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What is Radical, in Neoliberal-Nationalist South Africa?

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Patrick Bond¹

South Africa has rich, robust radical traditions and over the last two decades I have seen these extended, deepened, and widened. In late 2011 at the Durban world climate summit known as the Conference of the Parties 17 (COP17), they will ground a formidable anti-capitalist critique of elite market environmentalism. Some of this confidence comes from defeating racial apartheid, although what we term “class apartheid” soon set in during the presidency of Nelson Mandela.

Across a variety of sectors, this condition generated strong Polanyian double-movement reactions, I argue in this essay. South African bottom-up experiences fighting the dominant governing ideology of neoliberal nationalism confirm the need to *delink* global corporations from determinations of social welfare, to *decommodify* basic goods and services, to *rebuild public sector* capacities, and to ensure that the state is run by a political party with genuine *accountability to its poor and working-class constituents*, exhibiting the consciousness of *environmental, gender, and racial justice*.

It is utterly impossible, of course, for these kinds of objectives to be achieved within a semi-peripheral capitalist mode of production, and this is well recognized. However, even with a strong left-leaning social consciousness, traditions of popular militance, and amongst the world’s highest annual protest rates (per capita), the sustained failure to shift macroeconomic policy suggests the persistence of some deep intellectual and political potholes en route to eco-socialism.

Locating this story personally will clarify my biases in mapping the directions South African radicals are taking. After relocating from the Johns Hopkins economic geography doctoral program in Baltimore in 1989 to do field research in Zimbabwe (Bond 1998) and soon thereafter to provide support to urban activists within a Johannesburg NGO (Planact) in 1990, I was confronted by a mix of hotly-contested neo-Marxian political-economic theories and a structure-struggle dynamic the outcomes of which no one could predict.

For it turned out that after peaking in the mid-1970s and reviving thanks to regulation theory’s influence in the early 1990s, this crucial intellectual component of the left project stagnated at the very moment all hands were needed on deck to fight neoliberal late-apartheid and post-apartheid policies. After the world-famous popular uprisings of the mid-1980s and early 1990s, accompanied by extreme state repression, the activist impulse was also initially demobilized with the African National Congress (ANC) electoral victory over apartheid in April 1994. But in retrospect, on both intellectual and activist terrains, the retreat was only temporary and partial. A radical flame has kept burning and from the 2000s has often flared bright, as Washington-friendly policies made South Africa the world’s most unequal country (Bond 2011) and as African

¹University of KwaZulu-Natal School of Development Studies, Durban, South Africa

Corresponding Author:

Patrick Bond, University of KwaZulu-Natal School of Development Studies, Durban, South Africa
Email: patricksouthafrica@gmail.com

nationalism lost a great deal of its purchase just as Fanon (1961) predicted in *The Wretched of the Earth*.

The context of long-term economic decline is crucial, not only because the 1970s-80s over-accumulation crisis and falling corporate profits were instrumental in ending apartheid, along with tightened sanctions and rising class and social struggles. But that political resolution was class-biased, containing within it the seeds of the extreme inequality; doubling of unemployment; decline in life expectancy; and a variety of other ills mainly affecting black, poor, and working people, especially women, the youth, and the elderly. The cost of the temporary resolution of the economic crisis in the period 1994-2008 was an elite deal that in turn permitted financial and trade liberalization alongside extreme capital flight and financialization of the economy.

By the time of the 2008 global financial meltdown and the 2009 economic contraction, South Africa's real estate market began a long-overdue correction and local currency and financial markets crashed. Although like elsewhere they subsequently recovered after March 2009, the unemployment problem worsened and not even World Cup Keynesianism could restore economic sectors whose 2000s boost reflected excessive local credit expansion. This trajectory of amplified uneven (and combined) development has been the subject of considerable historical debate about race-class oppression, as well as contemporary social protest.

