mell urbanisation into South Africa's cities, which industrialised fast during the 1930s and 40s (Beinart 1994). During the watershed years of World War II, Jan Smuts' government faced these crises by introducing social development expenditures, such as state pensions for all 'race groups', which arguably might have opened-up broader notions of a common South African citizenship based on a shared fiscal regime (Dubow and Jeeves 2010; Seekings 2007). But in 1948 the apartheid government came to power, committed to *separateness*.

In the countryside, the fiscal implications of the apartheid government's reaffirmation that 'native taxes' should substantially underwrite 'native development' was seen in new policies that decreed that rural Africans were tribal subjects of nine (later ten) self-governing, supposedly largely self-funded Bantustans. As heads of new Tribal Authorities, local chiefs were given radical new powers to mobilise community resources: local levies, *corvée* labour, run cattle dipping, and fine laggards in their newly instituted chief's courts. Some apartheid policymakers laboured under the illusion that new peasant taxes, organised through the chieftaincy, would stimulate peasant production. Moreover, to help pay for the costs of the new Bantustan government institutions - that in the new Transkei Bantustan (est. 1963), for instance, employed 5400 teachers and 2900 officials by the mid-1960s – peasant taxes were doubled by the 1956 Native Taxation and Development Act. Here are the origins of the wave of rebellions that swept across rural South Africa in the 1950s, as rebels burnt down the cattle dipping tanks and the chiefs' courts, which had become symbols of taxation and state authority (Mbeki 1964). Noteworthy too is how similar these protests were to developments elsewhere in the continent, where modernising post-war development schemes, underwritten by new peasant taxes, cut deep into African societies (Low and Lonsdale 1976; Scott 1998, 223–61).

It is also true however that at a micro-level the Bantustans (1963-1994) were known for the severity with which authoritarian traditional leaders and local office holders fined dissidents, applied customary laws, and arbitrarily demanded local levies. Nonetheless, the broader trend was that the spurs of the state blunted in the final third of the twentieth century: peasant taxes declining, even as centrally-funded social development expenditures climbed. While not yet a decisive ideological break from the fiscally neutral precepts of the early twentieth century, which held that 'native taxes' should pay for 'native development', the Bantustan era marked the start of a major set of shifts.

Most fundamentally, there was an exponential growth in government social expenditures from the 1970s onwards, as rural livelihoods declined, generating a new politics of revenue relationships. While the Bantustans had once been thought of as underpinning the capitalist urban economy, by the late 1970s they could no longer be characterised as sites of 'cheap labour.' Central state expenditure on the Bantustans had increased significantly, partially, in an attempt to stem black urbanisation. In one estimate, state spending across all the Bantustans increased four-fold in the first part of the 1970s, from R120 million to R520 million (Beinart 2012, 13). By the 1980s, it was these central state transfers – supplemented with soft loans from the Development Bank of Southern Africa - that made up the largest percentage of Bantustan budgets. Growing social expenditures fundamentally reconfigured revenue relationships and introduced a new form of politics across rural South Africa. Despite apartheid policymakers refusing to drop the fantasy that 'native taxes' should fund 'native development' - indeed, cattle taxes were raised for a final time at the turn of the 1980s - the Bantustans were no longer indirect rule on the cheap (Gibbs 2014, 59-60).

