

The Accumulation of Capital in Southern Africa Rosa Luxemburg's Contemporary Relevance

The revived interest in Luxemburg's ideas about imperialism is not surprising. More than her contemporaries (Lenin, Bukharin, Hilferding), she pointed out the dialectical relations between markets and the 'non-market' spheres of life, to which we should add the environment. These relations are central to a new period of 'primitive accumulation' that has generated powerful resistance in many corners of the earth. Southern Africa is an especially important site to reconsider the dynamics of capital accumulation, given the reliance of regional businesses upon superexploitative systems such as colonialism, apartheid and neoliberalism.

This collection is drawn from a collaboration between the Rosa Luxemburg Foundation and University of KwaZulu-Natal Centre for Civil Society, in which the Rosa Luxemburg Political Education Seminar 2006 overlapped with the Centre's Colloquium on Economy, Society and Nature. The event attracted some of the world's leading political economists alongside regional analysts.

This volume features work by Luxemburg, Arndt Hopfmann, Jeff Guy, Ahmed Veriava, Massimo De Angelis, Elmar Altvater, Patrick Bond, Isobel Frye, Caroline Skinner, Imraan Valodia, Greg Ruiters, Leonard Gentle, Ulrich Duchrow, Ntwala Mwilima, S'bu Zikode, Salim Vally and Trevor Ngwane. The editors are Patrick Bond, Horman Chitonge and Arndt Hopfmann.

Capitalists have come to understand that to destroy the subsistence economy altogether would not be in their best interests for two reasons: first, and most obviously, the employers are not prepared to absorb the entire subsistence sector; second, and more subtly, self-provisioning has provided subsidised wage labour. Luxemburg knew this as well as anyone, and Southern Africa is an exemplary case. For me, the Durban conference was an eye-opener. You had poor young people, who live in shacks constructed of the sort of materials that you could scrounge up in the nearby dump, going toe to toe with some of the smartest and most articulate academics you can imagine. There was mutual respect on all sides, as is evident in this excellent collection.

Michael Perelman, California State University and author of *The Invention of Capitalism: The Secret History of Primitive Accumulation*



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rosa luxemburg political education seminar 2006

The Accumulation of Capital in Southern Africa



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Rosa Luxemburg's Contemporary Relevance

Proceedings of the Rosa Luxemburg Seminar 2006 and the
University of KwaZulu-Natal
Centre for Civil Society's Colloquium on Economy, Society
and Nature

Edited by

Patrick Bond, Horman Chitonge and Arndt Hopfmann



SCHOOL OF
DEVELOPMENT
STUDIES



rosa luxemburg political education seminar 2006



Rosa Luxemburg (1871 — 1919)

About Rosa Luxemburg

Rosa Luxemburg, born in Poland on March 5 1871, was an eminent representative of European democratic socialist thinking and action. Along with Karl Liebknecht, she was the most important representative of internationalist and anti-militaristic positions in the German Social Democratic Party. She was a passionate and convinced critic of capitalism, as witnessed by her book *The Accumulation of Capital*, and from this criticism she drew the strength for revolutionary politics. After leaving the Social Democratic Party, Luxemburg co-founded the German Communist Party. She was assassinated on January 15 1919 by military men who later openly supported German Fascism.

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Preface

Capitalist accumulation as a whole, as an actual historical process, has two different aspects. One concerns the commodity market and the place where surplus value is produced – the factory, the mine, the agricultural estate... The other aspect of the accumulation of capital concerns the relations between capitalism and the non-capitalist modes of production which start making their appearance on the international stage. Its predominant methods are colonial policy, an international loan system – a policy of spheres of interest – and war. Force, fraud, oppression, looting are openly displayed without any attempt at concealment...

Rosa Luxemburg, *The Accumulation of Capital*, p. 432.

Capital now devours human beings: it becomes a cannibal. Every human activity must now become capital and bear interest, so that investment-seeking capital can live: schools, kindergartens, universities, health systems, energy utilities, roads, railways, the post office, telecommunications and other means of communication, etc. The anarcho-capitalist dreams go even further. Even the police and legislation are to be transformed into capital investments. One receives a licence to live and to participate in any of the spheres of society only if one pays to capital the fees required in the form of interest. Capital becomes a 'superworld' to which sacrificial victims must be brought.

Ulrich Duchrow and Franz Hinkelammert,
Property for people, not for profit, p.148.

These two citations present in a nutshell the basic traits of capitalist accumulation from its origins to its current forms – the dominance of the capitalist forms in the arena of material production, the continuous use of coercion, violence and theft in order to increase the rate of profit, as

well as the intrinsic tendency of capitalism to subjugate all aspects of social life to the reign of profit.

The 3rd Rosa Luxemburg Political Education Seminar, jointly organised by the Centre of Civil Society at the University of KwaZulu-Natal in Durban and the Southern African Regional Office of the Rosa Luxemburg Foundation in Johannesburg, was held on March 2nd – 4th 2006 in Durban. The Seminar examined these general characteristics of capitalist accumulation within the global, regional and local context.

That context is shaped, on the one hand, by the growing impact of a corporate driven globalisation, but also the expansion of South African capital into neighbouring countries, the emergence of new forms of ‘primitive accumulation’ under the label of Black Economic Empowerment, and the ongoing commodification and privatisation of public services.

On the other hand, there is a growing movement which not only resists the commercialisation of all sphere of human life but strives to build alternatives – to create ‘another world’ which is not only possible but necessary.

The success of the Seminar is due to many contributors. Very valuable inputs were made by overseas guests including Elmar Altvater, Nicola Bullard, Massimo De Angelis, Ulrich Duchrow and Gill Hart. Other crucial interventions came from scholar-activists from the region including Jeff Guy, Ntwala Mwilima, Prishani Naidoo and Greg Ruiters. But this alone would not have been enough to make the seminar the thrilling event it was. The other factor was vibrant interaction from the floor. Contributions by activists from townships and social movements – and the often forgotten inconspicuous work of the staff members of the organising institutions – created an atmosphere of rigorous debate and mutual encouragement.

This book contains some of the contributions to the 3rd Rosa Luxemburg Political Education Seminar. The materials gathered here will hopefully provide a valuable source of inspiration for activists and will encourage them to extend their studies on other important writings which form part of our huge theoretical heritage. However, these texts can never fully reflect the lively spirit of interaction and solidarity that prevailed throughout the event. To experience this unique feeling it was essential to be there.

That is why I'm looking forward to inviting readers to the Rosa Luxemburg Seminar 2007 which will be held from March 1st – 3rd in Cape Town.

Arndt Hopfmann

Head of the Southern African Office of the

Rosa-Luxemburg-Foundation

Johannesburg, July 2006

Introduction

Patrick Bond and Horman Chitonge

With the 2004-05 South African protest rate at 16 per day, of which 13 percent were illegal, it is evident that activists have returned to an earlier militancy which some worried would be forgotten or completely repressed in the post-apartheid era.¹ This mirrors processes across the region, in the wake of post-independence betrayals of promised progress.

If we take merely one case from the region, Zimbabwe, Simba Manyanya and Patrick Bond documented five stages over a twenty-year period (1980-2000):

1. a liberation movement which won repeated elections against a terribly weak opposition, but under circumstances of worsening abstentionism by, and depoliticisation of, the masses;
2. concomitantly, that movement's undeniable failure to deliver a better life for most of the country's low-income people, while material inequality soared;
3. rising popular alienation from, and cynicism about, nationalist politicians, as the gulf between rulers and the ruled widened inexorably and as more numerous cases of corruption and malgovernance were brought to public attention;
4. growing economic misery as neoliberal policies were tried and failed;
5. the sudden rise of an opposition movement based in the trade unions, quickly backed by most of civil society, the liberal petit-bourgeoisie and the independent media - potentially leading to the election of a new, post-nationalist government.²

1. Madlala, B. (2005), 'Frustration boils over in protests: Community angered at snail pace service delivery', *Daily News*, 14 October; *Cape Argus* (2005), '66 cops injured in illegal service delivery protests', 13 October.

2. Bond, P. and S.Manyanya (2003), *Zimbabwe's Plunge: Exhausted Nationalism, Neoliberalism and*

That trajectory appears inexorable for South Africa, as well, even if not on the same timescale, given the stronger ties between trade unions and the ruling party (especially in the wake of the rise and fall and rise and fall and rise... of Jacob Zuma). It is in this respect that we will continually have our ears tuned to regional dimensions, to learn as much as possible from prior episodes of exhausted nationalist capitalism, and from temporarily unsuccessful reactions by progressive forces in civil society.

After all, for more than three centuries, this region has hosted some of the world's most intense contests between capitalism and non-capitalist social and natural life, with capital – in mining, agriculture, industry and services – taking full advantage of slavery, colonialism, neocolonialism, apartheid and neoliberalism. The result has been a continual 'primitive accumulation' in which capital's reach superexploits women, indigenous people, natural environments, workers and now consumers.

To learn more about these regional, historical, theoretical and contemporary processes, the Centre for Civil Society opened thematic research projects on 'Economic Justice' in March 2006. We launched this theme by reviewing some of the finest traditions of South African, regional and international political-economic theory and contemporary analysis. Our focus was on market-nonmarket interactions and new forms of primitive accumulation.

In addition to Rosa Luxemburg Stiftung, we were supported in this effort by funding and intellectual partners also committed to these issues, including the SA-Netherlands Programme for Alternative Research in Development, Harold Wolpe Memorial Trust, Open Society Initiative of Southern Africa, Research Council of Norway, SA National Research Foundation and two leading journals, *Capitalism Nature Socialism* and *Review of African Political Economy*.

By way of context, ideas about a supposed 'dual economy' in South Africa (and indeed the region and world) are now being debated at the highest political/policy levels. Early 2006 presented an opportune time to discuss whether formal markets and the informal economy plus other aspects of society and nature are really as divorced as is often assumed.

Before their deaths, several scholar-activists - Harold Wolpe in South Africa (1996), Guy Mhone (2005) and Jose Negrao (2005) in Southern Africa and Rosa Luxemburg in Europe (1919) - developed consistent arguments about the way markets systematically exploit 'nonmarket' opportunities, in other modes of production, in society (especially women's unpaid labour) and in the natural environment. At three scales of analysis, we assessed their stories, reviewed past and contemporary contributions on their legacies, and considered whether current and future political-economic scenarios require new insights.

Interdisciplinary social scientists debated intellectual problems associated with market exploitation of nonmarket spheres (society and nature) from 28 February through 2 March, and from 2-4 March, activists from across KwaZulu-Natal, South Africa and the region helped move from analysis to praxis, with open discussions and strategy debates in the framework of the Rosa Luxemburg Political Education Seminar. While the *Review of African Political Economy* (March 2007) carries papers from days devoted to Wolpe, Mhone and Negrao, the main papers presented in honour of Luxemburg's ideas, and some of the key strategic insights, are found in this volume.

We start with Luxemburg's own analysis of South and Southern Africa, in several revealing excerpts from *The Accumulation of Capital*. But by discussing *Accumulation* in historical perspective, Arndt Hopfmann maintains that not only do we encounter conceptual errors, but we can also acknowledge the brilliance of Luxemburg's insights for application to contemporary problems. By situating her work historically in KwaZulu-Natal, Jeff Guy reintroduces us to the 'pre-capitalist mode of production' and its interface with capitalist expansion at the turn of the 20th century. And to update the theoretical argument, Ahmed Veriava considers primitive accumulation by examining two directions in which we can pursue Luxemburg's main theme, that of David Harvey and Massimo De Angelis. With his notion of 'our outsides' (i.e., those terrains of social struggle that counteract commodification), De Angelis adds an important reminder about the power of agency.

But when we evaluate the contemporary nature of imperialism, sobering evidence is to be found. In Luxemburg's spirit, Elmar Altvater surveys the many ways that a new petro-grounded imperialism has

emerged, along with a variety of other new commodity forms that Luxemburg might have anticipated. Some such aspects of imperialism pit countries against each other, a prospect Patrick Bond argues is already in play with South Africa's accumulation model extending into the region. That accumulation model is currently being disguised by state rhetoric about how a 'second economy' can be drawn into the first, as if they are separate. The interconnections and systemic underdevelopment of the mass of informal workers are unveiled by Caroline Skinner and Imraan Valodia. Likewise, the deepening of the commodity form with respect to state services is disguised by a new rhetoric of serving 'customers', as Greg Ruiters shows. Part of the disguise is also the deracialisation of the commanding heights, an uneven, stop-start-stop process criticised by Leonard Gentle.

What of resistance to these aspects of regional capital accumulation? In part by reminding us of the prophetic, radical, pro-poor voice of religious tradition, Ulrich Duchrow launches an overdue attack on the very foundations of accumulation, the property form. Ntwala Mwilima poses challenges for regional labour with respect to ideological challenges posed by foreign direct investment. The need for unity amongst oppressed people, especially the very poorest, is emphasised by S'Bu Zikode. In the specific case of fighting the commodification of education, Salim Vally sketches strategic arguments and reveals anti-capitalist practices. Finally, the more general relationship between locales, identities, protests and class struggles are dissected by Trevor Ngwane, as he ultimately counterposes one word as antidote to the accumulation of capital: socialism.

This collection of texts, presented at our Colloquium on Economy, Society and Nature, is the first of many attempts to revive the political economic traditions that made South and Southern Africa amongst the most important laboratories for anti-capitalist analysis and praxis. But if academic comprehensions are typically six months or more behind the curve on so many such struggles, we will continue to offer interesting material only if we at the Centre for Civil Society and Rosa Luxemburg Foundation listen, quite explicitly, as intently as possible to the organic intelligentsia in the new movements for socio-economic and environmental justice. ★

PART

ONE

THE ACCUMULATION
OF CAPITAL IN THEORY
AND HISTORY

Excerpts from *The Accumulation of Capital*

Rosa Luxemburg

Chapter 27: The struggle against natural economy

The existence and development of capitalism requires an environment of non-capitalist forms of production, but not every one of these forms will serve its ends. Capitalism needs non-capitalist social strata as a market for its surplus value, as a source of supply for its means of production and as a reservoir of labour power for its wage system. For all these purposes, forms of production based upon a natural economy are of no use to capital. In all social organisations where natural economy prevails, where there are primitive peasant communities with common ownership of the land, a feudal system of bondage or anything of this nature, economic organisation is essentially in response to the internal demand; and therefore there is no demand, or very little, for foreign goods, and also, as a rule, no surplus production, or at least no urgent need to dispose of surplus products.

What is most important, however, is that, in any natural economy, production only goes on because both means of production and labour power are bound in one form or another. The communist peasant community no less than the feudal corvee farm and similar institutions maintain their economic organisation by subjecting the labour power, and the most important means of production, the land, to the rule of law and custom. A natural economy thus confronts the requirements of capitalism at every turn with rigid barriers. Capitalism must therefore always and everywhere fight a battle of annihilation against every historical form of natural economy that it encounters, whether this is slave economy, feudalism, primitive communism, or patriarchal peasant economy. The principal methods in this struggle are political force

(revolution, war), oppressive taxation by the state, and cheap goods; they are partly applied simultaneously, and partly they succeed and complement one another...

In detail, capital in its struggle against societies with a natural economy pursues the following ends:

- (1) To gain immediate possession of important sources of productive forces such as land, game in primeval forests, minerals, precious stones and ores, products of exotic flora such as rubber, etc.
- (2) To 'liberate' labour power and to coerce it into service.
- (3) To introduce a commodity economy.
- (4) To separate trade and agriculture...

It is an illusion to hope that capitalism will ever be content with the means of production which it can acquire by way of commodity exchange. In this respect already, capital is faced with difficulties because vast tracts of the globe's surface are in the possession of social organisations that have no desire for commodity exchange or cannot, because of the entire social structure and the forms of ownership, offer for sale the productive forces in which capital is primarily interested. The most important of these productive forces is of course the land, its hidden mineral treasure, and its meadows, woods and water, and further the flocks of the primitive shepherd tribes. If capital were here to rely on the process of slow internal disintegration, it might take centuries. To wait patiently until the most important means of production could be alienated by trading in consequence of this process were tantamount to renouncing the productive forces of those territories altogether. Hence derives the vital necessity for capitalism in its relations with colonial countries to appropriate the most important means of production. Since the primitive associations of the natives are the strongest protection for their social organisations and for their material bases of existence, capital must begin by planning for the systematic destruction and annihilation of all the non-capitalist social units which obstruct its development.

With that we have passed beyond the stage of primitive accumulation; this process is still going on. Each new colonial expansion is accompanied, as a matter of course, by a relentless battle of capital

against the social and economic ties of the natives, who are also forcibly robbed of their means of production and labour power. Any hope to restrict the accumulation of capital exclusively to peaceful competition', i.e. to regular commodity exchange such as takes place between capitalist producer-countries, rests on the pious belief that capital can accumulate without mediation of the productive forces and without the demand of more primitive organisations, and that it can rely upon the slow internal process of a disintegrating natural economy. Accumulation, with its spasmodic expansion, can no more wait for, and be content with, a natural internal disintegration of non-capitalist formations and their transition to commodity economy, than it can wait for, and be content with, the natural increase of the working population.

Force is the only solution open to capital; the accumulation of capital, seen as an historical process, employs force as a permanent weapon, not only at its genesis, but further on down to the present day. From the point of view of the primitive societies involved, it is a matter of life or death; for them there can be no other attitude than opposition and fight to the finish-complete exhaustion and extinction. Hence permanent occupation of the colonies by the military, native risings and punitive expeditions are the order of the day for any colonial regime. The method of violence, then, is the immediate consequence of the clash between capitalism and the organisations of a natural economy which would restrict accumulation. Their means of production and their labour power no less than their demand for surplus products is necessary to capitalism. Yet the latter is frilly determined to undermine their independence as social units, in order to gain possession of their means of production and labour power and to convert them into commodity buyers. This method is the most profitable and gets the quickest results, and so it is also the most expedient for capital. In fact, it is invariably accompanied by a growing militarism...

Chapter 28: The introduction of commodity economy

The second condition of importance for acquiring means of production and realising the surplus value is the commodity exchange and commodity economy should be introduced in societies based on natural economy as soon as their independence has been abrogated,

or rather in the course of this disruptive process. Capital requires to buy the products of, and sell its commodities to, all non-capitalist strata and societies...

Capital can indeed deprive alien social associations of their means of production by force, and it can compel the workers to submit to capitalist exploitation, but it cannot force them to buy its commodities or to realise its surplus value. In districts where natural economy formerly prevailed, the introduction of means of transport-railways, navigation, canals-is vital for the spreading of commodity economy, a further hopeful sign. The triumphant march of commodity economy thus begins in most cases with magnificent constructions of modern transport, such as railway lines which cross primeval forests and tunnel through the mountains, telegraph wires which bridge the deserts, and ocean liners which call at the most outlying ports. But it is a mere illusion that these are peaceful changes. Under the standard of commerce, the relations between the East India Company and the spice-producing countries were quite as piratical, extortionate and blatantly fraudulent as present-day relations between American capitalists and the Red Indians of Canada whose furs they buy, or between German merchants and the Negroes of Africa...

Chapter 29: The struggle against peasant economy

An important final phase in the campaign against natural economy is to separate industry from agriculture, to eradicate rural industries altogether from peasant economy.... In South Africa, the same process shows up even more clearly the 'peaceful methods' by which capital competes with the small commodity producer. In the Cape Colony and the Boer Republics, pure peasant economy prevailed until the sixties of the last century. For a long time the Boers had led the life of animal-tending nomads; they had killed off or driven out the Hottentots and Kaffirs with a will in order to deprive them of their most valuable pastures. In the eighteenth century they were given invaluable assistance by the plague, imported by ships of the East India Company, which frequently did away with entire Hottentot tribes whose lands then fell to the Dutch immigrants. When the Boers spread further East, they came in conflict with the Bantu tribes and initiated the long period of the terrible Kaffir wars. These god fearing Dutchmen regarded themselves as the Chosen

People and took no small pride in their old-fashioned Puritan morals and their intimate knowledge of the Old Testament; yet, not content with robbing the natives of their land, they built their peasant economy like parasites on the backs of the Negroes, compelling them to do slave-labour for them and corrupting and enervating them deliberately and systematically. Liquor played such an important part in this process that the prohibition of spirits in the Cape Colony could not be carried through by the English government because of Puritan opposition.

There were no railways until 1859, and Boer economy in general and on the whole remained patriarchal and based on natural economy until the sixties. But their patriarchal attitude did not deter the Boers from extreme brutality and harshness. It is well known that Livingstone complained much more about the Boers than about the Kaffirs. The Boers considered the Negroes an object, destined by God and Nature to slave for them, and as such an indispensable foundation of their peasant economy. So much so that their answer to the abolition of slavery in the English colonies in 1836 was the Great Trek, although there the owners had been compensated with £3,000,000.

By way of the Orange River and Vaal, the Boers emigrated from the Cape Colony, and in the process they drove the Matabele to the North, across the Limpopo, setting them against the Makalakas just as the American farmer had driven the Red Indian West before him under the impact of capitalist economy, so the Boer drove the Negro to the North. The 'Free Republics' between the Orange River and the Limpopo thus were created as a protest against the designs of the English bourgeoisie on the sacred right of slavery.

The tiny peasant republics were in constant guerilla warfare against the Bantu Negroes. And it was on the backs of the Negroes that the battle between the Boers and the English government, which went on for decades, was fought. The Negro question, i.e the emancipation of the Negroes, ostensibly aimed at by the English bourgeoisie, served as a pretext for the conflict between England and the republics. In fact, peasant economy and great capitalist colonial policy were here competing for the Hottentots and Kaffirs, that is to say for their land and their labour power. Both competitors had precisely the same aim: to subject, expel or destroy the coloured peoples, to appropriate their land and press them into service

by the abolition of their social organisations.