I. The Ebbs and Flows of Radical Ideas

On the front of ideas, the early 1990s was a seminal moment because of the switch by thinkers associated with two ruling groups: "English-speaking" big capital evolved from their relatively old-fashioned modernization-oriented liberalism (albeit with reluctance to endorse "one person, one vote" until around 1989) to neoliberalism; and the state's former dirigism also shifted to liberalization. Even without formally resuming lending until December 1993, the International Monetary Fund assured that the dogmas of privatization, fiscal constraints, high real interest rates, and value added tax (VAT) updated the Afrikaner "econocrat" faction in Pretoria. This group was ascendant by then thanks to the 1989-94 reign of F. W. de Klerk, after the brutal "securocrats" of P. W. Botha's 1980s era went overboard on repression and so fell out of favor. In the former clique, the Urban Foundation—founded by Anglo American Corporation and the Rupert dynasty after the 1976 Soweto uprising—and the World Bank had the same cheer-leading role for English-speaking big business interests.

Due to the sustained overaccumulation crisis, the deregulatory, financialized, exit-oriented agenda of business meant that the most intense pressure for change came on the macroeconomic front. But in all areas of development policy, the market was celebrated as the vehicle for "delivery" in the transitional years. By the time of the 1994 transition, a neoliberal faction within the ANC had emerged around Thabo Mbeki, Trevor Manuel, Tito Mboweni, and Alec Erwin, ultimately persuading President Mandela (1994-99) to adopt a series of structural adjustment and sectoral adjustment programs fully in line with the Washington Consensus.

To some extent, the failure of radical political-economic scholarship—and the ambivalence of regulation theory (positing a shift from apartheid's "racial Fordism" to non-racial post-Fordism which in reality segued to neoliberalism)—can be blamed. Earlier, visionary social theorists took a longer view of economic and social relations, and the various South African traditions of radical political economy were always infused with concern about race, geography, and also increasingly gender and environment. All came together in studies of *superexploitative* capital-labor relations that underpinned apartheid.

Fierce debates between radicals and liberals (whether Weberian or modernizationists) motivated 1960s-70s political economic studies, drawing upon longstanding concerns within Marxism about superexploitation. The South African Communist Party (SACP, 1989) developed the theory of "colonialism of a special type" from the early 1960s, but because the CST framework

implied that the underlying dynamic of South African political economy was not capitalist, it came under repeated questioning from left intellectuals. New generations of political economists added several other branches of Marxian analysis: articulations of modes of production (Wolpe 1972); neo-Poulantzian “fractions-of-capital” analysis (e.g. Davies 1979); the concept of “racial capitalism” (Saul and Gelb 1981); the social history school of the 1980s (van Onselen 1996); French regulation theory (Gelb 1991); and, in a partial attempt at explaining underlying dynamic of accumulation, the “Minerals Energy Complex” (Fine and Rustomjee 1997).

With the upsurge in South African social protest (following early 1960s repression) beginning with the Durban labor movement in 1973 and then Soweto in 1976, and with the economic slow-down beginning around 1974, political economists’ attention turned from aspects of apartheid-capitalist stability and control to instability and crisis. As Charles Meth (1991) posited, overaccumulation of capital set in, reflecting the saturation of local consumer and capital goods markets, simultaneous to similar problems at the world scale. In reply to the barrage of neo-Marxist metatheory, the Thompsonian social history school was the closest thing South Africa experienced as a post-modern localist reaction, but no matter how rich and interesting the particularities of their case studies, they added up to very little that was generalizable for the purpose of answering the larger questions of capitalist development, especially during the dramatic mid-1990s transition.

At that time, the task for the several dozen regulation theorists advising the trade union movement became how to stitch together a new set of “post-Fordist” institutions and assist in the process of kick-starting capitalist growth. Wage restraint, productivity *quid pro quos*, social contracts, and even Taiwan-style export-orientation were advocated by Gelb and other economists connected to the Industrial Strategy Project. At the same time, however, regulation theory lost momentum internationally, and after 1991 there were no further major academic works published in this tradition. Ben Fine and Zav Rustomjee (1997) contributed an institutionalist approach by identifying the nexus of a Minerals-Energy Complex around which accumulation, state, labor relations, and other economic phenomena could be understood. Within a decade, Fine (2008) addressed the post-apartheid political economic nexus in terms of financialization as “macroeconomic policy has been designed to [manage] the capacity of the South African conglomerates to disinvest.”