Pretoria's response was a curious mix of fiscal pragmatism and segregationist ideology. On the one hand, South Africa's centralised fiscal frameworks, which taxed wealthy South Africans a relatively high proportion of their salaries, granted the apartheid government in Pretoria the fiscal headroom to channel more expenditures to its client Bantustan regimes. At the same time, segregationist doctrines meant that white citizens received a far higher proportion of social expenditure than their black co-citizens, making for brutal inequalities. We see apartheid inequalities most clearly in schooling provision: in the mid-1980s, white schoolchildren received a subsidy of R3983 per capita; for children in the African townships this averaged R583; in the KwaZulu tribal Homeland, just R355 (Unterhalter 1991, 52). Attempting to part-fill the gap in funding and provision, South Africans, living in the poorest rural districts, were expected to pay additional levies and make in-kind contributions, often in the name of a new notion of 'development,' in line with global practices (Tapscott, 2005, 171). The apartheid Department of Cooperation and Development described this policy in the latest technocratic jargon: '[as] the processes by which the efforts of the people themselves are united with those of governmental authorities to improve the economic, social and cultural conditions of communities, to integrate these communities into the life of the nation and to enable them to contribute fully to national progress' (quoted in Phillips 2020, 60). In practice, this meant the expansion of the 'Rand-for-Rand Schemes', in which government disbursements matched community-generated levies for schools, post offices, and other infrastructure. Here was the latest version of the old dogma that 'native taxes' should part-pay for 'native development'.

The consequences of this scantily financed social development, often part-financed with local levies, in the desperately poor, rural districts of South Africa, proved devastating. 'Mud-hut' classrooms collapsed in heavy rains; schoolchildren drowned fording swollen streams, when badly built bridges were swept away. These inequalities remain today. In the mid-2000s, civil society activists counted thousands of 'mud-hut' classrooms still in existence in rural South Africa.

The ANC's rejection of these long-standing, racialised patterns of fiscal segregation shaped South Africa's democratic political settlement and the promises of the Reconstruction and Development Programmes (RDP), again shaping the revenue relationship between the citizenry and the mechanisms to deliver 'development.' ANC policymakers entered constitutional negotiations in the early 1990s dead set against the centrifugal forces generated by 'apartheid segregation' and 'Bantustan tribalism', arguing for a post-apartheid political settlement that emphasised 'nation-building', redistribution and fiscal centralisation. Outmanoeuvring the outgoing apartheid government that had argued for a federal post-apartheid polity along the lines of Switzerland, the ANC secured a unitary post-apartheid state. The old Bantustans were incorporated into nine post-apartheid provinces, which had very few tax raising powers and typically obtained around 95% of their revenues from central government tax receipts (Gibbs 2014, 183). Beneath the provinces, a multiplicity of segregated, apartheid-era institutions of local government were replaced by racially integrated, democratically elected, district and local municipalities. For progressive policymakers, this 'wall-to-wall' democratic local government was an historic achievement. Crucially, a redistributive funding model ensured that the poorest, 'Category B4', rural municipalities (typically found in the old Bantustans) received around 90% of their revenues from inter-governmental transfers, such as the 'Equitable Share' grant. Thus, in a decade when global financial institutions like the World Bank favoured decentralised taxation regimes, South Africa's democratic settlement centralised fiscal authority that implemented a self-consciously 'progressive' fiscal regime.

This rebalancing of revenue-raising responsibilities further consolidated an already centralised fiscal framework. The post-apartheid South African Revenue Services became a 'success story' lauded by international financial institutions, its receipts rising from R113 billion in 1994/5 to R573 billion in 2007/8 as it further improved its (already relatively impressive) collection of corporate and income taxes on the wealthy (Fjeldstad and Moore, 2009, 1–12). At the same time, the poor (particularly the rural poor) were released from regressive taxation: the historically contentious poll, livestock, and hut taxes abandoned; consumer staples (like maize flour and milk) exempted from general sales taxes (Friedman and Smith, 2004). It was a significant act of redistribution: conservative commentators griping that in a country of 48.6 million people, 3.2 million taxpayers paid 99% of personal taxes (Joubert 2012). As tax receipts swelled, the South African Treasury underwrote the ANC's keynote RDP programmes that prioritised social development expenditures. South African academics are well known for their contributions to wider debates about the causes and consequences of rising social pension expenditures - which rose as a share of GDP from 1.6% in 1993 to 4.5% in 2005, such that government grants (no longer migrant remittances) became the main source of income for the poorest households (van der Berg, Siberts and Lekezwa 2010). Importantly too, additional commitments made in the mid-2000s by the National Treasury to fund 'no-fee schools' and Free Basic Services (notably electricity and water provision) to some extent released poor rural households from many of the most onerous of the levies and charges of the apartheid era. For Seekings and Nattrass (2015), this meant post-apartheid South Africa was a social democracy delivering coherent social programmes.