Only their methods of exploitation were fundamentally different. While the Boers stood for out-dated slavery on a petty scale, on which their patriarchal peasant economy was founded, the British bourgeoisie represented modern large-scale capitalist exploitation of the land and the natives. The Constitution of the Transvaal (South African) Republic declared with crude prejudice: ‘The People shall not permit any equality of coloured persons with white inhabitants, neither in the Church nor in the State.’¹

In the Orange Free State and in the Transvaal no Negro was allowed to own land, to travel without papers or to walk abroad after sunset. Bryce tells us of a case where a farmer, an Englishman as it happened in the Eastern Cape Colony, had flogged his Kafir slave to death. When he was acquitted in open court, his neighbours escorted him home to the strains of music. The white man frequently maltreated his free native labourers after they had done their work-to such an extent that they would take to flight, thus saving the master their wages.

The British government employed precisely the opposite tactics. For a long time it appeared as protector of the natives, flattering the chieftains in particular, it supported their authority and tried to make them claim a right of disposal over their land. Wherever it was possible, it gave them ownership of tribal land, according to well-tryed methods, although this flew in the face of tradition and of the actual social organisation of the Negroes. All tribes in fact held their land communally, and even the most cruel and despotic rulers such as the Matabele Chieftain Lobengula merely had the right as well as the duty to allot every family a piece of land which they could only retain so long as they cultivated it. The ultimate purpose of the British government was clear: long in advance it was preparing for land robbery on a grand scale, using the native chieftains themselves as tools. But in the beginning it was content with the ‘pacification’ of the Negroes by extensive military actions. Up to 1879 were fought 9 bloody Kafir wars to break the resistance of the Bantus.

British capital revealed its real intentions only after two important events had taken place: the discovery of the Kimberley diamond fields in 1869-70, and the discovery of the gold mines in the Transvaal in 1882-

1. Transvaal Republic Constitution, Article 9.

5, which initiated a new epoch in the history of South Africa. Then the British South Africa Company, that is to say Cecil Rhodes, went into action. Public opinion in England rapidly swung over, and the greed for the treasures of South Africa urged the British government on to drastic measures. South Africa was suddenly flooded with immigrants who had hitherto only appeared in small numbers - immigration having been deflected to the United States.

But with the discovery of the diamond and gold fields, the numbers of white people in the South African colonies grew by leaps and bounds: between 1885 and 1895, 100,000 British had immigrated into Witwatersrand alone. The modest peasant economy was forthwith pushed into the background-the mines, and thus the mining capital, coming to the fore. The policy of the British government veered round abruptly. Great Britain had recognised the Boer Republics by the Sand River Agreement and the Treaty of Bloemfontein in the fifties. Now her political might advanced upon the tiny republic from every side, occupying all neighbouring districts and cutting off all possibility of expansion.

At the same time the Negroes, no longer protected favourites, were sacrificed. British capital was steadily forging ahead. In 1868, Britain took over the rule of Basutoland - only, of course, because the natives had repeatedly implored her to do so.² In 1871, the Witwatersrand diamond fields, or West Griqualand, were seized from the Orange Free State and turned into a Crown Colony. In 1879, Zululand was subjected, later to become part of the Natal Colony; in 1885 followed the subjection of Bechuanaland, to be joined to the Cape Colony. In 1888 Britain took over Matabele and Mashonaland, and in 1889 the British South Africa Company was given a Charter for both these districts, again, of course, only to oblige the natives and at their request.³ Between 1884 and 1887,

2. Moshesh, the great Basuto leader, to whose courage and statesmanship the Basutos owed their very existence as a people, was still alive at the time, but constant war with the Boers of the Orange Free State had brought him and his followers to the last stage of distress. Two thousand Basuto warriors had been killed, cattle had been carried off, native homes had been broken up and crops destroyed. The tribe was reduced to the position of starving refugees, and nothing could save them but the protection of the British government which they had repeatedly implored' (C. P. Lucas, *A Historical Geography of the British Colonies*, Part 1, vol iv - Geography of South and East Africa, Oxford, 1904, p. 39).

3. The Eastern section of the territory is Mashonaland where, with the permission of King Lobengula, who claimed it, the British South Africa Company first established themselves' (*Ibid.*, p. 72).

Britain annexed St. Lucia Bay and the entire East Coast as far as the Portuguese possessions. In 1894, she subjected Tongaland. With their last strength, the Matabele and Mashona fought one more desperate battle, but the Company, with Rhodes at the head, first liquidated the rising in blood and at once proceeded to the well tried measure for civilising and pacifying the natives: two large railways were built in the rebellious district.

The Boer Republics were feeling increasingly uncomfortable in this sudden stranglehold, and their internal affairs as well were becoming completely disorganised. The overwhelming influx of immigrants and the rising tides of the frenzied new capitalist economy now threatened to burst the barriers of the small peasant states. There was indeed a blatant conflict between agricultural and political peasant economy on the one hand, and the demands and requirements of the accumulation of capital on the other.

In all respects, the republics were quite unable to cope with these new problems. The constant danger from the Kaffirs, no doubt regarded favourably by the British, the unwieldy, primitive administration, the gradual corruption of the *vellcsraad* in which the great capitalists got their way by bribery, lack of a police force to keep the undisciplined crowds of adventurers in some semblance of order, the absence of labour legislation for regulating and securing the exploitation of the Negroes in the mines, lack of water supplies and transport to provide for the colony of 100,000 immigrants that had suddenly sprung up, high protective tariffs which increased the cost of labour for the capitalists, and high freights for coal—all these factors combined towards the sudden and stunning bankruptcy of the peasant republics.

They tried, obstinately and unimaginatively, to defend themselves against the sudden eruption of capitalism which engulfed them, with an incredibly crude measure, such as only a stubborn and hide-bound peasant brain could have devised: they denied all civic rights to the uitlanders who outnumbered them by far and who stood for capital, power, and the trend of the time. In those critical times it was an ill-omened trick. The mismanagement of the peasant republics caused a considerable reduction of dividends, on no account to be put up with. Mining capital had come to the end of its tether. The British South Africa Company built

railroads, put down the Kaffirs, organised revolts of the uitlanaers and finally provoked the Boer War. The bell had tolled for peasant economy. In the United States, the economic revolution had begun with a war, in South Africa war put the period to this chapter.

Yet in both instances, the outcome was the same: capital triumphed over the small peasant economy which had in its turn come into being on the ruins of natural economy, represented by the natives' primitive organisations. The domination of capital was a foregone conclusion, and it was just as hopeless for the Boer Republics to resist as it had been for the American farmer. Capital officially took over the reins in the new South African Union which replaced the small peasant republics by a great modern state, as envisaged by Cecil Rhodes' imperialist programme., The new conflict between capital and labour had superseded the old one between British and Dutch. One million white exploiters of both nations sealed their touching fraternal alliance within the Union with the civil and political disfranchisement of five million coloured workers.

Not only did the Negroes of the Boer Republics come away empty handed, but the natives of the Cape Colony, whom the British government had at one time granted political equality, were also deprived of some of their rights. And this noble work, culminating under the imperialist policy of the Conservatives in open oppression, was actually to be finished by the Liberal Party itself, amid frenzied applause from the liberal cretins of Europe, who with sentimental pride took as proof of the still continuing creative vigour and greatness of English liberalism the fact that Britain had granted complete self-government and freedom to a handful of whites in South Africa.

The ruin of independent craftsmanship by capitalist competition, no less painful for being soft-pedalled, deserves by rights a chapter to itself. The most sinister part of such a chapter would be out-work under Capitalism - but we need not dwell on these phenomena here.

The general result of the struggle between capitalism and simple commodity production is this: after substituting commodity economy for natural economy, capital takes the place of simple commodity economy. Non-capitalist organisations provide a fertile soil for capitalism: capital feeds on the ruins of such organisations, and, although this non-capitalist milieu is indispensable for accumulation, the latter proceeds, at the cost

of this medium nevertheless, by eating it up.

Historically, the accumulation of capital is a kind of metabolism between capitalist economy and those pre-capitalist methods of production without which it cannot go on and which, in this light, it corrodes and assimilates. Thus capital cannot accumulate without the aid of non-capitalist organisations, nor, on the other hand, can it tolerate their continued existence side by side with itself. Only the continuous and progressive disintegration of non-capitalist organisations makes accumulation of capital possible.

The premises which are postulated in Marx's diagram of accumulation accordingly represent no more than the historical tendency of the movement of accumulation and its logical conclusion. The accumulative process endeavours everywhere to substitute simple commodity economy for natural economy. Its ultimate aim, that is to say, is to establish the exclusive and universal domination of capitalist production in all countries and for all branches of industry.

Yet this argument does not lead anywhere. As soon as this final result is achieved - in theory, of course, because it can never actually happen - accumulation must come to a stop. The realisation and capitalisation of surplus value become impossible to accomplish. Just as soon as reality begins to correspond to Marx's diagram of enlarged reproduction, the end of accumulation is in sight, it has reached its limits, and capitalist production is in extremis.

For capital, the standstill of accumulation means that the development of the productive forces is arrested, and the collapse of capitalism follows inevitably, as an objective historical necessity. This is the reason for the contradictory behaviour of capitalism in the final stage of its historical career: imperialism. ★

The Accumulation of Capital in Historical Perspective

Arndt Hopfmann

Rosa Luxemburg was compelled to write her treatise on the accumulation of capital in an incredibly short period of time. Her burning desire was to publish a theoretical solution to what she believed were two paradoxes. The first was that in Karl Marx's 'reproduction schema' published in *Das Kapital*, Volume II, it was impossible to explain permanent increasing output, i.e. accumulation.

The second paradox proved to be even more challenging. In the 1890s, 'young Russian Marxists' successfully established not only that Marx's schema – with slight corrections – could in fact be used to explain an accelerated process of reproduction – but that, in addition, the capitalist mode of production could generate within its own sphere, i.e. as a 'closed system', unlimited demand. The capitalists themselves would solve the 'realisation problem' as long as the process of accumulation goes on and on uninterruptedly.

To resolve both paradoxes, Luxemburg developed her concept of the necessity of a non-capitalist sphere as an 'immediate and vital condition for capital and its accumulation'. This necessity is however undermined by imperialist tendencies which destroy more and more all non-capitalist surroundings. Thus the collapse of the system is unavoidable in the long run, Luxemburg claims.

However, although this argument has not stood the test of time, nevertheless, in her desperate attempt to find a 'theoretically precise solution' to the reproduction process schemes drawn by Marx, in particular to explain the accelerated accumulation of capital, Luxemburg arrived (somehow unwillingly) at a whole set of valuable insights. Amongst others these include the economic role of force and violence in the 'old' and the

‘new’, imperialism, the role of demand in a capitalist accumulation process, and the limits of growth to capitalism as a social system.

Luxemburg’s thesis

What was termed by Tadeusz Kowalik ‘probably the best book produced by a Marxist and socialist thinker since Karl Marx’s *magnum opus*’ (Luxemburg 2003. p. X), Rosa Luxemburg’s *The Accumulation of Capital*, came into existence as a by-product. During the years after the Russian Revolution (1905-07) Rosa Luxemburg embarked on drafting a *Popular Introduction to Economics* – a work that was frequently interrupted by her engagement in party campaigns and by her work as an educator at the political training centre of her party, the Social Democratic Party of Germany. In early 1912, when she eventually tried to finalise her *Introduction to Economics*, she came across an ‘unexpected difficulty ... I was unable to explain the capitalist process of reproduction as a whole’ (Luxemburg 1913: 7). This unexpected difficulty however became such a challenge to her that she finally wrote her treatise on the accumulation of capital in an unbelievable short period of time. Within only four months in 1912, she wrote the whole 900 pages of the manuscript, working day and night ‘as if in extasis’.

Luxemburg was compelled by the burning desire to give a theoretical solution to what she believed were two paradoxical findings. The *first paradox* she discovered was related to the famous ‘reproduction schema’ which were published in the second volume of Karl Marx’s *Das Kapital*. Here Marx used a simple and highly generalised equation to explain the process of reproduction under capitalism¹; the formula:

$$\mathbf{C + v + s = P}$$

P = the overall value of the products generated in a certain period of time;

c = the value of the capital constant, i.e the material means of production that have been used to produce the output P;

v = the value of labour , i.e. the social labour time necessary to maintain the work force during that given period of time;

s = the surplus value produced by the workers and appropriated by the capitalist owners of the means of production.

1. However, it must be noted that Friedrich Engels, who edited the second and third volume of *Das Kapital* after Marx’s death, decided to publish these schema which were (probably) used by Marx privately, as a means only of assisting his reasoning. Hence it remains unclear what status these schema originally had in Marx’s own concept. Its publication caused fierce debates amongst Marxist and Anti-Marxist economists (see Heinrich 2003: 267 ff.).

Luxemburg tried to implement this formula, which obviously works without any problems as long as capitalist reproduction occurs in a static way. But – surprisingly – her ideas could not be used to describe the normal process of reproduction under capitalism, which is accumulation by way of a permanent extension of the scope of production. And here Luxemburg discovered that the formula of Marx – which is based on the assumption that the whole society only consists out of two social groups, workers and capitalists – could not provide an explanation as to who is purchasing the additional commodities that constitute the surplus value. Without the realisation of this surplus value, i.e. its transformation from commodities (the form in which the surplus value is produced as a result of a material process) into money (the general form of value), a capitalist would lose any incentive to accumulate.

The first paradox therefore seems to be that by using the schema given by Marx, the normal state of a capitalist economy - its permanent increasing output, i.e. accumulation - could not be properly explained at all. Thus, to answer the crucial question ‘Where is this continually increasing demand to come from...?’ (Luxemburg 2003: 104) became the objective of Luxemburg’s treatise on the accumulation of capital.

However, it must be understood that this (first) paradox has been at least partially created by Luxemburg herself, and deliberately so. Firstly, it was the consequence of her insistence to apply the highly generalised, abstract formula of Marx straight to the reality of an existing capitalist society. ‘But now we must see whether capitalist accumulation in actual fact conform to this hard and fast rule’ (Luxemburg 2003: 100 and passim), i.e. Marx’s formula. This attempt could only yield unsatisfactory results – and Luxemburg was most likely well aware of this.

Similarly, it was probably not by chance that she carefully examined the role of all factors of Marx’s equation in the reproduction process, except the role of productive consumption by the capitalist class itself. The role of capitalists is mostly discussed by Luxemburg by way of reference to their quality as human beings, i.e. individuals who could not physically consume the ever growing surplus. Luxemburg neglected the fact that the capitalist class needs to accumulate in order to sustain its capital and expand its wealth, and that thus the capitalist class itself is permanently creating the demand which causes the salto mortale of

the commodities owned by individual capitalists into the universal form of wealth, ie. money. This problem became particularly obvious when she tried to deal with the second paradox.

After having declared the accumulation of capital and the ‘realisation of the surplus value for the purpose of capitalisation’ an unsolved problem of Marx and Marxism in general, she embarked on an extensive inquiry into the history of political economy on this matter (Luxemburg 2003: 143). In the course of three ‘Waffengänge’ (Rounds), she dealt with the leading pre-Marxist and Marxist representatives of economic thinking. Departing with Sismondi and Ricardo, via Malthus and Rotbertus, she eventually arrived at the works of the ‘young Russian Marxists’ – Struve, Bulgakow, Turgan-Baranowski, Woronzow and Nikolai-on – and was then confronted with the second paradox.

These ‘young Russians’ successfully established not only that Marx’s schema – with slight corrections – could be used to explain an accelerated process of reproduction but that the capitalist mode of production could generate within its own sphere, ie. as a ‘closed system’, unlimited demand. The capitalists themselves would solve the ‘realisation problem’ as long as the process of accumulation goes on and on uninterruptedly. This proved to be completely unacceptable for a Marxist social democratic economist like Luxemburg.

Although she was one of the few leading party activists who managed to read Marx’s works in the original, Luxemburg was not unaffected by the dogmatism of Marxism that had set in after the death of Engels (1894) and was spearheaded by Kautsky and Bernstein (see Heinrich 2004: 23). Since Marx’s writings proved to be ‘too complex’ and hence ‘too difficult’ to be understood even by the party comrades, let alone by ordinary workers, Kautsky tried to bring Marx closer to the masses – by dogmatizing and simplifying his thoughts.

A particular problem was called ‘historical determinism’, which included the idea that the collapse of capitalism was the unavoidable result of its own process of reproduction. And Marx was believed to have delivered the ‘scientific proof’ of this. Thus for Rosa Luxemburg it was totally unacceptable to acknowledge the scientific merits of the proposed simplified ‘Marxist’ theory which claims that there are no internal limits to the accumulation of capital. These ‘young Russians’ simply ‘overstated

their case ... (by) offering theoretical proof that capitalism can go on for ever. [...] The most important objective argument in support of socialist theory breaks down, socialist political action and the ideological import of the proletarian class struggle cease to reflect economic events and socialism no longer appears an historical necessity. Setting out to show that capitalism is possible, this trend of reasoning ends up by showing that socialism is impossible' (Luxemburg 2003: 304/5). *The second paradox, an infinite process of capital accumulation, thus threatened the whole system of social democratic believes and was therefore even more dangerous than the first paradox.*

However, in chapter 25 and 26 Rosa Luxemburg disclosed her solution to the problem which would do away with both paradoxes. And the way she does it is very telling. First, she focuses almost entirely on 'the diagram' (Marx's reproduction schema). Her text is littered by phrases like 'the diagram precludes', 'the diagram assumes' etc. as if a simple diagram used to assist Marx's reasoning, could be accused of 'fly[ing] in the face of the actual course of capitalist development' (Luxemburg 2003:322). Second, what ever it takes, she tries to discredit the 'young Russians' not by means of arguments but by making them ridiculous – '...to assume that this untiring merry-go-around in thin air could be a faithful reflection in theory of capitalist reality, a true deduction from Marx's doctrine' (Luxemburg 2003: 315).

Having thus 'eliminated' and/or 'discredited' the theoretical rivals, it is high time now to subject Luxemburg's own theoretical solution to the question of how the realisation of the surplus value is achieved. 'It requires as its prime condition ... that there should be strata of buyers outside capitalist society' (Luxemburg 2003:332). *This assumption does away with the first paradox*; i.e. Marx's schema is incomplete as far as it ignores the necessity of an additional 'group of consumers' – the buyer outside capitalist society. This paves the way for the next 'objective necessity': '...the accumulation of capital becomes impossible *in all points* without non-capitalist surroundings' (Luxemburg 2003: 345; emphasis mine – AH). This serves to explain that without this 'immediate and vital condition for capital and its accumulation' (Luxemburg 2003: 346) capitalism is not able to survive as social formation. Almost the whole content of the remaining chapters of the book is dedicated to

the purpose to show how capitalism is permanently undermining and destroying its non-capitalist surroundings. *Hence the findings presented here are supposed to prove the ‘irrationality’ of the second paradox.* With the destruction of most of the productive non-capitalist enclaves, capitalism is bound to perish – an assumption of a quasi-automatic breakdown with was heavily critiqued not only by Bukharin, Lenin and others, but which did not stand the proof of time either.

Does this however render the whole treatise on the accumulation of capital meaningless, as just another failed attempt to understand capitalist development? Certainly not; especially if one considers the subtitle of the piece which – for what reason ever – had not been included into the English edition; it reads: ‘Ein Beitrag zur ökonomischen Erklärung des Imperialismus’ (*A Contribution to Economic Reasoning on Imperialism* – see Luxemburg 1913: 1).

Rosa Luxemburg did not only explicate a real tendency that was in historical operation in her times; her understanding of imperialism as the permanent use of force and violence, of looting and ransacking of inferior societies by the dominant capitalist powers – in order to maximise profits, because profits are always ‘too low’ as long as not all possible means have been employed to increase them – came much closer to the reality of modern capitalism than Lenin’s dictum on ‘Imperialism as the highest state of capitalism’.

Thus, as one of the often ignored credentials of *The Accumulation of Capital*, its attempt to understand Imperialism in an appropriate systemic way must be highlighted. In particular, the power of liberalised international financial markets proves once more that the used of ‘non-economic’ violence and extraordinary political pressure in capitalism is not restricted to the ancient days of primitive accumulation. Financial liberalisation has been a useful – and frequently used – tool to increase profits from the dawn of capitalism until now. Nowadays investment funds and hedge funds speculate within international financial markets, demanding profit margins of 20 percent and more, while the gross domestic product growth rate in no major country exceeds 10 percent and the average is closer to 3 percent.

It is only possible to realise these profits if the ‘victims’ are forced to settle the balance by surrendering not only revenues but assets – may it

be public enterprises or public services or the revenues of oil extraction (as it happened to Mexico after the financial crises of 1995). Therefore Luxemburg's 'idea that some sort of "outside" (that) is necessary for the stabilisation of capitalism ... has relevance' (Harvey 2003: 141). This tendency has been correctly described by David Harvey as 'Accumulation by Dispossession' or 'The New Imperialism'.

Although Rosa Luxemburg was strongly convinced that under capitalism the ordinary worker could never earn more than what is absolutely necessary for the reproduction of that worker (and his/her family) – another 'iron law' introduced by Kautsky and Co. by deliberately ignoring Marx's concept of historic and moral elements that influence the value of the labour force – her book on accumulation puts considerable emphasis on the role of demand in capitalist development. And the reception of her book in the English speaking academic community is linked to this issue. The first English edition of *The Accumulation of Capital* (1951) was vindicated as one of the pioneering works of what macroeconomists call effective demand theory (established by John Maynard Keynes, Michal Kalecki and Joan Robinson).

The emphasis on the role of domestic demand as stabilising factor of capitalist development becomes particularly important in times when a global drive for export surpluses dominates the neoliberal agenda; as if every country could have a positive trade balance. The present dispensation with the US-market consuming seemingly unlimited amounts of imported goods and thus having an increasingly negative trade balance, can only be sustained as long as the revenues acquired by the exporting countries flow back into the US as capital investment in that government's Treasury Bonds. This dispensation must become unstable, and thus especially threatening for small economies involved in the US-export-gamble, when both balances – the trade balance and the current account balance – become negative in the US, indicating that increasing imports can no longer be financed by increasing capital inflows.