Occasionally the state’s intellectuals—Thabo Mbeki (president from 1999-2008), Joel Netshitenzhe (2006), and Alan Hirsch (2005)—would resort to leftist narrative to justify a conservative turn. As David Masondo (2007) observed, “A combination of unreconstructed vulgar Marxism and modernization theory have provided conceptual basis for contemporary neoliberalism, which is dressed up as the ‘first economy’ drawing in the ‘second economy’ to a successful market process.” Moreover, warned Masondo, “The CST and its National Democratic Revolution (NDR) strategy is also used by some in the ANC to justify the current neoliberal incorporation of the emerging black bourgeoisie into the structure of capital accumulation.” Mbeki’s grip on power faded and growing SACP and Cosatu critiques of Two Economies political economy showed the limits of efforts by the likes of Netshitenzhe (2006) to revive the NDR. The challenge remains to transcend talk-left walk-right nationalism and establish stronger grounds for testing theories of uneven development, including in the building of a radical political economy where it counts most: bottom-up (Bond and Desai 2006).

2. The Uneven Development of Protest: Economic Policies and AIDS

While often dismissed as Mandela’s honeymoon period, the 1994-99 phase of post-apartheid capitalist consolidation included anti-neoliberal protest by trade unions, community-based organizations, women’s and youth groups, non-governmental organizations, think-tanks, networks of

CBOs and NGOs, progressive churches, political groups, and independent leftists. A 1994-96 upsurge of confident liberatory shopfloor, student, and community wildcat protests soon subsided. But sustained critiques of macroeconomic and microeconomic policies were recorded against Mandela's Finance Ministry, Reserve Bank, and Minister of Trade and Industry, for:

- sometimes draconian fiscal conservatism;
- leaving value added tax intact on basic goods;
- amplifying tax cuts favoring big firms and rich people;
- willingness to repay apartheid-era debt;
- restructuring the state pension funds to benefit old-guard civil servants;
- letting the country's largest corporates shift their financial headquarters to London;
- liberalizing foreign exchange and turning a blind eye to capital flight;
- granting permission to demutualize the two big insurance companies;
- failing to more aggressively regulate financial institutions;
- not putting discernable pressure on the Reserve Bank to bring down interest rates;
- advancing legislation that would have transferred massive pension fund surpluses (subsequent to the stock market bubble) from joint-worker/employer control straight to employers;
- deep cuts in protective tariffs leading to massive job loss;
- giving out billions of dollars worth of "supply-side" subsidies for Spatial Development Initiatives, considered "corporate welfare";
- cutting decentralization grants which led to the devastation of ex-bantustan production sites;
- pitiful attempts at small business promotion;
- lifting the Usury Act exemption (i.e., deregulating the 32 percent interest rate ceiling on loans);
- failing to impose a meaningful anti-monopoly and corporate regulatory regime.

These are merely a few of the late 1990s economic policy grievances that attracted critique from radicals, along with campaigns in a variety of other sectoral development fields: land reform, water, energy, housing, welfare, education, local government, environment, defense, policing, foreign affairs, labor, broadcasting, health, transport, public works, public services, justice, public enterprises, and sports (Bond 2000: 217-223). Something bigger began to gel around 1999, however, when two kinds of movements emerged to offer radical challenges to the status quo: the Treatment Action Campaign (TAC) and the new urban social movements (Bond 2006).