All the same, whilst revenues were collected through a very centralised tax system, post-apartheid expenditures were channelled through a multiplicity of decentralised state institutions. One sees this particularly when looking at the burgeoning social development expenditures providing lifeline services to the poorest South Africans: provinces charged with delivering healthcare, education, and social welfare grants; district and local municipalities responsible for water, electricity and housing. Partly, this was the result of the constitutional bargain struck with the outgoing apartheid regime, which granted the lower tiers of the post-apartheid government significant administrative autonomy. Important too, were techniques of new public management and public procurement outsourcing introduced in the early

2000s, supposed to drive accountability, cost-effectiveness and innovation, which in reality threatened to unstitch already fractious institutions. The Public Affairs Research Institute, for instance, calculates there are 10 000 points of government procurement in the Eastern Cape province, making financial oversight practically impossible (Brunette, Chipkin, Meny-Gibert, 2014). From 2005 to 2009, one quarter of the Limpopo Provincial government expenditure has been spent on procuring goods and services (Phillips 2020, 245) Thus, the fragmentation of the post-apartheid state bears a certain resemblance to historic patterns.

If much of the writing on the crisis of local government tends to focus on technocratic factors of redistribution and the complexities it has engendered, a number of our contributors foreground the longer-term historic factors that have made the post-apartheid state so fragmented, fragile, and fractious. ***Fani Ncapayi*** particularly focuses on the difficulty of creating racially integrated, consolidated local municipalities out of the dissonant fragments of apartheid. He describes how the settler farming town of Elliot, founded at the turn of the twentieth century in the aftermath of colonial conquest, was established as a racially segregated, fiscally self-contained, Village Management Board, providing basic municipal services (electricity, water, waste collection, local roads) to a small, prosperous community of white ratepayers who could afford these services. Then everything changed. After the adoption of 'wall-to-wall' local democratic government in 1998, Elliot became the central hub of an expanded Sakhisizwe Local Municipality. Not only did expansion spread municipal bureaucratic capacities more thinly, Ncapayi also discusses how the decline of the commercial farming economy in the region put municipal revenues under stress. On the one hand, the rates base of the central town weakened. At the same time, forced removals and rising farm unemployment brought a wave of desperately poor, black farmworkers into new informal settlements on the fringes of the town. Ncapayi describes the central streets of contemporary Elliot as a ghost town: decaying buildings, pot-holed roads, sewage running into the street symptomatic of the wider infrastructural crisis of Sakhisizwe Local Municipality.

Another set of debates in post-apartheid South Africa, which has deep historical resonances, concerns the contentious question of 'cost recovery' - i.e. who pays the user has charges/operational expenditures for municipal services. As the central state transfers channelled greater funds across the country, how did the dynamics of payment, revenue generation, and redistribution change? Because the apartheid state had come close to a sovereign debt crisis, the incoming ANC government initially took a cautious, conservative view of questions of 'fiscal responsibility': arguing that even the poorest households would pay some sort of lifeline tariff for basic water and electricity services. Given that around half the population lived below the poverty line in post-apartheid South Africa, this imposition of 'fiscal discipline' was brutal. City battlegrounds attracted most attention: radical scholars documenting the fierce resistance municipalities sometimes encountered when the state cracked down on 'illegal' electricity connections and attempted to install pre-paid electricity and water meters in urban townships. Radical scholars such as MacDonald and Pape (2002) argued that a technocratic neo-liberal state was commodifying lifeline services that should be a basic human right. Yet something worse was seen in rural South Africa in the early 2000s: for the doctrine of 'cost recovery' had the effect that the poorest households in remote districts paid the very highest tariffs to cover operational costs of expensive Rural Water Schemes – that, unsurprisingly, experienced high rates of non-payment and system failure, which led to high rates of infant mortality from waterborne illnesses (Hemson 2003).