The resulting world economic crisis – although it might cause severe hardships for many countries and their working population in particular – will certainly not amount to the breakdown of the whole system. But this does not mean that the 'untiring merry-go-around in thin air' goes on forever. The 'young Russian Marxists' and many more

experts later on might be right that capitalism will not implode due to its own contradictions. But, as a new book by Elmar Altvater (2005) argues, systemic breakdown – at least of ‘the capitalism as we know it’ – could indeed occur after ‘external shocks of extreme impact’ and after ‘a convincing alternative in the interior’ is established.

Capitalism is a historic social formation. There were social forms of production and of living before it, and there will (probably) be societies based on new social forms beyond capitalism. The ‘external shock of extreme impact’ that could bring about the crucial turn-around is diagnosed by Altvater (and others) as the end of the fossil-fuel age of capitalism. But the necessary change from ‘fossilistic’ capitalism to a ‘Solar Age’ (Altvater) will take time. Thus the irony of history might be that humankind has known about the necessity of change already for a long time, but has proven uncommitted to reacting quickly enough. Humankind’s epithet may be its inability and unwillingness to overcome a seemingly ‘untiring merry-go-around in thin air’.

If a more optimistic future lies ahead, it will be because of social activism, struggle and ‘convincing alternatives’. And ‘...the new remains indeterminate, open and structured only by the accumulation of contradictions in the present as well as by what can be learned from the past.’ For an activist like Rosa Luxemburg, there would be no doubt that ‘a new society must be placed on the socialist agenda’ (Bronner 1997: 110). ★

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‘No eyes, no interest, no frame of reference’

Luxemburg, Southern African historiography and pre-capitalist of modes of production

Jeff Guy

In a rousing and provocative treatment of South Africa in the historical section of *The Accumulation of Capital*¹ Rosa Luxemburg applied aspects of her theoretical arguments on the necessary structural links between capitalist and non-capitalist systems, to the contemporary imperialist world. She described the destructive impact of mining capital on Boer small-commodity producers, who had themselves ‘built their peasant economy like parasites on the backs of Negroes...’². These writings, together with Rosa Luxemburg’s earlier studies of the impact of capitalist forms of production on non-capitalist societies, and the imperatives which structure their interaction,³ are especially interesting to those of us who have studied the dynamics of the impact of capitalism on pre-capitalist societies, and tried to apply these studies to the writing of historical narratives. In addition to this, the recent application by radical commentators of the idea of primitive accumulation to contemporary manifestations of imperialism allows Luxemburg’s work to reach across the century that has passed since she used her remarkable talents so courageously to analyse, and change, her world. In this paper I examine some of her ideas and their application, in the context of the historiography of the relation

1. Rosa Luxemburg, *The Accumulation of Capital*, New York and London: Monthly Review, 1968 (from the translation by Agnes Schwarzschild published by Routledge and Kegan Paul, 1951).

2. *Accumulation*, 411.

3. *The Rosa Luxemburg Reader* (eds. Peter Hudis and Keven. B. Anderson) Monthly Review Press, 2004, Part One: Political Economy, Imperialism, and Non-Western Societies.

between capitalist and non-capitalist modes of production in South Africa, and suggest some of the reasons why we should revive this important debate and extend it beyond the walls of an increasingly confined academy.

The Dissolution of Primitive Communism

Chapter 2 of *The Rosa Luxemburg Reader* is made up of a section of her projected Introduction to Political Economy, which had its origins in lectures given at Social Democratic Party School in Berlin in 1908. It is entitled ‘The Dissolution of Primitive Communism: From the Ancient Germans and the Incas to India, Russia, and Southern Africa....’ Let me say at the start that Luxemburg’s examples and arguments were limited by the source material available to her and by contemporary scholarship. Some of the positions she took can now be seen to be of their times, and have been overtaken and are no longer tenable. But this does not apply to her starting point – the necessary interaction of non-capitalist systems with capitalist ones and the significance of this relationship to the structural demands of capitalist accumulation – or to her protest at the social, economic and moral consequences of those who suffered as result of this relationship. The stance that she took, theoretical, historical, and practical, was rare in her times, and remains sufficiently unusual in our times, to make her work theoretically pertinent and historically significant.

Luxemburg begins with a description of ‘the mark community that has been researched thoroughly in terms of its internal structures, the German one’.⁴ Clans were made up of peoples living in households to which were allocated a particular tract of arable land. Historical research suggested this system itself had evolved from an earlier one where land had been cultivated collectively, but this had been replaced by the annual allocation of agricultural land to the male in charge of the household. Mark members elected the head of the mark community and he was bound by its decisions. Resources – water and forests and grazing – were held in common; land not occupied and worked was lost, and there was a range of communal labour obligations, including resource and livestock management.

4. *Reader*, 71

In time the annual allocation of arable land became less frequent, moving in time towards a system of inheritance. But although there were great variations over space and in time, Luxemburg argued that the essential features this form of pre-capitalist organisation could still be discerned. Initially, the collective, communal elements were predominant. Land was distributed and re-distributed on a regular basis, political leaders were chosen for limited period, all practices which worked against the emergence of elites. But just as these communal elements sprang from conditions in which the mark emerged, so also did elements which moved away from communalism. Thus the length of the land allocation period was increased, evolving eventually into the inheritance of rights to agricultural land. The democratically elected mark leadership became a hereditary post. The low level of development of productive forces, meant that aggression in lean times created the need for military specialisation and this worked against communalism.

Despite such changes, and the wide variations under different conditions, Luxemburg believed that the basic features of the mark could be discerned in many epochs and all parts of the world. Her starting point was based on contemporary understandings of the Ancient Germans. But Inca society demonstrated the possibility of the co-existence of two forms of mark, dominant and dominated, in a single formation. Her Indian example was derived from the 'Asiatic mode', where village structures and production persisted as conquerors imposed their different forms of state exploitation. Luxemburg writes vividly of the cruelty in the remnants Russian village commune after the emancipation of the serfs and the consequences of exploitation through taxation.

The southern African example is drawn from the writings of the Portuguese traveller Gamitto and his description of societies on the borders of present day Zambia and the DRC as they were in 1830-1. He concentrates on the Mwata Kazembe – a patriarchal conquering dynasty from the Lunda which established itself over the matriarchal cultivators and fishers in the Lualanda valley where it enters Lake Mweru. The lengthy extract she reproduces is a typical nineteenth century traveller's account of barbaric and savage despotism: a ruler dressed in exotic cloth and jewels, a court decorated with animal skins and human skulls, and a people bearing the marks of despotism on their mutilated bodies.

The account is important as a historical source, but obviously very limited and Luxemburg's critical comment is interesting. Although she doesn't develop the idea she is intensely aware of the limitations of the observer, trapped by his bourgeois Eurocentrism:

This is a picture of a society that has moved a long way from the original foundations of every primitive community, from equality and democracy. It should not, however, be a foregone conclusion that under this kind of political despotism, the relations of the mark community, the communal ownership of the land and soil, and communally organised labor, ceased to exist. As for the Portuguese, who are able to record exactly the superficial rubbish such as costume and courtesans, when it comes to things that run counter to the European system of private ownership, they have, just as all Europeans, no eyes, no interest, no frame of reference.⁵

In another example of the of cultural blindness she refers to an English traveller's account⁶ of the grotesque behaviour of an African chief as

In fact a much less absurd and insanely comical phenomenon than the rule of a person 'by the grace of God' over sixty-seven million members of a people who produced the likes of Kant, Helmholtz, and Goethe. And yet even the worst enemy of this ruler could not call him a magician.⁷

'Primitive communist society,' she continues,

through its own internal development, leads to the formation of inequality and despotism. It has not yet disappeared; on the contrary, it can persist for many thousands of years under these tribal conditions. Such societies, however, sooner or later succumb to a foreign occupation and then undergo a more or less wide-ranging social reorganisation.

The Arab influence on the east coast of Africa, slavery, its role in the development of despotism in the interior, the European age

5. *Reader*, 108.

6. V. L. Cameron, *Across Africa*, London, Daldy, Isbister and Co., 1877, II, 22.

7. *Reader*, 103

of discovery with its intensification of trade in human beings, all brought further radical change to primitive communalism. But no matter how radical, this was only change – it was European capitalism that terminated ‘primitive social relations’.

The European conquerors are the first who are not merely after subjugation and economic exploitation, but the means of production itself, by ripping the land from underneath the feet of the native population. In this way, European capitalism deprives the primitive social order of its foundation. What emerges is something worse than all oppression and exploitation, total anarchy and a specifically European phenomenon, the uncertainty of social existence. ... Before the advance of capitalism, the primitive social order, which outlasted all previous historical phases, capitulates. Its last remnants are eradicated from the earth and its elements – labour power and means of production – are absorbed by capitalism. The early communist society thus fell everywhere – primarily because it was made obsolete by economic progress – in order to make room for prospects for development.⁸

The Accumulation of Capital

Luxemburg’s best known theoretical work, *The Accumulation of Capital: A Contribution to an Explanation of Imperialism*, published in German in 1913⁹ begins with a lengthy and taxing criticism of Marx’s theory of expanded reproduction, which underpins Luxemburg’s theory of imperialism. The argument about the structural contradictions in Marx’s exposition on the nature of expanded reproduction is lengthy, technical and has been criticised, but the conclusion is that capitalism is structurally unable to absorb the surplus value it creates and this leads to excess product and consequent crises of accumulation.

From this theoretical position she develops her more accessible historical one: that

Whatever the theoretical aspects, the accumulation of capital, as

8. *Reader*, 110.

9. According to *The Rosa Luxemburg Reader* the original 1913 German edition had this subtitle. It does not appear however on the title page of the 1968 Monthly Review translated edition.

an historical process, depends in every respect upon non-capitalist social strata and forms of social organisation.¹⁰

Capitalist systems of production and reproduction originated in, developed from, and have always utilised non-capitalist systems as sources of labour, materials for production and as markets to absorb surplus value. The nature of this relationship depended on the nature of the non-capitalist economy. To the natural economy, in whatever form it appeared, there is only one form of response – its exploitation leading to its destruction. There are no features which capitalist production can utilise in a natural economy: in order to gain possession of its means of production – the land – and its labour – and as a market for its goods, the natural economy has to be terminated. This happened in the era of primitive accumulation as feudal forms were undermined and transformed. And it was happening at the time Luxemburg was writing by means of ‘modern colonial policy’. There was no question, in the age of imperialism, of waiting for market forces to bring about the changes capital required.

Each new colonial expansion is accompanied, as a matter of course, by a relentless battle of capital against the social and economic ties of the natives, who are also forcibly robbed of their means of production and labour power. Force is the only solution open to capital; the accumulation of capital, seen as an historical process, employs force as a permanent weapon, not only at its genesis, but further on down to the present day. From the point of view of the primitive societies involved, it is a matter of life or death; for them there can be no other attitude than opposition and fight to the finish – complete exhaustion and extinction. Hence permanent occupation of the colonies by the military, native risings and punitive expeditions are the order of the day for any colonial regime.¹¹

The violent search for such systems amongst competing capitalist nations leads not only to militarism and dangerous international rivalry, but eventually to the destruction of the non-capitalist systems, and

10. This is from the *Reader*, 60, but is a succinct version of the ideas expressed in Chapter XXVII of *Accumulation*.

11. *Accumulation*, 370-1.

therefore, logically, the capitalist system itself which needs the non-capitalist system in order to survive.

Luxemburg's concentration on the impact of imperialism on the conquered, rather than on the conquerors, and her progress from the theoretical, to the historical, to the rhetorical, a century ago, is memorable and significant. And although firm in her broad generalisation – the necessary termination of non-capitalist modes by capitalist ones – it is interesting to see in the specific case studies of colonial conquest, her ability to look at their variations and specificities. She uses the French in Algeria – an eighty-year struggle over the appropriation of land. As her example of the opening of closed economies by European capital she takes the example of the Opium wars. For the destruction of self-sufficient rural industry and the small farmer she looks to the United States and the onslaught of large-scale mechanisation and big capital.

She then turns to South Africa and finds certain parallels with north America – the Boers can be compared to the American small farmer, but in this case pitted against, not the capital-intensive, highly mechanised, agricultural producers, but the British tendency for expansion:

Both competitors had precisely the same aim: to subject expel or destroy the coloured peoples, to appropriate their land and press them into service by the abolition of their social organisations. Only their methods were fundamentally different.¹²

After the mineral revolution, mining capital and the Boer farmer came in to conflict over African land and labour until, but by the end of the nineteenth century,

Mining capital had come to the end of its tether. The BSAC built railroads, put down the Kaffirs, organised revolts of the uitlanders and finally provoked the Boer War. The bell had tolled for peasant economy. In the United States, the economic revolution had begun with a war, in South Africa war put the period to this chapter. Yet in both instances, the outcome was the same: capital triumphed over the small peasant economy which had in its turn come into being on the ruins of natural economy, represented by the natives' primitive organisations. The domination of capital was a foregone

12. *Accumulation*, 412.

conclusion, and it was just as hopeless for the Boer Republics to resist as it had been for the American farmer. Capital officially took over the reins in the new South African Union which replaced the small peasant republics by a great modern state, as envisaged by Cecil Rhodes' imperialist program. The new conflict between capital and labour had superseded the old one between British and Dutch. One million white exploiters of both nations sealed their touching fraternal alliance within the Union with the civil and political disfranchisement of colored workers. And this noble work, culminating under the imperial policy of the Conservatives in open oppression, was actually to be finished by the Liberal Party itself, amid frenzied applause from the 'liberal cretins of Europe' who with sentimental pride took as proof of the still continuing creative vigor and greatness of English liberalism the fact that Britain had granted complete self-government and freedom to a handful of whites in South Africa.¹³

Certainly there are misunderstandings in the text, the terms and definitions are at times archaic – many historians would complain about the contours of her argument – but for this historian these would be quibbles. Given the context in which was written, and the limitations of her source material,¹⁴ the fundamental structure of the argument remains, after a century, remarkable, robust and provocative.

It is also I believe still capable of further development and this is what I want to attempt in the rest of this essay, taking a few of the fundamental ideas and examining them critically, in the light of some other radical interpretations of South African history.

'Hybrid forms'

The pervasive theme of Luxemburg's historical analysis is the contradiction within capital which demands at all stages of its historical development access to the means of production and the labour power of non-capitalist modes of production. Capitalism must interact with non-

13. *Accumulation*, 415-6.

14. Limited, but not unintelligent or uninteresting to this day. For James Bryce's *Impressions of South Africa*, see below. C.P. Lucas was an important figure in the Colonial Office for many years and used the most recent official sources in his *A Historical Geography of the British Colonies* ii, v. (Geography of South and East Africa) Oxford 1904.

capitalist modes at all stages of its history. In 1970 Harold Wolpe wrote an a significant article, much of it in response to an earlier article by Martin Legassick, which theorised the nature of capitalist development in South Africa and linked this with the shift in South African history from the policy of segregation to that of apartheid.

Influenced by the Marxist structuralism of the time, Wolpe made use of the concept of the ‘articulation of modes of production’. The South African capitalist mode of production worked in articulation with African pre-capitalist modes, through the migrant labour system. The wars of conquest of the nineteenth century never completely alienated the indigenous people from their land. Some African iron-using farming peoples were driven back beyond the frontier, but a significant proportion of others were incorporated within colonial boundaries where they retained access to the land as the means of production. This African occupied land was now characterised as native ‘reserve’ or some such term, where ‘communal land rights’ were dispensed by ‘traditional or chiefly authority’, applying ‘customary law’.

Necessity became a virtue after the mining revolution and the conquest of the Boer republics, when the migrant labour system was developed by the mining industry and the South African state. Male African labour moved to the industrialised areas to work on contract for limited periods. When not working, or no longer able to work, they were sustained by the agricultural labour of their families in the rural areas. In this way capital was able to create a disciplined ultra-exploited labour force, the rate of profit sustained by the fact that the wage did not have to carry the costs of reproduction. But it was impossible for this to continue indefinitely. From the start the system had depended upon the fact that there was never sufficient land for a viable non-capitalist system to operate indefinitely, and as the twentieth century progressed so the process of articulation became less and less viable. After the second world war, state intervention became necessary in order to sustain the cheap racialised labour system. The articulation of two modes of production was replaced by a capitalist one which sought to dominate, control, and effectively exploit labour by means of a system of racial discrimination at all levels, according to the tenets of the

ideology of apartheid.¹⁵

Despite its detractors at the time, and its more recent sidelining as an example of a now redundant structural Marxism, Wolpe's ideas were influential and remain a challenging attempt to explain historical events outside the dominant racial paradigm. They are also in harmony with Luxemburg's ideas on the continual, necessary, interaction of the capitalist and non-capitalist modes of production.

Although of course Luxemburg was not able to theorise the link between pre- and capitalist modes in South Africa as a developed system,¹⁶ there is evidence that suggests that the empirical experience of aspects of what was to be characterised as articulation, did capture her attention. She called it 'a hybrid form':

Obtaining the necessary labour power from non-capitalist societies, the so-called 'labour problem,' is ever more important for capital in the colonies. All possible methods of 'gentle compulsion' are applied to solving this problem, to transfer labour from former social systems to the command of capital. This endeavor leads to the most peculiar combinations between the modern wage system and primitive authority in the colonial countries.¹⁷

To substantiate 'the fact that capitalist production cannot manage without labour power from other social organisations' she quotes at length (in a footnote) from the account that the English Liberal, academic, and historian, James Bryce, wrote of his visit to South Africa in 1895.¹⁸ It is significant that what caught her attention was Bryce's description of the De Beers closed compound at Kimberley, and the manner in which African workers from all over southern and central Africa – 'a living ethnological

15. Harold Wolpe, 'Capitalism and cheap labour power in South Africa: from segregation to apartheid', in the useful collection of republished papers in *Segregation and Apartheid in Twentieth-Century South Africa* (eds W Beinart and S Dubow), London and New York, Routledge, 1995.

16. I have not yet been able to reconcile her view that colonial expansion 'ripped' the land from beneath the conquered, and the evidence she presents of a slower, less obvious process of domination – the methods of 'gentle compulsion' creating 'hybrid forms'. Further investigation of these apparently contradictory position would need to take into account the debate on primitive accumulation referred to in n.4 above.

17. *Accumulation*, 363.

18. James Bryce, *Impressions of South Africa*, 248-51, London: Macmillan, 1898.

collection such as can be examined nowhere else in South Africa' is Bryce's description – were confined and controlled by this particular form of capitalist production. She also notes the essential dynamic of labour migrancy, a vivid example of capital interacting with pre-capitalist system – the wages earned on the mines were invested in bridewealth and non-capitalist production at home.¹⁹

Luxemburg was therefore able to identify the salient manifestations of the essence of the labour process which in its different forms defined and determined the outline of South African history in the twentieth century. And in so doing she became one of the distinguished community of Marxist scholars who have done so much to enlighten South African historiography by removing it from the domination of the dualism of the liberal empiricists with 'no eyes, no interest, and no frame of reference'.

People as the aim of production

Having said this I want to end with a critique of two, related, concepts and descriptions used by Luxemburg and Wolpe – the manner in which they describe the productive system which preceded commodity producing societies. When Luxemburg refers to the most fundamental form of human social organisation, where private property, the division of labour, hierarchical structures and commodity production are least developed, she tends to use the phrase 'natural economy'. It is however a concept which can no longer be considered tenable, if for no other reason than the achievements of anthropology and feminist theory. Wolpe of course was not tempted by the idea of a natural economy, but his descriptions of the South African pre-capitalist mode is nonetheless undeveloped: land is held in common, and kinship organises labour and the distribution of the product; it is characterised as 'redistributive'. This is not only limited but misleading and it was Belinda Bozzoli who mounted perhaps the most effective critique – using a feminist perspective.²⁰

Although not feeling it necessary to draw directly on Wolpe's use of 'articulation of modes' – my study of Zulu history in particular persuaded

19. *Accumulation*, 364 n.

20. Belinda Bozzoli 'Marxism, Feminism and South African Studies', in *Segregation and Apartheid*.

me that there were significant aspects of the structure of African farming societies – that is of the pre-capitalist modes of production which were articulated with the capitalist mode and changed by it – which should be brought into the debate. In brief, I argued that so long as it was understood that they referred to a non-capitalist context a number of conventional Marxist categories could be usefully applied to pre-capitalist African modes of production.²¹ These were societies organised around the production and accumulation, not of material goods as commodities, but of labour power as a commodity, as people. The productive process was controlled and organised by men, but realised by the agriculturally productive, and the reproductive, capacity of women. Reproductive, that is fertile, women had value against cattle and when they passed from their fathers, to their husbands in marriage, and once they were proved to be fertile and productive, cattle passed from husbands to fathers. Production and reproduction took place in aggregations of the largely self-sufficient, polygamous patriarchal homesteads which made up the pre-capitalist state. Political status and social power depended on the number of cattle/people/labour power a male homestead-head possessed and controlled. The largest homesteads were those of the head of state who also had authority over all the homesteads which made up the polity. He was also in nominal control of the land but was obliged to allow the use of that land to those men who gave him their allegiance. In return these men were required to give a tribute and labour to the head of the state – most intensely when they were young and unmarried, ie before they, at a much lower level of course, assumed control of homestead production and the accumulation of labour themselves. This particular social feature was common in southern Africa, but developed to an extreme by the Zulu heads of state who organised all young men into age-sets which laboured for the king and served in the state army. This ‘military system’ gave the king immense control over all aspects of production because it was only when he gave a particular age-set permission to marry – that the men could set up productive units (homesteads) of their own, and initiate the process of production, reproduction and accumulation upon which the system was based.

21. Jeff Guy, ‘Gender oppression in southern Africa’s precapitalist societies’, *Women and Gender in Southern Africa to 1945*, (ed. Cheryl Walker), Cape Town: David Philip, 1990,

The essential point to be made is that these were not societies based on commodity production – or at least commodities as goods, although of course simple commodity exchange between largely self sufficient homesteads was a feature of economic life. These were societies based on the reproduction of people and their equivalents realised largely in cattle – or more concisely on the accumulation of labour power by men. They were, to paraphrase Marx, societies ‘in which man was the aim of production, not production the aim of man.’²²

There are two linked points I want to draw from this. First about terminology. This was certainly not a natural economy. Men had a right to arable land, and had to allocate portions of this to their wives. Agricultural produce was retained not only within the homestead, but within the different houses which made up the homestead. The crucial role played by reproductive capacity gave women, I believe, considerable social power, the nature of which has still be understood. But political authority, based on patriarchy, descent, and age was fierce and exercised at all levels in the social formation.