The most powerful retort to neoliberalism was probably the attack on intellectual property rights successfully won by the TAC in the case of medicines for Acquired Immune Deficiency Syndrome (AIDS). A course of anti-retrovirals (ARVs) cost \$15,000 per year in the early 2000s, restricting access to a tiny minority. The South African government's 1997 Medicines Act made provision for compulsory licensing of patented drugs, especially ARVs for the country's HIV-positive population, numbering roughly 10 percent of the 50 million current population. That campaign was immediately confronted by the U.S. State Department's "full court press" against the Medicines Act (the formal description to the U.S. Congress), in large part to protect intellectual property rights generally, and specifically to prevent the emergence of a parallel inexpensive supply of AIDS medicines that would undermine lucrative Western markets (Bond 1999; Natrass 2004).

The campaign included U.S. Vice President Al Gore's direct intervention with SA government leaders in 1998-99 to revoke the law. In July 1999, Gore launched his 2000 presidential election bid, a campaign generously funded by big pharmaceutical corporations (which in a prior election cycle provided \$2.3 million to the Democratic Party). As an explicit counterweight, TAC's allies in the AIDS Coalition to Unleash Power (ACTUP) began to protest at Gore's

campaign events. The protests ultimately threatened to cost Gore far more in adverse publicity than he was raising in Big Pharma contributions, so he changed sides and withdrew his opposition to the Medicines Act, as did Bill Clinton a few weeks later at the World Trade Organization's Seattle Summit.

Big Pharma did not give up, and filed a 1999 lawsuit against the constitutionality of the Medicines Act, counterproductively entitled "Pharmaceutical Manufacturers Association v. Nelson Mandela" (which even *Wall Street Journal* editorialists found offensive). By April 2001, additional TAC solidarity protests against pharmaceutical corporations in several cities by Medicines sans Frontiers, Oxfam, and other TAC solidarity groups compelled the association to withdraw the suit. By late 2001, the Doha Agenda of the World Trade Organization adopted explicit language permitting violation of trade related intellectual property rights for medical emergencies. The South African government remained reluctant to provide medicines, however, for a variety of dubious reasons in part related to Mbeki's "denialism" that HIV causes AIDS. As a result, the TAC was compelled to file a constitutional court case which succeeded in mid-2001 in at least gaining access to nevirapine for pregnant, HIV+ women in public hospitals.

At the same time, however, Anglo American Corporation—one of South Africa's strongest promoters of CSR—released a study showing that only 12 percent of their employees met a cost-benefit test by which supply of drugs was cheaper to the company than allowing HIV+ workers to die early (replacing them from the pool of 40 percent unemployed). Threats not only from TAC but also the main mining trade union forced Anglo to reverse its decision to deny most workers medicines in 2002 (Bond 2005). Local medicines manufacturers Aspen and Adcock Ingram managed to lower costs substantially through voluntary licensing of the major AIDS drugs. It is in this sense that not only decommodification, but also *deglobalization of capital*, were considered vital to expanding access. Similar local licensing arrangements were soon arranged for firms in Kampala, Harare, and other sites.

Still, the combination of a lethargic state and persistent pharmaceutical corporate power meant groups like the AIDS Law Project continued their campaign for decommodified medicines, gradually winning patent battles in the courts so as to promote local generic production of individual medicines. Parallels in other social sectors can be drawn, for example the partially-successful campaign for decommodified water by Soweto's militant urban social (socialist) movements (Bond 2010) and the so far unsuccessful trade union, church, and NGO demand for a basic income grant (a universal monthly entitlement of \$15).

3. Conclusion: Will SA Host Climate Justice?

The paradox in the arguments above is that South Africa's contradiction-ridden structural terrain, its traditions of political-economic critique, and the high levels of social mobilization have not generated pressures to change macroeconomic policy. The Washington Consensus is still the dominant approach, and radical currents throughout the society have been immensely frustrated.