Luvuyo Wotshela's contribution focuses on questions of revenues, redistribution and public service provision in some of the poorest Ciskei districts of the rural Eastern Cape, which were hard hit by forced removals during the apartheid era. Importantly, in following the politics of forced removals, Wotshela shifts attention away from questions of 'land and livelihoods' (which has been the focus of much research on rural South Africa), onto questions of 'settlement and service provision,' meted out through the increasingly fractured state. He explains how the leaders of the Ciskei Bantustan attempted to consolidate their tenuous authority amongst poor refugee communities by rewarding supporters with land and basic services for their settlements. In the late 1980s, the Bantustan state was challenged by civic organisations, who led rebellions against corrupt Tribal Authorities and settled groups of refugees onto commonages. Nonetheless, the attempts of the civics to develop more democratic, grassroots participatory methods of delivering services to poor communities never came to fruition in the new South Africa. In the context of new debates about 'user charges' how did this deeper history of protests shape the processes of 'cost recovery' that unfolded? Wotshela discusses the post-apartheid provincial government's strategic decision to absorb (rather than dissolve) apartheid-era structures of chieftaincy and patronage, which surely only further compounded the already-existing scepticism about the state and its legitimacy as a revenue-raising institution. One also wonders whether the post-1994 Reconstruction and Development Programme, which put such emphasis on service provision to poor, dependent communities, is a form of politics that very quickly degenerates into a politics of clientelism fuelled by the fractured and localised nature of state service provision.

In one sense, cost-recovery debates have moved on since the introduction of Free Basic Services policies in the mid-2000s that - in theory, at least - should cover the costs of operational expenditures. ***Avhatakali Sithagu*** picks up these debates from the viewpoint of the 2020s: a time when municipal debt (often owed to Eskom and water service providers) is generally agreed to have reached worryingly unsustainable levels. Sithagu takes a case study of Thembisile Hani Municipality, a densely settled peri-urban cluster of settlements that were initially formed due to apartheid forced removals, whose population has burgeoned in recent decades because of its proximity to Gauteng. On the one hand, she shows the near impossibility for a small, bureaucratically fragile, B4 local municipality to manage revenues and deliver basic services:

maintaining infrastructure, collecting rates and revenues, managing the over-complex system of Free Basic Services grants that come from National Treasury. Importantly too, like many densely settled peri-urban settlements found around large urban conurbations, around three-quarters of the households in the municipality living on unsurveyed communal land do not appear on municipal registers that would allow either the collection of local taxes or for the administration of Free Basic Services indigence grants. Yet whilst the provision of municipal water is disastrous and there have been regular service delivery protests, Sithagu also points towards the success of Eskom in directly connecting households to the electricity grid through a system of prepaid meters. This is a very novel approach to questions of service delivery, revenue collection and state surveillance: showing how households on communal land (which she terms 'invisible property') have been identified and connected into the networks of the state since 1994.

Tess Peacock, a social rights activist, approaches questions of redistribution, revenues management and cost-recovery from a different angle. She directs an NGO based at Bulungula on the Wild Coast: where 60 villages benefited from the award-winning R125 million Mncwasa Rural Water Scheme that, having opened to great fanfare in 2015, deteriorated so rapidly that many villages supplied by the project went months without water in 2022. In discussing why the capital expenditures on brand-new social development schemes have not been matched by adequate operational expenditures to maintain them, Peacock raises a number of key structural concerns. One is that politicians courting voters (and national treasury grants, too) have tended to prioritise new capital expenditures that promise headline-grabbing ribbon-cutting ceremonies and lucrative construction contracts. Worryingly, she also suggests that South Africa's poorest municipalities have an expanding capital base (water schemes, roads, sanitation infrastructure etc.) that is not matched by an adequate inter-governmental grants regime supporting operations costs. In short, much of the RDP infrastructure built by the post-apartheid democratic government has the potential to fall apart in the coming years – much like the Mncwasa Rural Water Scheme.