In those cases where colonial forces were unable or unwilling to smash pre-capitalist societies, the impact of capital fractured these social structures along the fault lines created by patriarchy, age and gender. In those cases when land was conquered as private property various forms of tenancy were set up by which the land owner gave the homestead-head access to land, in return for the labour or the produce – of his wives and children. When the colonial state set aside tracts of land for African occupation, co-operation was sought from a willing member of the patriarchal hierarchy who was set up as a chief.

In the mid-nineteenth century, Natal was organised on this basis. Agreements were reached between colonial officials and selected African men, usually but not always from the existing political hierarchy, who were given a degree of political and legislative autonomy and access to land in order to attract followers. I have described the system elsewhere as an ‘accommodation of patriarchs’. Fifty years later a similar system was set up in Zululand – once the British army had destroyed the powerful, centralised hierarchy.

22. Karl Marx: *Pre-Capitalist Economic Formations* (translated by Jack Cohen and edited by E.J.Hobsbawm), New York: International Publishers, 1965, 84.

In these colonial systems the household depended on the domestic labour of women and girls, herding by boys, and agricultural labour of women. Surplus was extracted by a system of taxation linked directly to the productive capacity of the homestead. Called the hut tax it was based in fact on female labour. Additional and increasingly necessary income was earned as wages in the settler economy by young men and returned to the homestead patriarch. In time the young man would be rewarded when the father divided the homestead amongst his sons, who would set up homesteads of their own, using the bridewealth devolved on them by their father.

The features shared by the pre-colonial and the colonial system are clear: patriarchal authority, the gendered division of labour, agricultural production to sustain the homestead, the unmarried sons of the homestead working for the dominant state, with the hut tax as a novel but economically logical feature. It was characterised as an African system adapted to the demands of colonial rule. This at least was how it was defended ideologically, as ‘the Shepstone system, or ‘indirect rule’. It was a system of the articulation of modes of production as Wolpe has it, or for Luxemburg another example of the necessity for capitalism to develop in association with non-capitalist productive systems, in this case one of the ‘peculiar combinations between the modern wage system and primitive authority in the colonial countries’.

For Luxemburg, writing about a wide range of social formations, at the height of the imperialist era and just before the catastrophe of the first world war, this continued and destructive interaction of the capitalist and non-capitalist system was a necessary consequence of their economic structures. Wolpe, writing in the late twentieth on just one social formation was able to analyse the South African example not just a ‘system’, but as a process, a contradictory, a dynamic and self-destructive one.

In South Africa there had never been enough land for the general reproduction of the pre-capitalist mode, wages earned in capitalist sector were never generally sufficient, young men did necessarily return to their fathers’ homesteads, and some women refused the role of rural reproducers, and the authority of the chiefs was often ignored. Such trends intensified with the consequences of capitalist production, and

the late nineteenth-century mining revolution with its demands for enormous quantities cheap labour, and increasing pressure on land and rentals. Wolpe suggests that the pre-capitalist mode, defended by the segregationist ideology but undermined and weakened by poverty and exploitation, lasted perhaps to the 1930s, to be replaced by a system of direct labour oppression, ideologically justified by apartheid which attempted to revive collapsed labour reserves now characterised as the reclaimed legacy of an autonomous African past.

But if we are to identify more precisely the passing of the pre-capitalist mode we have to answer another set of questions more clearly: what factors define the pre-capitalist mode? These need to be decided before we can speculate on when they ceased to exist.

At one level it might be argued that this evidence is widely available in the sources. It exists in the numerous documents in which African patriarchs protest at the changes colonialism has wrought on their lives – at the shortage or the loss of land, at the erosion of their authority, at the decimation of their herds, at the loss of their sons who have not returned from the mines, at the disobedience of their daughters. Statements on these themes are ubiquitous, and can to a degree be confirmed by statistical evidence. But while such evidence is indicative, it is not in my opinion decisive: it is too subjective, too specific, insufficiently precise. Time and again we read of the disappearance of the traditional homestead, even the homestead system of production, only to find it reappearing in the records, to be destroyed against one two or three generations later. The nineteenth century commissions are filled with the complaints of fathers that their sons and daughters have disappeared or are disobedient, turning their backs on the homestead and their obligations to their kin – as are this week's television reports and newspapers.

We need a more precise indicator of the termination of the pre-capitalist mode than the assumed destruction of the homestead and the alleged behaviour of its inmates. And I want to suggest that this might be found when the production in the homestead was no longer directed to the production and accumulation of labour power, but the production and accumulation of material commodities.

To take a hypothetical example although I do have a historical personality in mind. Consider a Zulu chief, a wealthy man at the time of

the kingdom's independence, with a number of very large homesteads, dozens of wives, and considerable herds of cattle, and followers numbered in thousands. His homesteads lay on a well-known trading route and all his life he has been involved in trade, exchanging his livestock for a range of commodities, including guns, and he became deeply involved in the colonial economy through his contacts with hunters, travellers and traders. But despite the apparent changes, in his productive activities and transactions, in the goods in his homesteads, he organised his chiefdom around the accumulation and production of labour power – the women in his homesteads and the herds attached to his homesteads, the young men serving in state army until given permission to establish their own homesteads.

After the 1879 conquest this chief retained his land, and actively supported the colonial regime. He and his people paid the hut tax out of surpluses acquired from trading and the wages of the young men now going in increasing numbers to the mines. Money was used increasingly in their different transactions, and the goods brought back from the urban centres began to change diet and dress, fundamental patterns of behaviour. Even bridewealth began to be paid in cash or goods. Nonetheless, despite these changes to apparently significant features of social and economic life, the objectives of both rulers and ruled, remained centred on the establishment of new homesteads on marriage, the exchange of goods between men for the productive and reproductive capacities of women. The pre-capitalist mode prevailed.

The chief was a traditionalist, but a life time's close dealing with traders had made him a good judge of men. A local store-keeper persuaded him, in this time of catastrophic livestock pandemics, to sell an increased portion of his animals, rather than invest it as bridewealth, in his own homesteads, or in the homesteads of his sons. It was good advice, and the chief's savings-bank and loan book, meant that he retained his wealth when rinderpest and then east coast fever decimated the herds of Zulu cattle at the turn of the century. He continued to build homesteads, establishing in them young women he married through the payment of bridewealth in cattle, cash or in goods. He expected the same from the husbands and fathers of the men who married his daughters. At one level the dynamic of the pre-capitalist mode continued: patriarchal

authority, the gendered division of labour , payment of bridewealth in order to establish the homestead.

But other aspects were changing. Increasing population exacerbated the shortage of land: an increasing number of his followers had insufficient land on which to maintain themselves and their families: generalised poverty increased as viable homesteads took on responsibilities for destitute kin: it was difficult to retain control of the wages of the young men working as migrants on the mines or the young women who fled rural poverty for city life. All these factors suggested that the pre-capitalist system was under severe strain and was changing. Nonetheless patriarchal authority, polygamy, the payment of bridewealth, kinship obligations, with associated customs and traditions remained and were practiced and defended vigorously by the chief.

But he was, in fact, no longer working within a pre-capitalist mode. The bulk of the income on which he depended was earned from the interest on the loans taken by the traders who bought his cattle, the savings in the bank book kept by the storekeeper, the sale of the agricultural produce of his wives, and the wages (decreasing in value) of his children. Even his people, while they still owned some cattle, and used them as bridewealth, were dependent on wages (low) and the sale of agricultural produce (limited). Despite the continued existence of social and cultural practices from the pre-capitalist era, the defining pre-capitalist circuit of women and cattle realised as labour power had been broken and inverted: people were no longer the aim of production: people produced commodities.

In conclusion

I have revisited aspects of South African historical theorising, not only to give some idea of the remarkable and largely ignored contribution of Rosa Luxemburg, but also to make some comments on historical chronology. Neither Luxemburg nor Wolpe are clear on just what constitutes the pre-capitalist mode. For Luxemburg it includes the natural economy, primitive communism and simple commodity production, and the dissolution, but not the termination, of such systems under the impact of capital.

Wolpe is vague on this question: the termination of the pre-capitalist mode is associated with declining rural reserve production and the

termination of redistribution, some time in the 1930s. I suggest above that, to decide when the pre-capitalist mode came to an end, little assistance is to be obtained from indicators of poverty, collapsing rural production, or the disappearance of customs and practices considered to be traditional, any more than the converse suggests the opposite. Instead one has to look for evidence within the circuit of production to discover whether labour power, or commodities, are being accumulated.

But why is this a fact of any significance? Why is it important to be able to identify the cessation of the pre-capitalist mode of production? One reason would be that such a discussion could, by looking at the South African example, make a contribution to the debate around the nature of primitive accumulation. However I have not pursued this question in this paper. Instead I want to consider its possible contribution to the urgent contemporary debate and struggle, around the concept of Africa and African.

Wolpe stated that one of the aims of his article on the articulation of modes of production was to direct analyses of South Africa away from racial explanations. The assertion of race has returned however with a vengeance. Cultural, political and intellectual life in South Africa today is replete with ideas of Africa and being African. It is used to sell the 'African experience' in its manifold forms, with all the distortions required by the privileged consumer such as the international tourist. It is used to explain, and even justify, socially unacceptable behaviour, sexist behaviour especially. And it is used to gain access to public funds in support of undemocratic political positions on the grounds that they reflect African tradition. Argument time and again comes up against the concept 'African', which too often constitutes a barrier to further debate: it is understood only by those who define themselves as African and therefore beyond external criticism.

One purpose in writing this paper has been to suggest that if we can get a clearer theoretical idea of what the essential features were of the pre-capitalist mode of production in southern Africa, which (arguably it is true) does indicate an African concept (spatially), comparatively free of external influence, then we might find a way to move the argument forward by continuing to use economic (more objective), rather than racial or ethnic, categories.

Let me say immediately that the point I am making here is a pragmatic one. I personally do not believe that the search for an African essence is necessary or even achievable. But, as educators, we are not being effective when we use irrelevance against arguments which posit an essential Africaness. The argument can be presented with sincerely felt commitment – but at the same time there are administrators, advertisers, journalists, celebrities, and politicians who promote and defend their activities on the grounds of their being African and in so doing exhibit an often sentimental, sometimes dangerous, racial and sexual chauvinism. Ways need to be found to stay in the debate (ie, not to be excluded on the grounds that we are un- or even anti- African) for many reasons, including the urgent need to counteract the ideology of globalisation which, in the name of international liberalisation and democracy, provokes and intensifies ethnic, racial and religious intolerance.

I said above that it was important to be able to argue within the realm of economic structures of production – this again is a pragmatic position used in order to clarify, not to suggest that social categories are unimportant. For of course, not only are social categories indispensable, but, in the southern Africa context, pre-capitalist features like chieftainship and patriarchy retain their dynamism to this day, precisely because aspects of the pre-capitalist mode were not destroyed by capitalism, but retained and brought into articulation with the capitalist mode. But this is not to say they stayed the same. Despite the similarities of their outward features and thus the appearance of continuity (in for example, ubukhosi , chieftainship, ubudoda, manliness, lobola, bridewealth) the system in which they were originally manifested, and played a central structural role, has long been transformed. Pre-capitalist social practices outlasted the pre-capitalist mode of production: they played an important role in the period of articulation: they are active to this day as capitalist accumulation continues to wreak havoc on South Africans.

But while this continuity might be socially and politically central, it is structurally peripheral. It is a remnant of an African mode of production, a social system long gone: a mode of production in which value was created by the productive and reproductive power of women, and in which the aim of production was people. It was a system, I want to suggest, epitomised in a word which has achieved wide currency today: ubuntu –

the importance of reciprocal relations between people, communal concern and responsibility for others, the significance of others for ourselves – a concept, I would suggest, with its origins in the southern African pre-capitalist mode of production whose unique feature was the creation of value through people. It is still used to evoke, if idealistically, an African sense of overriding social responsibility – by for example Desmond Tutu. But it has also been exploited – for example as a marketing tool, the Ubuntu Marketing Philosophy – a development which confirms the argument in this paper about the contradictory nature of history – in this case the continued existence of a humane concept in inhumane conditions. A better understanding, an historical understanding, of ubuntu for example, would enable it to be used, with intellectual honesty, in the creation of a better South Africa. But as long as it is used as a racial concept or an ethnic concept, with ‘no eyes, no interest, no frame of reference’, it must become, like the idea of tradition and custom itself, not an inspiration but a nightmare from the past, weighing on the brains of the living. ★

Unlocking the present?

Two theories of primitive accumulation

Ahmed Veriava

All social life is essentially practical. All mysteries, which lead theory to mysticism, find their rational solution in human practice and in the comprehension of this practice.

- Karl Marx

In August 2004, thousands of protestors from the sleepy town of Harrismith in the Free State descended on the N3 highway. Armed with placards and song, the protestors charged that after ten years of democracy not much had changed for the country's poor. The 'better life for all' that had been promised in 1994, and repeated with each successive election, had not arrived.

The state's response was unequivocal. In violent scenes reminiscent of the struggle against apartheid, shotgun-wielding policemen fired rubber bullets at fleeing protestors. By the time an enforced calm fell over Harrismith, one protestor was dead; the planned blockade of the highway was over as quickly as it had started, and those who had been identified as the leaders of the protest were rounded up and charged with public violence and, for the first time in a new South Africa, sedition. But in the months following the Harrismith uprising – as if only needing a spark – other communities across the country took to the streets in seemingly spontaneous acts of protest¹. Beginning in far-flung towns forgotten by

1. The fact that the 'Service Delivery Riots' - as they were sometimes called - emerged outside of the traditional circuits of post-apartheid civil society presented a real challenge to how they would be understood within mainstream civil society discourse. On the left, these protests were treated as spontaneous manifestations of the poor's anger over the slow pace of 'delivery'. For the state on the other hand, the inability to locate these protests within tradition civil society had a far more sinister twist. Rather than acknowledge a failure on its part, the state initially attempted to side step the issue by suggesting that these 'outbursts' were in fact the work of an unnamed third force. Under public scrutiny, the state failed to identify any third force outside of the poor themselves, and were forced to abandon the (conspiracy) theory. Ironically, in both the state's and the left's characterisation of the service delivery protests, the poor are denied any real agency or capacity for self-organisation.

the transition, the whiff of struggle was quickly filling the air in the cities as well; and from Harrismith to Durban, a single demand resonated across the muffled tones and images coming to us through the mainstream media: ‘delivery’. The state could no longer deny the crises. While president Mbeki would blame the slow pace of delivery on the local councillors and the administrative inefficiency of local government, social movement activists and critics of ANC economic policy were quick to point out that these events fell within a longer narrative of conflict between state and communities that can be traced to the ANC government’s embrace of neoliberal economic policy throughout the 1990s.

From at least as far back as the early 1990s, the South African state began introducing measures aimed at removing obstacles to accumulation and the logic of the market, culminating in the adoption of the Growth Employment and Redistribution Strategy (GEAR) in 1996, as well as the closure of all formal political means to contest it. Although social movement activists and theorists often cite GEAR as the entry point of neoliberalism, this document is only one moment within a more generalised shift within the new government towards policies that evinced a neoliberal character. GEAR’s significance, however, lies in its articulation of the structural framework for neoliberalism, and the manner in which its introduction facilitates the closure of formal means for the contestation of this policy framework, most famously through the 1996 declaration of GEAR’s non-negotiability by then president, Nelson Mandela.

Although the charge of sedition would eventually be dropped against the thirteen community activists in Harrismith² its very contemplation offers us a unique insight into the political rationality underpinning the non-negotiability of GEAR. And as the events of Harrismsith so brutally suggest, it would seem that as the state increasingly assumes the power to determine the conditions of bare life vis-à-vis the ‘fundamentals’ of its macro economic strategy, the former (the state’s assertion of the power to determine the conditions of life) potentially enters into this zone of non-negotiability as well. In this context, contestation over the conditions of life, confront the juridical and disciplinary power of the state directly.

2. When it became clear that the state would have little chance of successfully prosecuting the Harrismith accused for sedition, and in the face of growing criticism of the states handling of the crises, the charge was dropped from the case. Later, the remaining charge of public violence would also be dismissed.

The economic contexts created by this neoliberal policy framework not only severely restricted the options open to government in making good on its promises for delivery of jobs and services (such as housing water and electricity), but also ensured that whatever delivery did take place would remain largely circumscribed within the narrow framework of the market. Thus, in the last 12 years of democratic rule, the commodification of housing, water, and electricity in South Africa was deepened (Bond; Desai; McDonald and Pape); *Neoliberal orthodoxy was transforming people's 'life strategies'³ as it increasingly determined the forces animating the poors' daily struggle for survival.*

This is our starting point. In this paper I want to begin addressing some of the theoretical problems suggested by the neoliberal restructuring of the delivery basic services in Soweto in relation to recent returns to Marx's concept of Primitive Accumulation. Specifically, this paper will test the extent to which David Harvey's and Massimo De Angelis' respective accounts of the permanent nature of Primitive Accumulation within the capitalist mode of production help in unlocking the histories of our present.

Two theories

One of the difficulties in characterising neoliberalism, as is noted in a recently published reader on the subject is that:

[It] straddles a wide range of social, political and economic phenomena at different levels of complexity. Some of these are highly abstract, for example the growing power of finance or the debasement of democracy, while others are relatively concrete, such as privatisation or the relationship between foreign states and local non-governmental organisations (NGOs). (Alfredo Saad-Filho and Deborah Johnston, 2005: 14)

Thus in attempting to characterise neoliberalism, Saad-Filho and Johnston search for a more generic criterion. Noting the difficulty in

3. The notion of life strategies is defined as; that which is constructed - as a negotiation of people's available freedom and notions of self - by assuming various strategic positions as a means towards creating the conditions of life. That is, people's strategies for 'taking care of themselves'. The concept was developed to avoid the usage of notions like 'survival strategies' that can only ever imagine a poor whose objects are externally given.

dating neoliberalism, separating it from the body of ideological and theoretical interventions that underpin it, or separating it from the problem of imperialism, Saad-Filho and Johnston suggest that ‘the most basic feature of neoliberalism is the systematic use of state power to impose (financial) market imperatives, in a domestic process that is replicated internationally by “globalisation”’ (Alfredo Saad-Filho and Deborah Johnston, 2005: 15).

In spite of its obvious limitations, specifically its inability to locate neoliberalism within a broader account of capitalist development, this definition does provide us with a useful starting point. On the one hand, it poses as a central problem the demonstration of the forms in which neoliberalism fixes itself within the South African state (whether by institutional interventions or ideological force). On the other, it forces us to identify the extent to which neoliberalism is expressed as the imposition of ‘market imperatives’⁴ over local processes. For this paper I focus on the latter, specifically the imposition of market imperatives in the delivery of basic services in Soweto.

With respect to the usage of state power to ‘impose market imperatives’, recent theoretical interventions have focused on Marx’s concept of Primitive Accumulation in attempting to characterise many of the features of this phase of capitalist development (David Harvey, Gillian Hart, Massimo De Angelis and the New Enclosures School) within a broader narrative of capitalist accumulation strategies⁵. In this respect, theorists have variously focused on the manner in which Marx’s concept of Primitive Accumulation provides the analytical tools for understanding the usage of extra economic strategies of dispossession (David Harvey), and the separation of producer from his/her social means of production (De Angelis), through the privatisation of public utilities for instance. Notably, these theories see Primitive Accumulation as the primary means through which capitalism addresses the internal limits of the market. In both Marx and contemporary usages of the

4. This will also involve tracing the relationship between these socio-economic developments, and the histories of the South African political transition and changes within the global relations of power. In so doing it will also begin to question the ideological sources of neoliberalism in South Africa.

5. Such a perspective is also invaluable if we are to understand the manner in which neoliberalism comes to shape changes in class composition generally, as well as changes in forms of social reproduction.

concept, the fact that is emphasised is the introduction of the logic of the market in people's forms of social reproduction. In this respect, the works of David Harvey and Massimo De Angelis stand as influential moments that deserve consideration.

While it is not my intention to test the faithfulness of either of these theories to Marx's original formulation, it might be prudent to say something about the debate surrounding this concept. When *The Commoner*, a web based Internet journal, published an edition on the relationship between neoliberalism and Primitive Accumulation, it did not pass without contestation. In September 2001, *The Commoner* published a special edition of the journal showcasing a debate between Paul Zarembka and Werner Bonefeld on the usage of the term. Briefly, Zarembka's argument against the usage of the concept rests on two assertions; firstly, that the concept of Primitive Accumulation in Marx - specifically volume one of *Capital* - refers to a particular phase within the history of capitalism and adds nothing to our understanding of its contemporary forms. Secondly, Zarembka argues that capitalism implies the separation of the producer from the means of production in a general sense and there was therefore no need to invoke the concept of Primitive Accumulation to draw attention to what is already implied in the Marxist definition of the current mode of production.

Zarembka's reservation notwithstanding, Marx's treatment of the concept is to a large extent a response to classical political economy's account of the origins of capitalism. He therefore develops the concept in historically specific terms. However, there is a broader ambiguity in Marx's discussion based on the fact that such processes span a period of almost three centuries, often occurring in different degrees at different times across Europe (although, for the most part Marx focuses on the development of capitalism in England). Additionally, the usage of the term, in the works cited so far, has been primarily aimed at drawing attention to the 'extra economic forms of separation', which is somewhat different from that implied in a general account of what Harvey calls 'expanded reproduction' or rather, the 'ordinary' economic process of separation. Finally, Marx's usage of the concept should not foreclose its development in a different direction on condition that it is analytically necessary and is done in a manner that is consistent with the broader

trajectory of Marx's work. That is, to demystify our world with an eye to changing it.