The most difficult struggle in years to come will be over climate change policy, because of the adverse balance of forces. Yet there is a great urgency to take decisive global-scale action at a time when the only genuine cuts in fossil fuel exploitation are taking place in locales (Bond 2011). At global scale, the radical agenda is best articulated by the principles and demands at the Rights of Mother Earth conference in Cochabamba, Bolivia, in April 2010, including a 50 percent emissions reduction target by 2017, climate debt payments, and the decommissioning of carbon markets. To do so will require more than the Bolivian government's courageous stance at the Conference of the Parties (COP) to the Kyoto Protocol each year, including Durban for the COP17 in late 2011, given the failure of 16 years of talk by UN negotiators from national states influenced by fossil-fuel-dependent capital (and the big environmental NGOs with which they work). Durban's International Conference Center (ICC) is an ironic site for the crucial summit

just prior to the expiration of the Kyoto Protocol's targets, given how much South Africa exemplifies climate *injustice*. Vast CO₂ emissions are caused by provision of the world's cheapest electricity to the world's largest mining and metals corporations (BHP Billiton and Anglo American), which in turn permanently degrade regional water resources and pollute the air. Opportunities for green jobs and renewable energy are ignored. Meanwhile, electricity disconnections affect millions of low-income people each year, with 20 percent annual real price increases announced for the period 2008-12 in order to pay back a \$3.75 billion World Bank loan for the world's fourth-largest coal fired power plant. To legitimize this business-as-usual, President Jacob Zuma was one of the five leaders who signed the unfair, unambitious, and non-binding Copenhagen Accord in 2009.

But some of the country's most intense environmental, social, and labor struggles are underway in Durban, where activist critiques of global elites are well-rehearsed. The UN World Conference Against Racism was held here in 2001, and 15,000 demonstrated against the event at the ICC because under Washington's influence the UN refused to put onto the agenda either Israeli racism/apartheid against Palestine, or Western reparations for centuries of slavery, colonialism, and apartheid. Other protests were held at the Durban ICC against the World Economic Forum and the neoliberal "New Partnership for Africa's Development" (Bond 2006). The legacy of radical Durban politics includes anti-colonial resistance by Zulu King Shaka against British settlers in the early 1800s and Mahatma Gandhi's satyagraha political movement in the early 1900s. The modern trade union movement began here, in Africa's largest harbor, with the 1973 dock-worker strike. The rise of South Africa's new urban social movements began in the neighborhood of Chatsworth in 1998. The first critiques of Mbeki's AIDS denialism took form at the Durban ICC, at the International AIDS Conference in 2000. The Durban Group for Climate Justice was founded in 2004 and continues today as a source of critical information about "false solutions" (Lohmann 2006). One of the highest-profile fights against carbon trading was waged at Durban's environmentally-racist Bisasar Road landfill (Africa's largest) in the mid-2000s, resulting in a World Bank retreat from project financing in 2005. In 2009, a major climate summit was hosted by the South Durban Community Environmental Alliance. Activism continues in South Durban, one of the world's most dangerous petro-chemical complexes, including one of the "1,000 Cancuns" in December 2010.

Along with high-profile protest actions, social consciousness-raising is underway to link the climate crisis to a variety of related causes, building the kind of alliances long denied the often splintered South African left. A Democratic Left Front of eco-socialists founded in early 2011 is one product of these times, but not yet with sufficient trade union leadership to portend a break from the ruling party. Still, the paradox of dysfunctional neoliberalism continually fused with increasingly exhausted nationalism in a context of rising grassroots and shopfloor anger suggests that South African radicals will have their day in the not distant future.

Editor's Note

We are launching a new section on "What 'radical' means in the 21st century." We are challenging notable people on the left to address this question.

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Bio

Patrick Bond is a political economist at the University of Kwa-Zulu-Natal School of Development Studies in Durban, where since 2004 he has directed the Centre for Civil Society: <http://ccs.ukzn.ac.za>. He previously taught at Wits University in Johannesburg and the Johns Hopkins University School of Public Health, and in service to the new South African government from 1994-2002 authored/edited more than a dozen policy papers, including the Reconstruction and Development Programme. His research and political work covers environment (energy, water, and climate change), economic crisis, social mobilization, public policy, and geopolitics. He earned his doctorate in economic geography under the supervision of David Harvey at Johns Hopkins in 1993, after studying finance at the University of Pennsylvania's Wharton School and economics at Swarthmore College.