More broadly, many of the contributions to this special issue (notably, Meny-Gibert, Pearson and Wotshela) note the irony that it is the poorest, most institutionally fragile provinces and municipalities in South Africa that have been mandated with the huge task of delivering lifeline services and social development programmes to the poorest, peripheral districts of the country. In the run up to the recent 2021 local government elections, for instance, Chris Hani District Municipality emerged in many press reports as a prime example of a failing municipality plagued by corruption, broken basic infrastructure, and burst sewage pipes. Wotshela reminds us that this troubled district municipality, which was one of the hotspots of apartheid's forced removals, has struggled to balance its books for decades. Again, the legacies of South Africa's fragmented history present in the troubles of today.

HISTORICAL QUESTIONS (3): ACCUMULATION, CLIENTELISM, CORRUPTION

South African journalism today is full of stories about the egregious patterns of corruption (of public resources being used for private purposes and accumulation) seen in the local municipalities. Thinking about the contemporary dilemmas historically, one of the themes of this special issue is how changing, fragmented patterns of taxation and expenditure have shaped different forms of accumulation, clientelism and accusations of corruption.

Looking back to the Native District Council system that emerged in the 1920s, as much as native commissioners and district magistrates celebrated the locally imposed 'native taxes' that funded 'native development', they were also uncomfortably aware that the diversity of revenue streams and locally raised levies gave influence to a multiplicity of authorities. Prominent notables asserted their independence by seizing control of revenues from the interstices of the Native District Councils - one flamboyant example, Paramount Chief Victor Poto, set up a co-operative farm in the 1930s with monies channelled from the United Transkei Territories General Council, and then bought himself a Dodge motorcar with additional levies from his followers (Gibbs 2014, 17). Then there were the quotidian levies demanded by other local office holders: livestock taxes paid to cattle dipping committees, church levies for households living on mission lands, school fees demanded by the school principal (Hammond-Tooke 1975, 59--61). And whilst traditional leaders were generally excluded from the Native District Council system, they too attempted to assert their authority by taking fees and payments. Power struggles between local rivals almost always turned on the vexed question of who had the authority to levy taxes and tribute: the question whether these were legitimate payments or fraudulent exactions.

During the Bantustan era, - particularly from the 1970s onwards - these revenue relationships changed dramatically, as independent peasant livelihoods declined, the incidence of rural poverty increased and there was a dramatic increase in central government transfers directed towards social development. This is the context in which Gibbs (2014, 57) has argued that 'with the rise of government-funded development projects a... diffuse network of [chiefs and] notables... played a new role as political brokers, accessing goods from the dysfunctional Bantustan state for their own communities'. Arguably, it is here we find the origins of a form of clientelism focussed on the 'politics of recognition' that continues to this day, in which impoverished localities make claims on central government in the name of their community.

Nonetheless, the most politically explosive questions in the 1970s and 1980s concerned the questions of corrupt exactions and locally imposed taxes. Given apartheid's unequal distribution of development expenditures meant that very poor communities were expected to raise funds to cover the cost of social development, huge resentments built up against the corrupt officeholder, operating in the interstices of a fractured state, who preyed on poor householders: the schoolteacher who misappropriated students' fees; the chief who 'ate' (i.e. stole) village levies. South African researchers have written extensively on how the apartheid government's attempts to raise township rates and services charges in the mid-1980s detonated a series of rates boycotts and township revolts, which spread from the cities into the small towns of the rural districts. Similarly, a series of rural revolts, protesting the exactions made by corrupt chiefs, schoolteachers, and officeholders, swept through the countryside at the end of the decade (Delius 1996; van Kessel 2000). All the same, it is striking how often insurgent civic organisations – after 'chasing away' corrupt chiefs and officeholders - took fees and payments themselves, often when they allocated plots of land to local residents. 'They [the civics] were just a group of... men doing the same thing as the old chief and just as prone to corruption', claimed feminist Lydia Ngwenya (Oomen 2005, 98). More generously, one might suggest that it is by taking fees and levies that leaders (of all political stripes) claimed authority in a poor, fragmented political landscape.