In his essay, 'Towards a Theory of Globalisation as Strategy', Massimo De Angelis develops his account of the relationship between Primitive Accumulation and neoliberal restructuring within the broader theory of capitalist development (De Angelis, 1998). Following Perelman, De Angelis argues that the notion of Primitive Accumulation, used by Marx to describe the emergence of the preconditions for capitalist production, may be understood, not simply as a particular historical phase of capitalism but, as a 'continuous phenomenon within the capitalist mode of production' as well. In Marx, the concept Primitive Accumulation was used to describe the process of separation and dispossession of people in relation to the social means of production and reproduction, creating a section of the population with no means of survival other than their labour power (the proletariat). De Angelis argues that in contrast to the accumulation strategies associated with, for instance, the production of goods and services for the commodity market, Primitive Accumulation does not rely on the 'silent compulsion of economic relations', but is instead imposed through 'direct extra economic forces' such as the state (De Angelis, 1998: 7).

An important element of his analysis is its demonstration of the relationship between strategies of Primitive Accumulation and worker struggles. De Angelis, building on the work of Polanyi, argues that capitalism is characterised by a double movement of the market and struggle: 'On the one side there is the historical movement of the market, a movement that has no inherent limits and therefore threatens society's very existence. On the other, there is society's natural propensity to defend itself, and therefore to create institutions for its protection' (*ibid.*: 13). For De Angelis, the second movement often involves processes of 'commoning', which may be characterised as the creation of 'social spheres of life' aimed at providing 'various degrees of protection from the market'. Thus, for De Angelis, the determining crisis within capitalism is precipitated by the obstacles presented to accumulation by worker struggles.

... a separation between people and their conditions of life, through the dismantlement of rights, entitlements, etc ... The aimed end

result of these strategies of enclosures share the same substance: to forcibly separate people from whatever access to social wealth they have which is not mediated or co-optable by the market ... New enclosures thus are directed towards the fragmentation and destruction of 'commons (Ibid.).

In his detailed survey of modern capitalism, David Harvey, while invoking the concept of Primitive Accumulation as well, follows somewhat different theoretical paths. Where the De Angelis account focuses on the issue of 'separation of people in relation to their social means of production', Harvey's invocation of the concept of Primitive Accumulation emphasises the extra economic aspects of such processes⁶. Taking Rosa Luxemburg as his starting point, Harvey demonstrates the relationship between 'expanded reproduction' of capitalism and 'accumulation by dispossession' or Primitive Accumulation⁷. For Harvey it is precisely the limits encountered within expanded reproduction that drive capital to seek out new markets and areas for investment and thereby, to strategies of Accumulation by Dispossession. That is, Accumulation by Dispossession comes to represent the primary means through which capital addresses the internal limits to accumulation encountered within expanded reproduction.

This thesis is foregrounded by Harvey's critique of traditional accounts of the Marxist problem of realisation and the theory of under-consumption. The story of capitalism's crisis tendency is usually told as follows. In order to realise surplus value, the worker must necessarily be paid less value than what s/he produces. Therefore workers cannot consume everything produced and are an insufficient market for the sum of commodities produced if surplus value is to be realised. Although the capitalist class can consume some of these commodities, it cannot consume all of it since s/he is compelled to reinvest some surplus value to secure the reproduction of the system. Thus, accumulation encounters a

6. This is, however, purely a difference in emphasis, as both theorists recognise the extra economic nature of such processes as well as the problem of separation. This difference in emphasis stems from the respective concerns of each of the authors. For Massimo De Angelis the central problem is one of class composition, and struggle sits at the centre of his work, whereas for Harvey it is the systemic structural contradictions within capitalism that animate his interventions.

7. Harvey uses the term 'accumulation by dispossession' in order to avoid the historical connotation of the concept 'Primitive Accumulation'.

limit. The only way that surplus value can be realised is by trade with non-capitalist formations - by force of arms if necessary. Under-consumption is therefore what lies at the core of capitalist crises and is the driving force of imperialism.

According to Harvey, this thesis would explain at least certain features of 19th century capitalism and its relationship to colonialism, where imperialism often attempted to inhabit capitalist development. However, as a contemporary account of crisis, the model is flawed. According to Harvey rather than inhabiting capitalist development, ‘the general thrust of any capitalist logic is not that territories should be held back from capitalist development, but rather that they should be continuously opened up’ (Harvey, 2003, p139). Thus Harvey argues that, rather than under-consumption, capitalist crisis tendency needs to be understood in relation to the problem of over-accumulation. This is based on his assertion that reinvestment itself within expanded reproduction ‘creates a demand for capital goods and other inputs’ (Harvey, 2003: 139). Further, the geographical expansion of capitalism – through what he calls spatio-temporal fixes⁸ – helps stabilise the system because it ‘opens up demand for investment goods and consumer goods elsewhere’. Even in the face of systemic imbalances (local recessions, fluctuating business cycles etc.), it is possible to accumulate through the introduction of cheaper inputs such as labour power or raw materials.

The implication is that non-capitalist territories should be forced to open up not only trade (which could be helpful) but also to permit capital to invest in profitable ventures using cheap labour power, raw materials, low cost land, and the like. (Harvey, 2003: 139)

Harvey thus arrives back at an assertion of the original thesis, that is, that capitalism is intimately dependent on an ‘outside’ to stabilise the system. However, capitalism ‘can either make use for some pre-existing outside... or it can actively manufacture it’⁹ (Harvey, 2003: 141). For Harvey, much of the creation of this ‘outside’, and its subsequent capture

8. Essentially longer term investments such investments in infrastructure.

9. For instance, Harvey sites the example of capital throwing workers out of the system in order to lower wages at a particular point, and call upon them again at another (Harvey, 2003: 141).

in the form of investment goods, is what is at stake in modern instances of Primitive Accumulation or accumulation by dispossession. From financialisation, through to shifts in intellectual property rights facilitated by the World Trade Organisation (WTO), to privatisation of universities and public utilities, Harvey observes ‘the secret history of Primitive Accumulation’¹⁰. Thus the wholesale privatisation of basic services is, according to Harvey, driven by these processes, and capital’s attempts to open up new areas for investment in order to address the systemic crisis of overaccumulation:

What accumulation by dispossession does is to release a set of assets (including labour power) at very low (and in some instances zero) cost. Over-accumulated capital can seize hold of such assets and immediately turn them to profitable use...Privatisation (of social housing, telecommunications, transportation, water, etc...) has, in recent years, opened up vast fields for over-accumulated capital to seize upon. (Harvey, 2003: 149).

While there are obvious similarities between these two theories, it should be clear that there is a deep rift in their respective characterisations of the crises inherent to capitalist development, specifically the place given to the struggles of subaltern classes. This debate, setting struggle against structure in attempting to characterise the motor of capitalist development, informs some of the liveliest discussions in Marxist theory today. While I am unable to properly develop this important problem in the present essay, the next section begins shaping our tools for that discussion. Having outlined Harvey and De Angelis’ respective theories of Primitive Accumulation, I want to (re)turn now to our present.

Unlocking the present

Hein Marais’s *The Limits of Change* is an excellent account of the transformation of the South African economy and the political transition. In it, Marais argues that the structural limits of apartheid’s accumulation strategy profoundly shaped the limits of the political transition. In so far as our broader project sets as a central concern the identification of the structural and political forces shaping the entry of neoliberalism, Marais’s

10. The phrase is borrowed from the title of Michael Perelman’s account of the subject.

analysis is a good starting point.

According to Marais, under the Nationalist Party (NP) government, the notion of ‘an activist state’ was put into play – a state that would ‘actively and, often, forcibly intervene in social and economic affairs’ (Marais, 1998: 20). This state context was fundamental to carving out a ‘post-war accumulation strategy’ favourable to white minority interest. With respect to the latter, two significant priorities were chosen for the economy by the apartheid state – ‘an industrialisation strategy based on import substitution and the ongoing dependency on cheap African labour’ (*Ibid*: 38).

However various social theorists suggest that the 1970s saw South Africa experience an ‘economic crisis’, located within international developments, such as the oil shock of 1973, the collapse of the Bretton Woods system and global recession, with the local effects of stalled growth, falling investment, capital flight and labour militancy (Gelb, Natrass and Seekings in Bundy, 2004). According to Marais, ‘such analyses stressed the increasing dysfunctionality of the government’s apartheid policies to the economy, policies which were said to limit the natural workings of the free market and to invite external distorting factors like sanctions (particularly in 1976 and 1985), and drops in the price of gold.’ (Marais, 1998: 58). Many of the structural changes of the transition period that have been attributed to neoliberalism, find their rationale in capital’s attempts to overcome these limits.

For Harvey, the global crisis that so dramatically shaped South Africa’s incursion with neoliberalism, is precisely this crisis of overaccumulation. And even as we localise our gaze and focus on South Africa, there is evidence that our present economic paths are being driven by the desire to free up assets in the hope that ‘overaccumulated’ capital will seize upon it in the form of foreign direct investment. However, the situation is slightly different for basic services which seems far more immediately shaped by state rationalities and the manner in which these have responded to radical decommodification themes in the socius, at least while corporatisation under state ownership is preferred to full privatisation. It could, however, be argued that these state rationalities and their prioritisation of cost recovery and ring fencing for the delivery of basic services, is merely a precursor to full privatisation, and follows

from a generalised reorientation in state thinking as a result of this global crisis. While this might be an appealing way of approaching the subject, it tells us almost nothing about the manner in which these very different instances of accumulation by dispossession/Primitive Accumulation are intimately shaped by local contexts and the struggles of communities in defence of what De Angelis calls ‘commons’. That is, Harvey can say very little about how such processes shape, or are shaped by, subjectivity, let alone struggle.

The period of South Africa’s economic crisis is also significant for the manner in which the struggles of communities worked to create various protections against the market. While these struggles were largely concentrated in townships, they had a significant effect in de-legitimising the apartheid regime and profoundly affected the ‘life strategies’ of communities. With respect to the latter, township resistance of the 1980s articulated strategies, in particular service payment and rent boycotts, that would contribute to the augmenting of household income outside of the wage relationship. It may be argued that the payment boycotts articulated a ‘social common’ centred on non-payment for basic services, a common held and reproduced in struggle. While the contexts of the transition are extremely different, and the politics of grassroots movements explicitly centred on decommodification as opposed to national liberation, the radical subjectivities forged in the struggle against apartheid provided communities with a ready made weapon with which to confront neoliberalism. The investments of communities in such acts of non-payment would come to present a profound challenge to the ANC government as it attempted to rationalise the delivery of basic services within terms appropriate to the broader trajectory of its economic policy.

As has been noted by McDonald and Pape, with the adoption of GEAR, the role of local government shifted from a redistributive¹¹ one to an ‘enabling’ or ‘facilitating’ one (McDonald, 2002a: 4). In this way, the central social responsibility of government became one of establishing the means for increasing redress rather than delivering access directly. Under this model, real access has come to be determined by market

11. As envisioned in the RDP and first two years of democracy.

forces, with the state becoming the facilitator of this logic. In this context, and in line with the state's attempts at 'ring fencing' certain services as possible first step towards their full privatisation¹², cost recovery interventions became the central concern of municipalities and parastatals involved in the delivery of basic services.

In this respect, the central challenge facing municipalities and state parastatals is the problem of non-payment. Various attributed to the legacy of the rent boycotts, the culture of non-payment, and other 'pathologies of the poor'¹³, the problem of non-payment has intimately shaped the state's interventions in transforming the delivery of basic services. And in the last twelve years the state has variously experimented with a series of ideological and punitive interventions aimed at addressing this problem. At the ideological level, campaigns such as Masakhane were launched emphasising good citizenship through the payment for services. That is, it attempted to remake the meanings of non-payment. On the other hand, cut-offs and the attachments of property were used as retroactive measures to ensure compliance. However, these elements would increasingly become integrated.

Where government and parastatal public relations departments carried out the ideological interventions, cut-offs and attachments were treated as administrative actions and presided over by low-level officials. As the installation of prepaid water meters in Soweto illustrates, programmes like Johannesburg Water's 'Operation Gcina 'manzi' mark the evolution of neoliberalism's strategy in this regard, and explicitly bring the ideological and punitive together - the prerogative to save (implicit in the name of the programme and expressed through various levels of persuasion) and self-disconnection through prepaid meters.

12. In the last few years the state seems to have done something of an about turn with respect to privatisation. While continuing to prioritise cost recovery (and thereby the commodification of basic services) the complete privatisation of water and electricity seems less immanent. The reasons for this shift remain contested. On the one hand, left elements within the alliance argue that it is a result of constant 'constructive engagement' with the state. Social movement activists, as well as various left academics, point to the real challenges created by grassroots movements as well as changes within the international market, as important factors in understanding the 'change of heart'.

13. In the last ten years an extensive body of literature has been produced on this problem, predominantly from a state perspective. However, a growing tradition of left writing has begun to treat the problem not as one of a pathology requiring intervention, but as a strategic position that needed to be generalised (Ngwane and Veriava, 2004).

Before prepaid meters, cut-offs were the main means for service providers to regulate the consumption of services and payment for them. However, in response to such cost recovery practices, a wave of community groups emerged across the country in protest against the ‘commodification’ of basic services - notably through the formation of organisations like the Concerned Citizens’ Forum (CCF), Soweto Electricity Crisis Committee (SECC) and the Anti-Privatisation Forum (APF). Today, prepaid meters (for electricity and water) are being introduced as a way of circumventing the problems associated with a system in which the onus for delivery is still on the state or a service provider. With a prepaid meter, the onus for delivery is on the individual paying citizen and the individual is forced to cut her/himself off from supply or employ ‘self-inflicted ‘punishment for ‘poor budgeting’.

The significance of this refocus of cost recovery practices through prepaid technologies is that it points to the close relationship between cost recovery initiatives and community struggles. Here we observe the intimate ways in which each successive twist in the state’s strategy is aimed at addressing the creativity and tenacity of communities in struggle...whether it be through the mass defiance of the prerogative to pay for services or the active, organised (albeit illegal) reconnection of water and electricity after a cut-off. Thus, to the extent that non-payment¹⁴ marked out a significant limit to the restructuring of basic service delivery - and ring fencing more generally - the introduction of prepaid technologies marks the failure of previous strategies’ attempts at addressing this governmental problem.

From this perspective the problem of non-payment and cost recovery is cast in a different light.

For instance, from this perspective, the trajectory of cost recovery strategies becomes the transformation of people’s life strategies along lines appropriate to the logic of the market. Indeed, the trajectory of Gcin’amanzi seems to suggest precisely this aim. For instance, the introduction of prepaid meters was accompanied by a whole range of interventions and materials produced by Johannesburg Water that went so far as to offer daily regimes for (conservative) water usage in the observance of every day practices (including alternative daily hygiene

14. In part of Soweto levels of non-payment exceeded 80%.

regimens). Such interventions and materials were aimed at straight-jacketing household social production within the 6kl lifeline. In short, through its mediation of the delivery of water, the meter becomes the central component of a broader state-led pedagogical intervention aimed at remaking the strategic universe of household social production.

However, posing the problem in these terms does present something of a dilemma for developing a theory of Primitive Accumulation in relation to basic services. While it should be clear how the commodification of water and electricity through cost recovery effects the ‘separation’ of people from their social means of (re)production (in so far as, in the absence of cost recovery practices such as cut offs, non-payment would secure at least decommodified access to services for township communities), it is less clear what is being enclosed. And although it could be suggested that ring fencing acts as a form of enclosure, the precise form of (felt) separation seems rather to follow from the foreclosure of an individual’s or household’s investment in acts of non-payment.

Such an approach is not, however, without precedent and, notably, Marx’s discussion on Primitive Accumulation demonstrates how the English state’s attempts at directing populations to the factories, resolve into a set of laws aimed at foreclosing the ‘life strategies’ of free labour outside of the wage relationship. Specifically, Marx cites the various pieces of extremely harsh legislation aimed at the discouragement of begging, for instance, in his discussion on Primitive Accumulation.

At this point it might be useful to consider the work of Toni Negri and Micheal Hardt, whose consideration of the problem of Primitive Accumulation tends to run in a very different direction to that of both Harvey and De Angelis. Where theorists such as David Harvey have tended to invoke the concept in relation to notions of inside/outside, Hardt and Negri offer an account of a properly postmodern form of Primitive Accumulation in which the distinction increasingly becomes untenable.

Their analysis contrasts postmodern Primitive Accumulation with modern Primitive Accumulation. In relation to the latter, they argue that processes of Primitive Accumulation were experienced differently depending upon the mediations of the geographies of imperialism. So, for the type of Primitive Accumulation described by Marx (ostensibly

European), wealth came from outside while command arises internally while in Europe's colonies, wealth came from inside, while command came from outside. For Negri and Hardt, in the postmodern era, what disappears is not Primitive Accumulation - 'capitalist relations of production and social classes must continually be reproduced' - but the play between inside and outside (or rather, it declines). Further, under postmodernism, social wealth - the subject of appropriation - increasingly becomes immaterial, that is social relations, communication systems, information and 'affective networks'. In this schema 'social labour produces life itself.'

They go on to argue that the products of immaterial labour (the figure of postmodern wealth) carry, through their networks, both wealth and the command of production such that 'informational accumulation destroys or at least destructures the previously existing productive processes' while integrating these into its own networks.

Hardt and Negri's thesis sits somewhat uncomfortably with our discussion thus far. Their claims in relation to Primitive Accumulation, as with much of *Empire*, are perhaps too strong, too sweeping for contexts that are never simple or process that are far from complete. However the value of their intervention is that it begins to point to the manner in which the trajectories of such processes have as their aim the 'destructuring of previous productive processes' with an eye to integrating them into their own networks. For Hardt and Negri such an approach coincides with the real subsumption of labour under capital – thus Primitive Accumulation is here understood as an intensive integration of labour.¹⁵ So rather than the creation of new proletarians, the focus becomes one of enveloping all social production within capital's networks.

While Hardt and Negri's thesis deserves a far more rigorous and critical treatment than I am allowed here, it should be clear that their approach does help us understand the manner in which the meter comes to deepen the integration of people's life strategies into the logic of capital. Ironically, the Hardt and Negri thesis tends to be disabling

15. Their notion of an intensive integration of labour is contrasted with what they call an extensive integration of labour. For the latter, associated with modern Primitive Accumulation, the integration of labour proceeds through the creation of new proletarians, mainly in Europe's colonies. For postmodern Primitive Accumulation, what is at stake is not so much the creation of new proletarians but rather the integration of all aspects of (proletarian) life into the circuits of capital.

precisely in its failure to recognise the manner in which the creative power and insurgent subjectivities of communities in struggle resist any easy integration into capital's circuits.

And this is perhaps a good place to end this paper. For, in grand Polanyiesque fashion, communities have learned to bypass prepaid meters, shifting further along the path to collectively creating ways for (re)commoning water. ★

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Enclosures, commons and the ‘outside’

Massimo De Angelis

Despite the piling of evidence on real social struggles against the many forms of capital’s enclosures and for the production of commons, that capital ‘encloses’ is not something that has been sufficiently theorised by critical social and economic theory. Rosa Luxemburg began this work by arguing that imperialism entails the ongoing enclosure of non-capitalist spheres by capital. Today, problematising enclosures as *continuous in character* and as a *frontline of struggle* allows us to consider these struggles in two related ways: not only as a barrier that capital is up against and must seek to overcome through enclosures, but also as constituent force of new social relations, that is as a *process of production of an ‘outside’* of capital’s social relations.

This constituent process of an ‘outside’ occurs simultaneously with the production — born in struggle — of value practices *other than capital*. After a brief critical review of some traditional Marxist approaches to the ‘outside’, I argue that relational and productive practices giving life and shape to the myriad of communities struggles taking place around the world for water, electricity, land, access to social wealth, life and dignity, give rise to values and modes of doing and relating in social co-production (in short, ‘value practices’), that are positing themselves as outside of capital.

The ‘outside’ with respect to the capitalist mode of production is a problematic that we must confront with some urgency, if we want to push our debate on alternatives to a plane that helps us to inform, decode, and intensify the web of connections of struggling practices.

Out there

Listen to the claustrophobic, devious and ecumenical embrace attempted by the agents of neoliberal governance in their attempts to channel the many local ripples and trans-local rivers of the global justice and solidarity movement into a force geared to global capital accumulation. Listen to Paul Wolfowitz, one of the strategists of the butchery of Baghdad, and now respected president of the World Bank. In his first speech at the annual IMF and WB meeting last September 2005, he said:

We meet today in an extraordinary moment in history. There has never been a more urgent need for results in the fight against poverty. There has never been a stronger call for action from the global community. The night before the G8 summit in Gleneagles, I joined (sic) 50000 young people gathered in a soccer field in Edinburgh to the last of the live-aid concert. The weather was gloomy, but the rain did not dampen the enthusiasm of the crowd. All eyes was riveted on the man who appear on the giant video screens, the father of South Africa freedom. And the crowd roared with approval when Nelson Mandela summed us to a new struggle, the calling of our time: to make poverty history. (Wolfowitz 2005)

In the words of the World Bank president, the ‘fight’ against poverty is a spectacular event, uniting neoliberal supranational institutions and neoliberal national governments marching together with youth wearing sweatshop-produced rubber bands and rock stars with cool sunglasses announcing to the CNN audiences that ‘good governance’ is indeed the practical solution to such a calamity.¹ As ‘poverty’ is no longer a concrete condition of life and struggle, it is turned into an abstract enemy, an outside that is supposed to be fought with correspondent abstract policies that is, to recite a recent world bank document assessing South

1. Following the G8 July meeting in Gleneagles and before the World Bank meeting on the 24 of September 2005, CNN produced a programme called CNN Connects: a Global Summit. This was about focussing on what CNN and World Bank described as ‘key challenges of our time - poverty, corruption, climate change, and religious conflict’. In this programme, ‘The World Bank President Paul Wolfowitz was one of six panelists who discussed these issues and practical ways of addressing them. Mr. Wolfowitz was joined by former U.S. President Bill Clinton; rock star and activist Bono; Her Majesty Queen Rania Al-Abdullah of Jordan; Jeffrey Sachs, Special Adviser to Kofi Annan on the MDGs; and Nobel Peace Prize winner Wangari Maathai.’ Bono and Wolfowitz ‘expressed concern about the impact of corruption on development progress.’ Check the material on the ‘office of the president’ link at <http://www.worldbank.org>.