Several papers in this special issue explicitly deal with opportunities revenue generation and collection have opened for redistribution to move through fractured intermediaries in the late apartheid and post-apartheid period. ***Joel Pearson's*** discussion of local government revenue relationships in Limpopo demonstrates the intertwined relationship between revenue management and local politics across the apartheid and post-apartheid era. He shows how the Conservative Party seized control of a string of segregated 'lily-white' local councils in the Northern Transvaal in the 1980s by playing the card of fiscal segregation, when they refused to comply with directives of *verligte* reformers in Pretoria, who sought to soften apartheid by having prosperous white town councils share revenues with neighbouring Black Local Authorities. Whilst the Conservative Party lost control of the levers of local government during the 1990s democratic transition, the new generation of ANC politicians who emerged at the helm of the municipal government in the early 2000s proved equally independent minded. Strikingly, they used revenues redistributed by the national treasury to build an autonomous political base inside the governing ANC. In Pearson's paper we see how raising and managing local revenues has entrenched pathways of accumulation that have fundamentally reconfigured local politics.

As ***Sarah Meny-Gibert*** notes, education and teachers' salaries remain the main item of expenditure of most post-apartheid provinces. Her piece breaks new ground in suggesting how the political settlement made in 1994 extended and embedded a very decentralised pattern of clientelism into the education system, focused on intense, destabilising competition for teachers' posts. Partly, the dysfunctional education system can be explained as a fragmented inheritance of apartheid patterns of state formation - not least the vast number of small schools, built by chiefs looking to consolidate their authority during the Bantustan era, which has proved a major obstacle to distributing resources effectively. The teaching union SADTU has also emerged as a powerbroker in many provinces, using its control over budgets and posts to parley influence inside provincial political structures. Important too, was the decision of the post-apartheid government to place significant authority in the hands of School Governing Bodies, particularly 'Section 21 schools' who control their own budgets. The result is a free-for-all; and principled school leaders who stand up to trade union syndicates are all too easily run out of their posts on spurious charges of misallocation of funds. *Plus ça change, plus c'est la même chose.*

CONCLUSION - CENTRIPETAL OR CENTRIFUGAL?

So where are we at today? During the mid-2000s commodity boom, as social expenditures tripled in real terms, it seemed possible to argue that the fragmented post-apartheid state was glued together by the massive redistributive programmes organised by the National Treasury. The networks of the state – overhead power lines marching into the hills, as a rural electrification project increased the percentage of households connected to the grid from 35% in 1994 to 75% by 2007 - epitomised this state-building project. There seemed to be a 'fragile stability of sorts'. More recently, however, the revenues and infrastructural crises of the 2010s might lead arguments in a different direction: that social development expenditures (squeezed since 2015), channelled through fragmented, decentralised state institutions have proved a centrifugal rather than centripetal force. As the special issue's repurposing of Margaret Levi's 1988 book suggests, an examination of the changing patterns of 'revenue, rule and redistribution' - and the lens this offers into the state's legitimacy, questions of development, and clientelism - shows the deep structural forces at play to explain both the tentative optimism during the mid-2000s commodity boom and the more recent sense of crisis.

NOTES

1 By sharp contrast, turn of the century European states were expanding welfare provision through more expansive, progressive forms of taxation, as Martin Daunton's fiscal history, *Taming the Leviathan*, reminds us.

2 African pensions, which were introduced in urban areas in the 1940s, were extended to the Bantustans in the 1970s.

3 In the cities, 'Native Revenue Accounts' were funded through contentious new taxes levied on 'Native Beer'. This 'Durban system' spread across the continent (Crush and Ambler 1992, 2–3, 16–9).

4 By contrast, the largest, wealthiest 'Category A' municipalities (such as Johannesburg) were expected to raise 70-80% of their own revenues through a mix of local taxes, property rates and service charges.

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