Africa investment climate, ‘macroeconomics and regulatory policies; the security of property rights and the rules of law; and the quality of supporting institutions such as physical and financial infrastructure.’ (World Bank 2005: 5)

With the definition of this abstract ‘outside’, concrete struggles of the poors that turn poverty into conditions of production of community, social cooperation and dignity, can be locally criminalised: after all they threaten macroeconomic stability, they threaten ‘property rights and the rule of laws’, and they threaten the roles of infrastructures qua vehicle of capital accumulation, demanding instead that they are devoted to the reproduction of needs of communities. With the proclaiming of poverty as an outside to struggle against, Paul Wolfowitz and the discourse promoted by the institution he presides, can declare war to the poors, and kill *three* birds with a stone: first, continue to promote neoliberal policies that reproduce the poors as poors, through further enclosures and the promotion of disciplinary markets and their homeostatic mechanisms; second, persevering on the creation of a context in which the poors’ struggles are criminalised whenever they oppose neoliberal discourse and reclaim commons; and, third, divide the struggling body into goods and bads, the good ones being the ‘responsible’ movements holding hands with Paul Wolfowitz and the likes, and the others the ‘irresponsible’ rest of us. The basis of neoliberal governance depends on games and selecting principles like these.²

Listen instead to critical ethnographic accounts of poors’ struggles:

This was another defining moment for the struggle of the flat dwellers [in Chatsworth, SA]. Indian women had stood in the line of fire in order to protect an African family who had no mother. If they had lost, the Mhlongos would have been forced into the nearby bush. The council, too, had shown its hand. For them the broader issues of the sense of building non-racial communities from the bottom up meant nothing. The fact that Mhlongo was respected by the community and was working hard as a mechanic to give

2. For a critical analysis of neoliberal governance and the role of selection principles, see De Angelis (2005). For a critical analysis of neoliberal governance in the context of the ‘New Partnership for Africa’s Development’ see for example the introduction in Bond (2005) as well the contributions collected therein.

his family a chance in life was equally irrelevant. The council was a debt collector, fighting on moral terms. Their sense of morality was frighteningly clear. Mhlongo was an undesirable because he got in the way of their collection of (apartheid's) debts. (Desai 2002: 53)

Also here we can envisage an implicit problematisation of the 'outside', but here the outside presents itself in a more complex dimension. It is not posited by abstract principles, but it is constituted as concrete and sensuous process, in which 'outsideness' and correspondent reclaiming of 'otherness' emerges out of the refusal of an outside measure, an outside value practice and it is reclaimed as a quality of a living relational practice. In the constitution of this 'outside' to capital's measure we find the 'poors' way to make poverty history, by beginning, again and again and again, *their own history*. The outside here, shall we call it with a provocation, *our outside*, emerges and becomes visible on the *frontline*.

This is the place of the clash against the 'out there' imposing its rules, as when opposition is deployed against the debt collector who comes to knock at the door with a rifle butt or, at a different scale, against the government and corporate managers conveying the messages that global market signals have decreed the ruin of an industry and correspondent communities. The 'outside' created by struggles is an outside that emerges from within, a social space created by virtue of creating relational patterns that are other than and incompatible with the relational practices of capital. This is *our* outside that is the realm of value practices outside those of capital and, indeed, clashing with it. The value practice of Indian women defending an Africa's family (and thus contributing to the creation of a common and the reformulation of identities)³ versus the value practices of a debt collector evicting another African family in the name of 'respect of property, rule of law and contract.'

3. Creation of commons at the point of division reconfigures identities. Take for example this other episode from Desai's book in which the communities were successful in preventing the local council from selling houses and divide the communities along hierarchical lines: 'As the Council officials retreated, a defining moment in the struggle for Chatsworth occurred. One of the designer-bedecked (African) councilors began castigating the crowd. She had once lived in a shack, she screamed. Why were Indians resisting evictions and demanding upgrades? Indians were just too privileged. One elderly aunty, Girlie Amod, screamed back: 'We are not Indians, we are the poors.' The refrain caught on as councilors hurried to their cars. As they were leaving they would have heard the slogan mutate as Bongiwe Manglele introduced her own good humored variant, 'We are not African, we are the poors.' Identities were being rethought in the context of struggle and the bearers of these identities were no respecters of authority.' (Desai 2002: 44)

Indeed, when we reflect on the myriad of communities struggles taking place in Africa and around the world for water, electricity, land, access to social wealth, life and dignity, one cannot but feel that the relational and productive practices giving life and shape to these struggles give rise to values and modes of doing and relating in social co-production (shortly, value practices). To a large extent, these value practices are outside those of capital, often in direct opposition. This 'outside' of capital is certainly riddled with contradictions and ambiguities, modes of relations that reproduce forms of *power-over*, social hierarchy, and oppression. These are issues that must be addressed, and they represent the 'inside of capital' crossing the inside of our communities. They are lines of division and fragmentation that crosses our bodies and communities, opening them up to their articulation to capital. The value practices outside those of capital that I am talking about are those that *emerge in specific struggles* and that appear to be *outside* correspondent value practices and modes of doing and relating that belong to capital.⁴

The 'outside' with respect to the capitalist mode of production is a problematic that we must confront with some urgency, if we want to push our debate on alternatives on a plane that helps us to inform, decode, and intensify the web of connections of struggling practices. This because *our* outside is a process of *becoming other than capital*, and thus presents itself as a barrier that the boundless process of accumulation and, in the first instance, processes of enclosures, must seek to overcome⁵. It goes without saying that this outside is contingent and contextual, since it emerges from concrete struggles and concrete relating subjectivities. And it is also obvious, that the emergence of this outside is not a guarantee of its *duration and reproduction*. The point I

4. For example, see Naidoo (2005) for an account on struggles against water privatisation in Soweto. Here the struggle for water emerges as struggle for 'life', a 'value practice' which is clashing with that of the 'struggle for profit' that private companies are engaged in. The studies on the development of subjectivities within poor communities in struggles (and indeed, in all types of communities in struggles) also help us to appreciate, in specific contexts, the ambiguities, contradictions, and limits of the 'outside of capital' that is being constituted. See for example the Pointer and Van Heusden (2005) analysis of poor communities struggles in Cape Town, which revealed how mostly invisible women networks labour was fundamental in both providing the social fabric necessary for the resident's survivals and giving shape to the movement. The analysis however also highlighted instances of racism and xenophobia.

5. On the link between the continuous character of enclosures and struggles, see *De Angelis* (2004).

am making is only this: ‘Our outside’ is the realm of the production of commons. To this we will return.

Outside as precapitalist

A brief review of two conceptions of the ‘outside’ within radical literature reveals both the strength with which the many traditions have characterised capital’s relation to the outside, but at the same time the weakness within which the processes of constitution of ‘our outside’, has been brought into the spotlight of the problematisation.

The work of Harold Wolpe (1972), in a Luxemburg’s fashion (1968), envisages the outside as the precapitalist mode of production that came to an end in South Africa with industrialisation and apartheid. Arguing that segregation and apartheid were two distinct phases of capitalist regimes in South Africa, Wolpe was able to clarify the role of the reserves in the pre-apartheid regime as a ‘pre-capitalist’ outside which was instrumental to reducing the cost of the reproduction of labour time. This came to an end with the process of impoverishment of the reserves due to migration of adult population and underinvestment, couple to the expropriation of land. The apartheid regime therefore, with escalating element of coercion, had to be decoded as a capitalist strategy of subordination of increasingly rebellious urban black working class. With apartheid, in other words, we move from a dual, to a single mode of production. Hence ultimately, in Wolpe’s work, at the end of this historical process there seem to be no outside to the capitalist mode of production, at least in South Africa.

David Harvey (2003) also builds on Luxemburg position, and argues that the outside is the object of ‘accumulation by dispossession’ that capital needs in order to overcome crises of overproduction, rather than of under consumption. In his view, ‘what accumulation by dispossession does is to release a set of assets (including labour power) at very low (and in some instances zero) cost. Overaccumulated capital can seize hold of such assets and immediately turn them to profitable use.’ (Harvey 2003: 149) The outside thus is soon to be internalised by capital’s loops which, benefiting from lower costs, will overcome the overaccumulation crisis until the next round of enclosures is required.

There is however no guarantee that following dispossession the ‘released’ labour power will find employment, hence means of reproduction, in the capital’s circuits.⁶ This means that enclosures always put on the agenda the problematic of social reproduction and the struggle around it. The outside thus turns from the object of expropriation into, to use Chari’s (2005) term, the *detritus*, which I understand to be a space in which the problematic of social reproduction is uniquely in the hands of the dispossessed, and dramatically depends on the effectiveness, organisational reach and communal constitution of their struggles and ability to reclaim and constitute commons. The problematisation of this *detritus*, the struggles emerging therein, is hardly present in Harvey’s framework, a part from some scant references to the fact that ‘accumulation by dispossession’ provokes community struggles.

The same apply with respect to the *relational and feedback patterns* between the conatus of self-preservation of these communities in struggle and the conatus of *capital’s* self-preservation.⁷ Hart (2002; 2005) points out that we should not see ‘dispossession from the land’ as a necessary condition for rapid industrial accumulation, or at least not within the same locality. As her analysis of Taiwanese investments in South Africa shows, industrialisation in Taiwan was an unintended consequence of redistributive land reforms in the late 1940s and early 1950s brought about by revolt in the countryside. This operated as a social wage and later became the precondition for Taiwan capital’s investment into South Africa. By the 1980s when wage pressures built in Taiwan, Taiwanese capitalists could find a warm welcome in South Africa. Not only did the apartheid regime provide massive subsidies for national

6. This is for example pointed out in different ways by Gillian Hart (2002; 2005), Sharad Chari (2005) and George Caffentzis (2002).

7. The term *conatus* is a term used by Spinoza with reference to the tendency, or endeavor of self-preservation. In contemporary literature it has been used to conceptualise for example feedback mechanisms of living organism and neurological homeodynamics (Damasio 2003). In De Angelis (forthcoming) I discuss this concept in details. In brief, the importance of *conatus* for us, is that it neatly conceptualises capital as *a social force that continuously face the threat of its extinction*. Thus, when I use this term in relation to social forces such as capital, I mean to emphasise the fact that social forces, like living organisms, have an impulse to self-preserve themselves, in the face of socially constituted dangers. This of course also applies to *other* social forces at different scales, like like the *conatus* of self-preservation of communities facing the threat of extinction brought to them by strategies of enclosures threatening their conditions of livelihoods.’

and international investors to locate in racialised industrial decentralised areas like Ladysmith-Ezakeni, but millions of black South African expropriated of land in the previous years and packed in townships in rural areas provided an opportunity for investment (with very labour-intensive production techniques) and superexploitative labour practices, albeit practices that later became socially explosive.

There is also a theoretical weakness in Harvey's turning of the problematic of 'enclosures' into one of 'accumulation by dispossession'. This term, although evocative of the horrors of ripping apart communities, expropriating land and other means of life, is ultimately theoretically weak, since it posits 'dispossession' as a *means* of accumulation, rather than as what accumulation is all about. Indeed, in the context of accumulation of which *both* continuous (and spatialised) enclosures and market disciplinary processes are two constituent moments⁸, separation of producers and means of production means essentially that the 'objective conditions of living labour appear as *separated, independent* values opposite living labour capacity as subjective being, which therefore appears to them only as a value of *another kind*' (Marx 1858: 461).

In an office or factory, in a neighbourhood of the Global South threatened by mass eviction or in the Northern welfare claimant office playing with single mothers livelihoods if they do not accept low paid jobs, the many subjects to capital's measure are at the receiving end of strategies that attempt to channel their life activities according to the priorities of this heteronymous measure that define for them what, how, how much and when to exercise their powers (i.e. that turn their activities into 'labour' for capital). What is common to *all* moments of accumulation as social relation is a measure of things, that traditional Marxism has conceptualised in terms of the 'law of value', but that in so doing has fetishised as purely an 'objective' law and not as an objectivity that is continuously contested by subjects in struggles who posit *other* measures of things *outside* those of capital.⁹

8. Besides Harvey (2003), who builds from Rosa Luxemburg (1968), the continuous character of 'primitive accumulation' has been discussed with a variety of different insights by Werner Bonefeld (2001), Massimo De Angelis (2001; 2004) and Michael Perelman (2000). In the context of modern neoliberal policies, it was discussed by Midnight Notes (1992).

9. I explain this argument in my forthcoming book. It is worthy to point out that what I call the clash of value practices is, at least in my reading, 'pure Marx' so to say. Indeed, if, with Marx, we understand accumulation, whether 'primitive' or not, as a *class relation*, then we would

The extent to which capital's measure of things takes over the lives and practices of subjects, that is, the extent to which their livelihoods is dependent on playing the games that the disciplinary mechanisms of the markets demand from them, then dispossession occur. The extraction of 'surplus labour' and correspondent 'surplus value' is only one side of the occurring dispossession. The other is the *detritus* inscribed in the bodies and in their environments by the exercise of capital's measure on the doing of the social body, and their life activity. This *detritus* that is around the subjects and inside subjects, help us to read dispossession not as an occurrence *out there*, but as a condition of life practices coupled to a variety of degrees and at different level of the wage hierarchy to capital's circuits.

Our outsides

There is a sense in which the problematic of the outside has always been ambiguous in the radical literature that has addressed it whether implicitly or explicitly. On the one hand, capital's own 'revolution' depends on the overcoming of conditions that, in given contexts and scales, are not suitable to accumulation, hence 'outside' its value practices. This overcoming of conditions may well be simply the coupling of circuits of 'pre-capitalist' production to circuits of capital (as discussed for example in Wolpe's work on articulations of modes of production). Or the destruction of these 'pre-capitalist' communities by the enclosures of land and other resources, as Marx's discussion of primitive accumulation points out. On the other, radical thinking is supposedly entirely devoted to the problematisation and search for an outside to the capitalist mode of production: what is, in traditional terms, the symbolic value of 'revolution'

understand it as a process. That is, 'the process . . . which creates the capital-relation' that is 'the process which divorces the worker from the ownership of the conditions of his own labour' (Marx 1867: 874). This ongoing dispossession is the result of the functioning of an outside measure continuously demanding its toll on the doing of living subjects. But *at the same time*, it is continuously challenged by re-possession. It must follow therefore that struggle around *dispossession*, or in Marx's terms, *separation* from the conditions of production and means of livelihood, is the qualifying *nature* of accumulation. Of course, this separation may be attempted out of the barrel of a gun, or through the ongoing discipline of capitalist markets articulating networks of waged and unwaged workers that are pit against each other. In both cases, it is a separation constituted by a clash among conatus of self-preservation and correspondent *value practices*: on one hands the conatus of networks, webs and communities with needs and desires flourishing from *detritus*; on the other, the conatus of capital in its drive to expand and absorb more life into itself or die.

but this great event delivering us with a field of social relations ‘outside’ those of capitalism?

In the two approaches I have briefly reviewed, I have difficulty to detect any tension to overcoming this ambiguity. Whether it is an outside that come to an end due to the increasing dependence on the wage by the proletariat (Wolpe) or whether the presence of the outside is still with us as a necessary component of accumulation (Harvey), in all these cases the definition of the outside in terms of its presence or absence is a function of something that is created *ex-ante* and that, in this fashion, can come to an end through the development of capitalist processes (Wolpe) or is in the *process* of coming to an end by ongoing dispossessions (Harvey).

More in general, within the traditional Marxist discourse and moving beyond the authors reviewed, we face a key problem in the conceptualisation of the ‘outside’. It seems to me that this presents itself either as historical pre-capitalist *ex-ante*, or a mythological revolutionary post-capitalist *ex-post*. In the middle, there is the claustrophobic embrace of the capitalist mode of production, *within which*, there seems to be *no outside*. In these terms, it is clear how the historical process of moving from one to the other has tended to be conceived in terms the *deus ex-machina* of the party bringing consciousness to the masses . . . from where? Precisely, from a fetishised ‘outside’.

What is implicitly left out here is that processes of struggles are continuously generating the outside. *Our* outside, or, maybe plural, our *outsides*, seem to have been left out of the picture, left unproblematised in at least three dimensions:

- a) in their constituent ‘communitarian’ features of production of commons and value practices (degrees of reproduction/challenges/overcoming of gender, racial or other hierarchies, in a word the shape and form of the production of commons in different contexts);
- b) in the forms, degrees, and processes of articulation of these constituent features — emerging in context specific places¹⁰ — to broader capital’s loops and global markets disciplinary processes;

10. I am using here a naively non-geographer intuitive understanding of place, although more rigorously, I would subscribe to the definition proposed by Gillian Hart (2005: 21) for whom ‘place is most usefully understood as nodal points of connection in wider networks of socially-produced space.’

- c) in the nature and effectiveness of the challenge that these constituent processes pose to broader capital's loops and global markets disciplinary processes.

In a word, what is left out is very obvious to the eyes of many participating in struggles and providing sympathetic ethnographical accounts: only people in struggle, deploying specific discourses empowering them in their specificity, are *co-producers of alternatives*.¹¹ And if this is the case, much work is needed to relate the multitude of existing or possible ethnographies of struggles, to the 'great scheme of things'. Namely, the problematic of contrasting a social force which conatus of self-preservation depends on a boundless drive to dispossess, measure, classify, discipline the global social body and pit singularities against each other by withdrawing means of existence unless one participate *successfully* in the race resulting in the threat of somebody else livelihood (they call this, the 'market').

The problematic we have in front of us is thus how do we articulate and produce commons among so diverse and place-specific struggles so as to constitute a social force that threatens the self preservation of capital and *at the same time* posits its own self-preservation predicated on different type of conatus and different type of value practices. But this is a big, too big of a question, for which I do not have an answer. Only a suggestion for a place to look: the *detritus* as a condition for the production of commons and the tension *detritus-conatus* as its driving energy. ★

11. At the end of its ethnography of communities in *Struggles in South Africa*, Ashwin Desai (2002: 143) remarks find an echo in my experience of struggle: 'It is striking that the actual demands of people are almost always within what is possible, what can be achieved. The problem is – it won't be given or it is busy being taken away. This is the power these community movements have. They can 'realistically' achieve their immediate goals but only through struggle. It is, I think, in light of these two factors – the expectation of a certain level of social good and the sense that it is being deliberately withheld or taken away – that people are willing to resist the UniCity's demand for payment. And in so doing there is an actual and cumulative disruption of the logic of capital and not a mere dispute with it no matter how comprehensively footnoted.' For a discussion of how discourses far removed and often opposed by 'left wing' ideologies can become meaningful to radicals, see Sharad Chari's (2005) discussion of pentacostalism as a vehicle for meanings and practices of struggles. These ethnographic approaches, grounded on people's processes of struggle, contrast sharply with rationalist approaches such as provided by David Harvey (2003: 177) for whom 'not all struggles against dispossession are equally progressive'. And who is to judge of the degree of 'progressiveness' of their struggle, but the struggling subjectivities themselves? And how this 'judgment' is being obtained, but through the involvement of subjectivities in contextually grounded political processes of communication, negotiation and struggle among value practices?

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PART

TWO

CONTEMPORARY
ACCUMULATION
OF CAPITAL

Imperialism and new commodity forms

Elmar Altvater

Imperialism is a modern expression of a long-lasting tendency in the history of capitalism. In *Capital*, Marx first described imperialist forms of capitalist expansion due to the overarching principle of ‘valorisation’ (‘Inwertsetzung’) of territories and natural resources and their inclusion into the value chain of capitalistically produced commodities and thus into the circulation and reproduction of capital and its social relations.

In the course of this process of valorisation, the societal relationship of man to nature also undergoes a deep transformation. Capital grows by exploiting labour in order to produce a surplus value which will partly be consumed by the capitalist class; but the greatest part will be accumulated.

Accumulation of capital includes the growth of the economy over time and across space. Growth, however, is not the same as the accumulation of capital. Growth only comprises quantitative increases of measurable units (e.g. GNP), and not the qualitative change of social relations and of social relationships to nature.

Marx distinguishes between absolute and relative surplus value production. The former is realised by extending labour time. This form of course has natural limits since the day has only 24 hours and a considerable part of these 24 hours must be used for recreation, for sleep, to take food, for reproduction, social communication and so on.

In contrast, relative surplus value is based on an increase of productivity due to the development of productive forces and therefore it is dependent on the possibility of reducing labour time for producing goods and services necessary for the reproduction of labour power. Less time is used for the production of necessary goods for the reproduction of labour

power so that more time is left for surplus labour, i.e. for the production of relative surplus value. Both forms of surplus value production have existed side by side during the whole history of capital accumulation.

However, the production of relative surplus value is the more specific form of surplus under capitalism. Therefore capitalism has to develop productive forces and to transform traditional societies into modern ones by means of increasing productivity. This is the most important message of Marx' and Engels' *Communist Manifesto* of 1848 (and which later induced many analysts to put Marx and Engels into the tradition of modernisation theorists).

Methodologically, the Marxian argument in *Capital* starts with an analysis of the commodity, of its value and its transformation into money (first three chapters of *Capital*, Vol. I), and then of money into capital (4th chapter). After having analysed the form-specific reproduction and accumulation of capital (and its crises) in the following 20 chapters of *Capital*, Vol. I, Marx comes back to the starting point of his analysis in *Capital*, to the historical tendency of capitalism to transform everything into value. In the last (25th) chapter on 'colonisation theories', Marx shows that valorisation not only can be analytically derived from the commodity and value form, but that it is a powerful historical tendency.

He therefore describes the processes of value production as a perennial and incessant process of 'Inwertsetzung', of valorisation. Since the end of the 19th century, the process of colonisation has been labelled *imperialism* because colonisation changed from the mere conquest of seemingly waste territories into belligerent conflicts between colonial or imperialist powers.

Capitalist expansion

Accumulation takes place in the coordinates of time and space. Over time, accumulation requires the acceleration of production and consumption, while across space, accumulation is the territorial expansion of capitalism. Territories in this sense are all spaces into which capital expands: into terrestrial territories of the five continents, but also into the oceans, the outer space, the Arctic and Antarctic glacier regions, into the nano-world of genes and into the spheres of public goods and global commons by means of their privatisation.

Therefore, the other side of valorisation is nothing less than *dispossession* of peoples and the *appropriation* of goods by capital and of their *transformation* into commodities for sale on markets.

The chain of valorisation typically is a sequence of the following activities. The first link of the chain is the definition of valuable resources, and by doing this other resources are earmarked as non-valuable. The valuable ones must be valorised, whereas the non-valuable ones are left to destruction. Consider timber as an example. In order to extract timber as a valuable resource, the destruction of forests is unavoidable. Another example is hydropower, for in order to tap the energy potential of rivers, dams have to be built with sometimes disastrous environmental and social impacts.

The next link of the valorisation chain is the isolation of the valuable resource. This is performed by the entitlement of property rights and thus by excluding all those who are not entitled from using the privatised resources, whether they formerly had access to them or not. Private property rights are exclusion rights. They are the precondition for the next step of valorisation, for the commodification of the resource in question. It is transformed into a marketable good with an exchange value and a use value for possible buyers of the commodity. If these potential buyers really buy the commodity the commodification ends up with the last part of the valorisation chain, with monetisation of the value of the commodity on global markets. The commodity (C) is changed into money (M), $C - M$. The money receipts can be used for further investment i.e. as capital and the whole process repeats itself, but on a higher level.

Accumulation of capital appears as growth of GNP and as a process of territorial expansion. In nearly all of human history, GNP growth was absent. Prior to capitalism, communities and societies developed and experienced a process of evolution, but did not grow in a quantitative sense. Only since capitalism have the logics of interest and money exerted a considerable pressure on economic systems to grow.

In history there are only two possible options to respond to this pressure, either by limiting the dynamics of money and capital (e.g., by forbidding the invoice of interest on capital), or by increasing real growth rates. Banning interest payments was the commandment of Aristotle which became the theoretical and theological foundation of the

‘canonic’ and ‘Islamic’ prohibition of interest. Interest payments require acceleration (because of the spiralling ‘compound interest’ mechanism, which adds interest to interest on outstanding debt). Acceleration is impossible in a slow society based on biotic and not on fossil energy.

The increase of real growth rates was difficult to realise before the Industrial Revolution of the late 18th century. Since then, accumulation of capital and growth have depended more on increased productivity (relative surplus value) than on the increase of the working population and a prolongation of working time (absolute surplus value). One of the main pre-conditions of the acceleration of growth and of the territorial expansion was the use of fossil energy.

Marx mentions in the famous thirteenth chapter of volume 1 of *Capital* that the necessity to produce relative surplus value by increasing productivity requires modern technologies. Their application is only viable insofar as the input of material resources increases and at the same time fossil energy sources are available. Industrialisation therefore is closely related to the transition of energy systems from biotic ones to the fossil one. The high increases in productivity and relative surplus value could only be realised by a revolutionary improvement of the system of productive forces and by fuelling it with fossil instead of biotic or water and wind energy.

The growth discourse

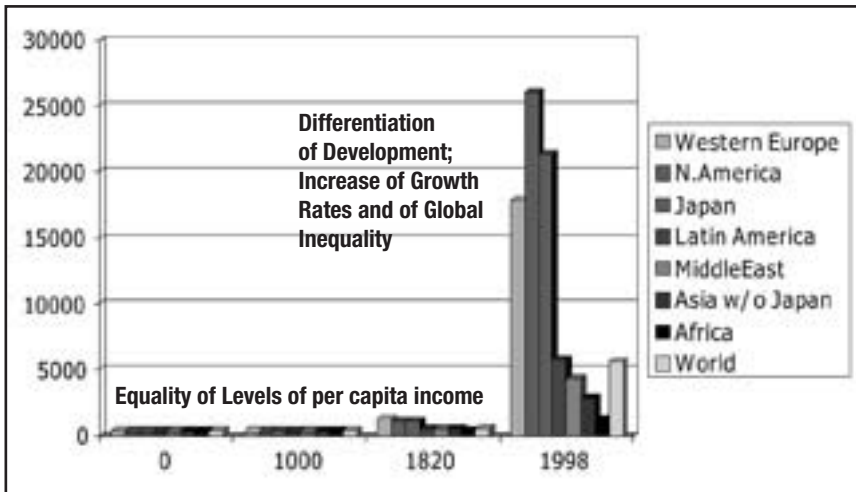
Since the transition to a fossil energy regime, the growth discourse turned out to be central in economics as well as in politics. However, this happened not immediately with the widespread introduction of the steam engine in the United Kingdom in the early 19th century. There is no growth discourse in the theories of Adam Smith or David Ricardo. John Stuart Mill explicitly denies the necessity of growth and prefers a society of slowness and contemplation.

In Marx we find a theory of capital accumulation, but not the notion of economic growth. Only in the early 20th century did the situation change, especially with the emergence of the Soviet Union in 1917 as an alternative to capitalist societies. The competition between the two systems was one of the reasons for the emergence of the Soviet planning system, especially the famous formula of ‘catching up with the capitalist

countries' and overtaking them to exhibit the superior growth performance of 'actually existing socialism'. On the capitalist side, Keynesian state interventionism was also designed to increase economic growth rates, to achieve full employment and create resources for window-dressing in competition with the Soviet camp.

Rates of growth thus increased considerably from the late 18th century, but with higher growth rates came more inequality, as the following graph based on data collected by Angus Maddison and commissioned by the OECD convincingly demonstrates.

Per Capita Income: World and most important regions (in 1990 International Dollars)



Source: Maddison, Angus (2001): *The World Economy – A Millennial Perspective*, (OECD) Paris: 28

The general level of per capita income increased since the industrial revolution, whereas the differences of income levels between the regions of the world became more accentuated than ever.

These inequalities were not only of a quantitative nature, but also rely on qualitative differences in the capitalist world. Together with industrial systems, urban agglomerations arose, exhibiting an ever growing inequality of territorial or spatial distribution of populations. The

old contradiction between the countryside and the cities sharpened considerably, as well as contradictions between women and men and between manual and intellectual labour . Marx himself mentions these three divisions of labour as the basis of new forms of domination in capitalist societies.

Natural riches and the ‘wealth of nations’

We must take another distinction into consideration because it is so important for the further development of the capitalist system: the division of labour between resource rich countries and the productive consumers of these natural riches. Natural resources are the precondition of the creation and the increase of the wealth of nations. But natural riches of raw materials and energy sources very often change into a curse for the peoples in places where the riches are found.

On the one hand there are economic mechanisms, summarised as the ‘Dutch disease’ which hampers development out of the exploitation of natural riches (because of an appreciation of the currency which favours imports and is disadvantageous for exports). Another major reason is imperial greed, because it is not possible for highly developed capitalist countries to fuel their industrial systems without having access to fossil energy and raw materials.

Very often, imperial greed is combined with rent seeking activities of ‘comprador’ collaborators (Third World elites), so that in naturally rich countries neither social and political development nor an increase of wealth are taking place. Contemporary examples can be found in all parts of the formerly so called Third World: in Latin America, where popular movements for the reappropriation of natural resources are trying to halt the unilateral exploitation of their natural riches in favour of wealthy industrialised countries, as in Bolivia and Venezuela and elsewhere. In the Middle East, the oil riches of the Iraq have been the main causes of the last wars and of the immiseration of the population. In Africa we have the diamond wars in West Africa, the disputes over oil in Nigeria and in Sudan, and the fights over mineral riches in the Democratic Republic of Congo.

Moreover, the system of free trade enforces inequalities although the promoters of the free trade system incessantly promise a balanced

distribution of welfare gains. However, this exactly is not happening in the free trade world, for at least three reasons.

Firstly, the difference between raw materials as commodities and industrialised goods is decisive. The latter can be reproduced, the former not, because the stocks of mineral and energy resources are naturally limited.

Secondly, developed countries are the most powerful countries and therefore they preach free trade in those areas and market segments where they are competitive and protect the industries where they are less competitive.

Thirdly, the world of free trade is structured more and more by bilateral trade and investment agreements and treaties in which the developed countries are stronger than the less developed ones so as to generate a bias in favour of industrialised countries.

The conclusion is that capitalist valorisation pushes the dynamics of the world economy, but is also responsible for more inequality. Since the modern media and global communication channels, especially the internet and the TV, facilitate the dissemination of information about the developments in different parts of the world this inequality is widely known. It is even visible for people who are negatively affected by this global divide.

Accumulation by dispossession of public goods

A further conclusion is of utmost importance. Since the dynamics of the capitalist world system depend heavily on the availability of fossil fuel the question comes up: Is capitalist accumulation and growth still possible after the depletion of decisive resources, especially of fossil energy? Is peak oil a turning point of capitalist accumulation?

Here the historical dynamics of capitalist accumulation return with a vengeance. Capitalist forms exist already in societies based on sedentary agriculture, as André Gunder Frank and others have shown. But they could not become hegemonic because there was no energy to make the regular production of relative surplus value possible. This situation changed in times of the primitive accumulation of capital when capitalism expanded from local or regional breeding places into the capitalist world system.

This is the theme of Rosa Luxemburg in her *The Accumulation of Capital*. Although she misinterpreted the reproduction schemas of Marx (from the second volume of *Capital*) she stressed two very important aspects. The first relates to the role of demand for the reproduction of capital and its accumulation, a point which was later underlined by Keynesian economists like Joan Robinson and Michal Kalecki and Keynes himself. Similarly, ‘third layers’ are considered to contribute to effective demand, which is necessary for the realisation of the produced surplus and thus for accumulation. This became a crucial issue in those Marxist crisis theories based on the assumption of under-consumption.

Secondly, Luxemburg stressed (long before Lenin) the necessity of additional outlets for idle capital of the imperialist countries. These necessities of capitalist reproduction are responsible for the continual globalisation of capital and for the incessant process of commodification in the world. As we have seen, commodification presupposes the establishment of private property rights on those parts of nature which are included in the reproduction cycle of globalised capital.

Luxemburg gives several historical examples for this general tendency, including Southern Africa. They are presented with great passion and partisanship in favour of the oppressed and poor peoples in the world. She describes the violent introduction of private property rights in India and Algeria; or the violent opening of markets for free trade in the opium wars in China; or the violent enforcement of a debt regime in Egypt and the Osman Empire as a whole; or the violent dispossession of the Southern African mineral resources by means of the dominant mining industry; or the violent destruction of subsistence economies in the United States in the 19th century by pushing the westbound frontier forward. Valorisation on the one hand and dispossession and expropriation on the other had an extremely violent character, for which the imperialist powers of Europe were mainly responsible.

Modern forms of valorisation and commodification are just as important for the working of the capitalist world system as the violent expansion in the 19th century described by Luxemburg. Among the most important modern forms of commodification are the development of genetically modified crops and the dispossession of the traditional knowledge of farmers and indigenous peoples and its appropriation by

transnational corporations. The regulation of intellectual property rights by GATS and TRIPS - in favour of powerful transnational corporations and against indigenous peoples and their knowledge - is another example for modern and in some cases violent forms of dispossession. Certificates on pollution rights and emissions trading are changing societal relations to nature, particularly with regard to the atmosphere. By means of emissions certificates it is even possible to transform harmful waste into a valuable commodity. The violent robbery of antiquities of the Baghdad National Museum and their transformation into commodities on the global market for ancient cultural heritage exhibits the limitless greed of antiquities dealers. Another example of modern dispossession is the creation of enclosures comparable to those of the 16th century in Great Britain by dismantling the Mexican Ejido System of communal commons and the transfer of formerly communal land into private property of TNCs as a result of the NAFTA treaty and the concomitant changes of the Mexican constitution. A typical example of dispossession is the distribution of property rights on poor people's shacks, in order to create collateral for access to mortgage loans and thus to become eligible for credits to be invested into new business. In a neoliberal system of the De Soto type, private property rights are an important link in the valorisation chain.

The transfer of formerly public goods into private ones is a key measure in the business of accumulation by dispossession. In the *Grundrisse*, Marx predicted that when public goods - or, as he calls them, 'general conditions of production' - are financed out of the national revenue by the state, the tendencies of capital accumulation include a transformation of the public sphere into an area of private capital accumulation. Public goods are bought out of private profit and converted into private capital in order to produce higher returns on investment.

The pre-conditions for the privatisation of public goods today are much more developed than in Marx's time in at least three ways. First, the technical possibilities are given in order to exclude all those from access who do not pay for the use of a commodity. This is quite obvious in cases like Pay-TV; or the isolation of single genes of living beings, in order to sell them on markets; or in the case of computer software, which is prevented from being copied by technical devices; or in the case of water-meters which are decisive for the privatisation of access to

drinking water. All these technical devices help to privatise public goods; capitalism transforms in a kind of a prepaid capitalism.

Secondly, juridical development consistent with commodification is also of utmost importance, particularly with regard to private property rights. These rights play a crucial role in international agreements such as the GATS, the TRIPS, the TRIMS, the CBD, etc. Patents and licenses foster the private valorisation of goods which are not self-understandingly private ones.

Thirdly, in the course of capitalist globalisation, the mobility of liquid capital, i.e. of investible funds, increased enormously. Liberalisation especially of financial markets widened the room for the introduction of new financial instruments. New financial actors such as private equity funds and hedge funds stepped onto the stage of the global theatre. Financial innovations generally serve the objective of valorising all those spheres which formerly were not included into the capitalist accumulation cycle. This is the reason why economic actors as well as political institutions from the OECD and the IMF to GATS and the WTO and the EU exert considerable pressures on public institutions, governments and municipalities to privatise public enterprises and public goods and services. The pressure of private investors is enforced by the fiscal crisis of the state, which is a major factor compelling governments to sell public property to private investors, in order to create revenues and reduce public deficits.

Conclusion: Alternatives are necessary and possible

These technical, juridical and economic tendencies make privatisation a viable project. Its justification is embedded into the dominant neoliberal ideology, which for its part is inscribed into the logics of action of actors on the global scene. They are creating ‘lock-in-effects’ by which privatisation and dispossession become irreversible.

This is the basis of the Thatcherite discourse: ‘There is no alternative’. However, the development of alternatives is necessary because of the coming end of the fossil energy-regime on which modern capitalism and also accumulation by dispossession is relying. The ‘peak oil’ problem changes the rules, for even big oil-firms like Exxon recognise the foreseeable end of petroleum resources. In an advertisement in the *Financial Times* (26 July, 2005), we read: ‘It took us 125 years to use the

first trillion of barrels of oil. We will use the next trillion in 30.’ But although the end of scarce oil is approaching, big oil consuming countries try to guarantee ‘energy security’ by securing access to the scarce resource. This strategy increases competition between oil producers and oil consumers and between the powerful consumers themselves. Therefore it is more and more conflict-prone and it is becoming a threat to peace in the world. The modern form of imperialism above all is oil imperialism.

Alternatives are not only necessary. They are possible by using the pathway to a regime of renewable energies. But this is not a question of technical innovations - but instead of social organisation or better: transformation of the societal relation to nature and of social and political reorganisation. The alternative of the 21st century is a solitary and solar society. ★

South African subimperial accumulation

Patrick Bond

One growing concern of political economists interested in the accumulation of capital in Southern Africa is whether the transition from apartheid to democracy in South Africa fundamentally shifted Pretoria's apartheid-era 'total strategy' for dominating regional geopolitics and economics. Three positions seem to be emerging:

First, Thabo Mbeki's New Partnership for Africa's Development represents a genuine attempt by a 'middle power' with good intentions to uplift the continent economically and install democratic modes of 'governance'.

Second, Mbeki's project is outright imperialist, with continental ambitions that imply rivalries with competitors in the US, Europe (especially France) and East Asia (especially China).

Third, Mbeki's project has been to situate South Africa as a *subimperial* partner to the world's major military and economic powers, insofar as this entails lubricating markets and systems of accumulation by tying Africa into the institutional framework of global capital, and by assisting – as a 'deputy sheriff' – in implementing imperial military and socio-political strategies.

Taking the latter position, this chapter argues that imperialism, subimperialism and anti-imperialism are settling into durable patterns and alignments in Africa – in large part because of Pretoria's emerging managerial functions – and the patterns appear consistent with the way Karl Marx and Rosa Luxemburg described the relation between capital, society and nature. It begins with 'primitive accumulation' and continues

by establishing systems of class, racial, gender and environmental power that facilitate accumulation, relatively unhindered by transitions from colonialism and apartheid.

According to Marx,

The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the turning of Africa into a commercial warren for the hunting of black skins signalled the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief momenta of primitive accumulation. On their heels treads the commercial war of the European nations, with the globe for a theatre.¹

By 1913, Luxemburg had developed a full-fledged theory of imperialism from these insights:

Force, fraud, oppression, looting are openly displayed without any attempt at concealment, and it requires an effort to discover within this tangle of political violence and contests of power the stern laws of the economic process. Bourgeois liberal theory takes into account only the former aspect: 'the realm of peaceful competition', the marvels of technology and pure commodity exchange; it separates it strictly from the other aspect: the realm of capital's blustering violence which is regarded as more or less incidental to foreign policy and quite independent of the economic sphere of capital.

In reality, political power is nothing but a vehicle for the economic process. The conditions for the reproduction of capital provide the organic link between these two aspects of the accumulation of capital. The historical career of capitalism can only be appreciated by taking them together. 'Sweating blood and filth with every pore from head to toe' characterises not only the birth of capital but also its progress in the world at every step, and thus capitalism prepares its own downfall under ever more violent contortions and convulsions...

1. Marx, K. (1867)[2005], *Das Kapital*, available at <http://www.marxists.org/archive/marx/works/1867-c1/ch31.htm>.

Militarism fulfils a quite definite function in the history of capital, accompanying as it does every historical phase of accumulation. It plays a decisive part in the first stages of European capitalism, in the period of the so-called 'primitive accumulation', as a means of conquering the New World and the spice-producing countries of India. Later, it is employed to subject the modern colonies, to destroy the social organisations of primitive societies so that their means of production may be appropriated, forcibly to introduce commodity trade in countries where the social structure had been unfavourable to it, and to turn the natives into a proletariat by compelling them to work for wages in the colonies. It is responsible for the creation and expansion of spheres of interest for European capital in non-European regions, for extorting railway concessions in backward countries, and for enforcing the claims of European capital as international lender. Finally, militarism is a weapon in the competitive struggle between capitalist countries for areas of non-capitalist civilisation.²

In subsequent years, the argument that Northern accumulation occurs in part through the underdevelopment of Africa was advanced by African analysts, including Claude Ake, Samir Amin, A.M. Babu, Amílcar Cabral, Demba Dembele, Frantz Fanon, Ruth First, Sara Longwe, Guy Mhone, Thandika Mkandawire, Dani Nabudere, Bade Onimode, Mohau Pheko, Walter Rodney, Issa Shivji, and Paul Zeleza, among others.

If contemporary imperialism necessarily combines neoliberalism and a permanent form of 'accumulation by dispossession' in peripheral sites like Africa, the next logical step is to locate South Africa's own position as regional subimperial hegemon within the same matrices. That requires identifying areas where imperialism is facilitated in Africa by the Pretoria-Johannesburg state-capitalist nexus, in part through Mbeki's New Partnership for Africa's Development and in part through the independent (though related) logic of private capital.

Does Pretoria qualify as subimperialist? There are certainly indicators of naked subimperial relations with the US, such as the permission

2. Luxemburg, R. (1968)[1923], *The Accumulation of Capital*, New York, Monthly Review Press. See www.marxists.org/archive/luxemburg/1913/accumulation-capital/, from which these citations are drawn.

granted by Pretoria for three Iraq-bound warships to dock and refuel in Durban, and the sale by state-owned weapons manufacturer Denel of \$160 million worth of artillery propellants and 326 hand-held laser range finders to the British army, and 125 laser-guidance sights to the US Marines.³ George W. Bush rewarded Thabo Mbeki with an official visit just as the dust from the Baghdad invasion had settled, in July 2003. As *Business Day* editorialised, the ‘abiding impression’ left from Bush’s Pretoria stopover was ‘of a growing, if not intimate trust’.⁴

But there is much more to consider in the hectic activities of Mbeki and his two main internationally-oriented colleagues: finance minister Trevor Manuel (chair of the IMF/World Bank Development Committee from 2001-05) and trade/privatisation minister Alec Erwin. It is in their and their cabinet colleagues’ lubrication of neoliberalism that has most decisively qualified Pretoria as a subimperial power.

South Africa’s subimperial functions

During an August 2003 talk to business and social elites at Rhodes House in Cape Town, Nelson Mandela offered the single most chilling historical reference possible: ‘I am sure that Cecil John Rhodes would have given his approval to this effort to make the South African economy of the early 21st century appropriate and fit for its time.’⁵ (In the same spirit, Mandela took that opportunity to publicly criticise, for the first time and at a crucial moment, activists from the Jubilee South Africa anti-debt movement and apartheid-victims support groups. Their sin was filing lawsuits in New York demanding reparations from corporations for their pre-1994 South African profits, along the lines of the Nazi-victims ancestors’ banking and slave labour cases. Mandela backed Mbeki, who formally opposed the suits on grounds that Pretoria had its own reconciliation strategy, and that such litigation would, if successful, deter future foreign investors.)

Is the Rhodes comparison apt? We do have much to learn from revisiting late 19th-century imperial rule in Africa, in part because no

3. Clarno, A. (2003), ‘Denel and the South African Government: Profiting from the War on Iraq,’ *Khanya Journal*, 3, March

4. *Business Day*, 11 July 2003.

5. South African Press Association (2003), ‘Mandela Criticises Apartheid Lawsuits,’ 25 August 3.

other buccaneer did as much damage to the possibilities for peace and equitable development in Africa as Cecil Rhodes. As diamond merchant, financier and politician (governor of the Cape Colony during the 1880s-90s), Rhodes received permission from Queen Victoria to plunder what are now called Gauteng Province (greater Johannesburg) once gold was discovered in 1886, and then Zimbabwe, Zambia and Malawi; his ambition was to paint the map British imperial red, stretching along the route from the Cape to Cairo. Rhodes' two main vehicles were the British army, which invented the concentration camp and in the process killed 14,000 blacks and 25,000 Afrikaner women and children during the 1899-1902 Anglo Boer South African War, and the British South Africa Company (BSAC), a for-profit firm which in 1890 began systematically imposing settler colonialism across the region. The BSAC's charter, following the notorious Rudd Concession which Rhodes obtained deceitfully from the Ndebele king Lobengula, represented a structural switch from informal control of trade, to trade with rule. British imperialists assumed that competition for control of Africa would continue beyond the 1885 Berlin conference which partitioned Africa, and that only BSAC-style 'imperialism on the cheap', as it was termed, would ensure geographical dominance over the interior of the continent in the face of hostile German, Portuguese, and Boer forces. Such a strategy was critical, they posited, to the protection of even the Nile Valley, which in turn represented the life-line to the prize of India.⁶

But as today, there was also a crucial economic dynamic underway in Britain (and much of Europe) – beyond the never-ending search for gold – which undergirded Rhodes' conquests: chronic overaccumulation of capital, especially in the London financial markets, combined with social unrest. The easy availability of foreign portfolio funding for nascent Southern African stock markets stemmed from a lengthy international economic depression, chronic excess financial liquidity (a symptom of general overaccumulation), and the global hegemony enjoyed by City of London financiers.⁷ From the standpoint of British imperialism, the main

6. Loney, M. (1975), *Rhodesia: White Racism and Imperial Response*, Harmondsworth, Penguin, pp.31-32.

7. Phimister, I. (1992), 'Unscrambling the Scramble: Africa's Partition Reconsidered,' Paper presented to the African Studies Institute, University of the Witwatersrand, Johannesburg, 17 August..

benefit of Rhodes' role in the region was to ameliorate the contradictions of global capitalism by channelling financial surpluses into new investments (such as the telegraph, railroad and surveying that tamed and commodified the land known as Rhodesia), extracting resources (especially gold, even if in tiny amounts compared to the Rand), and assuring political allegiance to South African corporate power, which was in harmonious unity with the evolving British-run states of the region.

Can Mandela claim he is faithfully following in these footsteps? Today, for Victoria, substitute the White House. Instead of the old-fashioned power plays of the Rudd Concession and similar BSAC tricks of dispossession, read Nepad and its many corporate backers. Likewise, the SA National Defense Force stands ready to follow British army conquests, what with its invasion of Lesotho in September 1998, justified by Pretoria's desire to protect a controversial, corrupt mega-dam from alleged sabotage threat. As Rhodes had his media cheerleaders from Cape Town to London, so too do many Western publications regularly promote Mandela and Mbeki as Africa's saviours, and so too does SA Broadcasting Corporation screen pro-Pretoria propaganda to the continent's luxury hotels and other satellite broadcast receivers.

Mandela's less honourable foreign policy intentions were also difficult to disguise. Although South Africa can claim one intervention worthy of its human rights rhetoric – leadership of the 1997 movement to ban landmines (and hence a major mine-clearing role for South African businesses which helped lay the mines in the first place) – the first-ever democratic regime in Pretoria recognised the Myanmar military junta as a legitimate government in 1994; gave the country's highest official award to Indonesian dictator Suharto three months before his 1998 demise (in the process extracting \$25 million in donations for the ANC); and sold arms to countries which practiced mass violence, such as Algeria, Colombia, Peru and Turkey.

Another moment of ideological confusion was cleared up in 2004. As noted above, in mid-2003 the US House of Representatives extended a ban on military assistance to 32 countries - including South Africa - which agreed to cooperate in future with the International Criminal Court against alleged US war criminals. Nevertheless, Washington's ambassador to Pretoria, Cameron Hume, quickly announced that several

bilateral military deals would go ahead in any case. According to Peter McIntosh of African Armed Forces journal, the US ‘had simply re routed military funding for South Africa through its European Command in Stuttgart.’ Hume reported the Pentagon’s desire ‘to train and equip two additional battalions to expand the number of forces the [SA National Defense Force] have available for peacekeeping in Africa.’ South African newspaper *ThisDay* commented, in the wake of two successful joint US/SA military manoeuvres in 2003-04: ‘Operations such as Medflag and Flintlock clearly have applications other than humanitarian aid, and as the US interventions in Somalia and Liberia have shown, humanitarian aid often requires forceful protection.’⁸

The two countries’ military relations were fully ‘normalised’ by July 2004, in the words of SA deputy minister Aziz Pahad. In partnership with General Dynamics Land Systems, State-owned Denel immediately began marketing 105 mm artillery alongside a turret and light armoured vehicle hull, in support of innovative Stryker Brigade Combat Teams (‘a 3500-personnel formation that puts infantry, armour and artillery in different versions of the same 8x8 light armoured vehicle’). According to one report, ‘The turret and gun is entirely proprietary to Denel, using only South African technology. At sea level, it can fire projectiles as far as 36 km.’⁹ This followed a period of serious problems for the SA arms firm and others like it (Arm Scor and Fuchs), which were also allowed full access to the US market in July 2004 after paying fines for apartheid-era sanctions-busting.¹⁰

Given Pretoria’s 1998 decision to invest \$6 billion in mainly offensive weaponry such as fighter jets and submarines, there are growing fears that peacekeeping is a cover for a more expansive geopolitical agenda, and that Mbeki is tacitly permitting a far stronger US role in Africa - from the oil rich Gulf of Guinea and Horn of Africa, to training bases in the South and North - than is necessary.¹¹ On the surface, Pretoria’s senior

8. Schmidt, M. (2004), ‘US offers to Train and Equip Battalions,’ *ThisDay*, 19 July.

9. South African Press Association (2004), ‘Denel to Benefit from US Defence Trade’, 21 July.

10. Batchelor, P. and S. Willett (1998), *Disarmament and Defence Industrial Adjustment in South Africa*, Oxford, Oxford University Press; Crawford-Browne, T. (2004), ‘The Arms Deal Scandal,’ *Review of African Political Economy*, 31.

11. Black, D. (2004), ‘Democracy, Development, Security and South Africa’s “Arms Deal”’, in P. Nel and J. van der Westhuizen (Eds), *Democratising Foreign Policy? Lessons from South Africa*,

roles in the mediation of conflicts in Burundi and the Democratic Republic of the Congo (DRC) during 2003 appeared positive. However, closer to the ground, the agreements more closely resemble the style of elite deals which lock in place ‘low-intensity democracy’ and neoliberal economic regimes. Moreover, because some of the belligerent forces were explicitly left out, the subsequent weeks and months after declarations of peace witnessed periodic massacres of civilians in both countries and a near-coup in the DRC.

Pretoria’s legitimization of global neoliberalism

Once the South African government showed its willingness to put self-interest above principles, the international political power centres invested increasing trust in Mandela, Mbeki, Manuel and Erwin, giving them insider access to many international elite fora. As global-establishment institutions came under attack, they sometimes attempted to reinvent themselves with a dose of New South African legitimacy; witness Mandela’s 1998 caressing of the IMF during the East Asian crisis, and of Clinton during the Lewinsky sex scandal. Indeed, Pretoria’s lead politicians were allowed, during the late 1990s, to preside over the UN Security Council, the board of governors of the IMF and Bank, the United Nations Conference on Trade and Development, the Commonwealth, the World Commission on Dams and many other important global and continental bodies. Simultaneously taking Third World leadership, Pretoria also headed the Non-Aligned Movement, the Organisation of African Unity and the Southern African Development Community.

But this was just the warm up period. During a frenetic four years beginning in September 2001, Mbeki and his colleagues hosted, led, or played instrumental roles at the following major international events: the World Conference Against Racism in Durban (September 2001); the launch of Nepad in Abuja, Nigeria (October 2001); the Doha, Qatar ministerial summit of the World Trade Organisation (November 2001); the UN’s Financing for Development conference in Monterrey, Mexico (March 2002); G8 summits in Kananaskis, Canada (June 2002), Evian, France (June 2003), Sea Island, Georgia (June 2004) and Gleneagles, Scotland (July 2005); the African Union launch in Durban (July 2002); the World

Summit on Sustainable Development (WSSD) in Johannesburg (August-September 2002); the Davos World Economic Forum (January 2003 and occasionally thereafter); George W. Bush's first trip to Africa (July 2003); the Cancun WTO ministerial (September 2003); World Bank/IMF annual meetings in Dubai (September 2003) and Washington (September 2004 and 2005); the UN Millennium Development Summit (September 2005); and the Hong Kong WTO ministerial (December 2005).

Virtually nothing was actually accomplished through the 2001-05 opportunities:

- at the UN racism conference, Mbeki colluded with the EU to reject the demand of NGOs and African leaders for slavery/colonialism/apartheid reparations;
- Nepad provided merely a homegrown version of the Washington Consensus;
- at Doha, trade minister Alec Erwin split the African delegation so as to prevent a repeat of the denial of consensus that had foiled the Seattle ministerial in December 1999;
- at Monterrey, Manuel was summit co-leader (with former IMF managing director Michel Camdessus and disgraced Mexican ex-president Ernesto Zedillo), and legitimised all ongoing IMF/Bank strategies;
- from Kananaskis, Mbeki departed with only an additional \$1 billion commitment for Africa (aside from funds already pledged at Monterrey), and none of the subsequent G8 Summits – Evian, Sea Island and Gleneagles – represented genuine progress;
- the African Union supported both Nepad and the Zimbabwean regime of president Robert Mugabe, hence further delegitimising the self-defensive political project of Africa's elite;
- at the Johannesburg WSSD, Mbeki undermined UN democratic procedure, facilitated the privatisation of nature, and did nothing to address the plight of the world's poor majority;
- in Davos, global elites ignored Africa, in 2003 and subsequently;

- for hosting a leg of Bush’s Africa trip, Mbeki merely became the US ‘point man’ on Zimbabwe, and he avoided any conflict over Iraq’s recolonisation;
- in Cancun, the collapse of trade negotiations – again, catalysed by a walkout by Africans – left Erwin ‘disappointed’;
- at World Bank and IMF annual meetings from 2001-05, with Manuel leading the Development Committee, there was no Bretton Woods democratisation, new debt relief or Post-Washington policy reform; and
- the UN Millennium Review Summit provided Mbeki grounds for heart-break, leaving him to bemoan, ‘We should not be surprised when these billions do not acclaim us as heroes and heroines’.¹²

Elsewhere I have recounted these consistent defeats for African interests, with attention to South Africa’s own complicity.¹³ Further failures can be reasonably anticipated in 2006 when Pretoria hosts the ‘Progressive Governance Summit’ (with very unprogressive leaders such as Tony Blair and Meles Zenawi) and the G77 group of Third World countries. Notwithstanding periodic ‘talk left’ gripes such as Mbeki’s in New York, Pretoria’s failures left it slotted into place as a subimperial partner of Washington and the European Union. Although such a relationship dates to the apartheid and colonial eras, the ongoing conquest of Africa – in political, military and ideological terms – and the reproduction of neoliberalism together require a coherent new strategy: Nepad.

Staking claims through Nepad

The origins of the Nepad plan are revealing. Mbeki had embarked upon a late 1990s’ ‘African Renaissance’ branding exercise, which he endowed

12. Mbeki, T. (2005), ‘Address of the President of South Africa at the United Nations Millennium Review Summit Meeting’, New York, 15 September.

13. Bond, P. (2005), *Elite Transition: From Apartheid to Neoliberalism in South Africa*, Pietermaritzburg, University of KwaZulu-Natal Press; Bond, P. (Ed)(2005), *Fanon’s Warning: A Civil Society Reader on the New Partnership for Africa’s Development*, Trenton, Africa World Press and Durban University of KwaZulu-Natal Centre for Civil Society; Bond, P. (2004), *Talk Left, Walk Right: South Africa’s Frustrated Global Reforms*, Pietermaritzburg, University of KwaZulu-Natal Press; Bond, P. (2003), *Against Global Apartheid: South Africa Meets the World Bank, IMF and International Finance*, London, Zed Books and Cape Town, University of Cape Town Press; and Bond, P. (2002), *Unsustainable South Africa: Environment, Development and Social Protest*, London, Merlin Press and Pietermaritzburg, University of KwaZulu-Natal Press.

with poignant poetics but not much else. The contentless form was somewhat remedied in a powerpoint skeleton unveiled during 2000 during Mbeki's meetings with Clinton in May, the Okinawa G-8 meeting in July, the UN Millennium Summit in September, and a subsequent European Union gathering in Portugal. The skeleton was fleshed out in November 2000 with the assistance of several economists and was immediately ratified during a special South African visit by World Bank president James Wolfensohn 'at an undisclosed location,' due to fears of the disruptive protests which had soured a Johannesburg trip by IMF managing director Horst Koehler a few months earlier. By this stage, Mbeki managed to sign on as partners two additional rulers from the crucial North and West of the continent: Algeria's Abdelaziz Bouteflika and Nigeria's Olusegun Obasanjo. Both suffered regular mass protests and various civil, military, religious and ethnic disturbances at home.

By early 2001, in Davos, Mbeki made clear whose interests Nepad would serve: 'It is significant that in a sense the first formal briefing on the progress in developing this programme is taking place at the World Economic Forum meeting. The success of its implementation would require the buy in from members of this exciting and vibrant forum!' ¹⁴ International capital would benefit from large infrastructure construction opportunities on the public-private partnership model, privatised state services, ongoing structural adjustment, intensified rule of international property law and various of Nepad's sectoral plans, all coordinated from a South African office staffed with neoliberals and open to economic and geopolitical gatekeeping.

The African left has expressed deep scepticism over Nepad's main strategies. A succinct critique emerged from a conference of the Council for Development and Social Science Research in Africa

14. *Business Day*, 5 February 2001. For critiques, see Bond, *Fanon's Warning*; Adedeji, A. (2002), 'From the Lagos Plan of Action to the New Partnership for Africa's Development, and from the Final Act of Lagos to the Constitutive Act: Whither Africa?', Keynote Address prepared for the African Forum for Envisioning Africa, Nairobi, 26-29 April; Adesina, J. (2002), 'Development and the Challenge of Poverty: Nepad, Post-Washington Consensus and Beyond', Paper presented to the Codesria/TWN Conference on Africa and the Challenge of the 21st Century, Accra, 23-26 April; Nabudere, D. (2002), 'Nepad: Historical Background and its Prospects,' in P.Anyang'Nyong'o, *et al* (Eds), *Nepad: A New Path?*, Nairobi, Heinrich Böll Foundation; and Olukoshi, A. (2002), 'Governing the African Political Space for Sustainable Development: A Reflection on Nepad,' Paper prepared for the African Forum for Envisioning Africa, Nairobi, 26-29 April.

(Codesria) and Third World Network-Africa in April 2002. According to the meeting's resolution:

The most fundamental flaws of Nepad, which reproduce the central elements of the World Bank's Can Africa Claim the Twenty-first Century? and the UN Economic Commission on Africa's Compact for African Recovery, include:

- (a) the neoliberal economic policy framework at the heart of the plan, and which repeats the structural adjustment policy packages of the preceding two decades and overlooks the disastrous effects of those policies;
- (b) the fact that in spite of its proclaimed recognition of the central role of the African people to the plan, the African people have not played any part in the conception, design and formulation of the Nepad;
- (c) notwithstanding its stated concerns for social and gender equity, it adopts the social and economic measures that have contributed to the marginalisation of women;
- (d) that in spite of claims of African origins, its main targets are foreign donors, particularly in the G8;
- (e) its vision of democracy is defined by the needs of creating a functional market;
- (f) it under-emphasises the external conditions fundamental to Africa's developmental crisis, and thereby does not promote any meaningful measure to manage and restrict the effects of this environment on Africa development efforts. On the contrary, the engagement that it seeks with institutions and processes like the World Bank, the IMF, the WTO, the United States Africa Growth and Opportunity Act, the Cotonou Agreement, will further lock Africa's economies disadvantageously into this environment;
- (g) the means for mobilisation of resources will further the disintegration of African economies that we have witnessed at the hands of structural adjustment and WTO rules.¹⁵

15. Council for Development and Social Science Research in Africa, Dakar and Third World Network-Africa (2002), 'Declaration on Africa's Development Challenges,' Resolution adopted

Given Nepad's purely destructive role in Zimbabwe, Mbeki and Obasanjo apparently did not even take good governance seriously beyond platitudes designed for G8 governments. Those governments need Nepad, as Camdessus' comment indicates, partly because it reinforces their capacity to manipulate African countries through the aid mechanism; Nepad helps sell their own taxpayers on the myth that Africa is 'reforming'.

There was, nevertheless, hope that the good-governance rhetoric in the Nepad base document might do some good: 'With Nepad, Africa undertakes to respect the global standards of democracy, which core components include ... fair, open, free and democratic elections periodically organised to enable the populace choose their leaders freely.'¹⁶ South Africa under Mbeki's rule permits free and fair elections (after all, the ANC wins easily, with 70 percent of the vote in the 2004 elections, due to the lack of a credible alternative), but Obasanjo does not, judging by an April 2003 'victory' which strained democratic credibility,¹⁷ notwithstanding Mbeki's strong endorsement.¹⁸

Johannesburg business interests

What of the subimperial part of the equation? The most important new factor in that incorporation is the exploitative role of Johannesburg business.¹⁹ For example, in 2002, the UN Security Council accused a dozen South

at the 'Joint Conference on Africa's Development Challenges in the Millennium,' Accra, 23-26 April, p.4.

16. The New Partnership for Africa's Development, <http://www.nepad.org>, paragraph 79.

17. During the April 2003 presidential poll, in Obasanjo's home state of Ogun, the president won 1,360,170 votes against his main opponent's 680. The number of votes cast in a simultaneous race in the same geographical area was just 747,296. Obasanjo's explanation, by way of denigrating European Union electoral observers, was that 'certain communities in this country make up their minds to act as one in political matters... They probably don't have that kind of culture in most European countries.' International observers found 'serious irregularities throughout the country and fraud in at least 11 of 36 states.' (*Mail and Guardian*, 26 April 2003.)

18. Mbeki's weekly ANC internet ANC Today letter proclaimed, 'Nigeria has just completed a series of elections, culminating in the re election of president Olusegun Obasanjo into his second and last term. Naturally, we have already sent our congratulations to him.' Mbeki registered, but then dismissed, the obvious: 'It is clear that there were instances of irregularities in some parts of the country. However, it also seems clear that by and large the elections were well conducted.' <http://www.anc.org.za>, 25 April 2003.

19. Daniel, J., V.Naidoo and S.Naidu (2003), 'The South Africans have Arrived: Post-Apartheid Corporate Expansion into Africa,' in J.Daniel, A.Habib and R.Southall (Eds), *State of the Nation: South Africa 2003-04*, Pretoria, Human Sciences Research Council.

African companies of illegally 'looting' the DRC during late 1990s turmoil which left an estimated three million citizens dead, a problem that went unpunished by Pretoria.²⁰ Other SA companies had collaborated with the corrupt dictator Mobutu Sese Seko in looting then-Zaire.

But such roles did not stop officials from Pretoria, Kinshasa and the IMF from arranging, in mid-2002, what the South African cabinet described as 'a bridge loan to the DRC of Special Drawing Rights (SDR) 75 million (about R760 million). This will help clear the DRC's overdue obligations with the IMF and allow that country to draw resources under the IMF Poverty Reduction and Growth Facility.' What this represented was a shocking display of financial power, with the earlier generation of IMF loans to Mobutu now codified by South Africa, which under apartheid maintained a strong alliance with the then Zaire.

Moreover, IMF staff would be allowed back into Kinshasa with their own new loans, and with neoliberal conditionalities (disguised by 'poverty reduction' rhetoric) again applied to the old victims of Mobutu's fierce rule. In the same statement, the South African Cabinet recorded its payment to the World Bank of R83 million for replenishment of its African loan fund, to 'benefit our private sector, which would be eligible to bid for contracts financed from these resources.'²¹ Within eighteen months, Mbeki won \$10 billion in promised DRC trade and investment deals, and gained access to \$4 billion worth of World Bank tenders for South African companies.

The relationship between Pretoria, Johannesburg capital, Kinshasa and the IMF was merely an extreme case of a typical situation, in which state power is required to lubricate otherwise difficult markets. South African capital was already advancing rapidly into the region during the late 1990s, supported by special exchange control exemptions. By 2001, a researcher of the SA Institute of International Affairs warned that then trade minister Alec Erwin's self-serving trade strategy 'might signify to the Africa group of countries that South Africa, a prominent leader of the continent, does not have their best interests at heart.'²² In 2003, a

20. United Nations Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo (2002), 'Final Report', New York, October 8.

21. South African Government Communications and Information Service (2002), 'Statement on Cabinet Meeting', Pretoria, 26 June.

22. *Mail and Guardian*, 16 November 2001.

colleague issued a technical report on trade which conceded that African governments viewed Erwin ‘with some degree of suspicion’ because of his promotion of the WTO, which in Seattle and Cancun put Erwin in direct opposition to the bulk of the lowest-income countries, whose beleaguered trade ministers were responsible for derailing both summits.²³

On the one hand, officials in Pretoria regularly claimed to be advancing regional projects in part so as to steer the investment path of (and also regulate) Johannesburg capital, with Nepad the main example. Capital was not so malleable, however, and (pro-Nepad) *Business Day* newspaper admitted in mid-2004 that, ‘The private sector’s reluctance to get involved threatens to derail Nepad’s ambitions.’²⁴ Hence the prospect that Johannesburg-based corporations will be ‘new imperialists’ was of ‘great concern,’ according to Pretoria’s then public enterprises minister Jeff Radebe in early 2004: ‘There are strong perceptions that many South African companies working elsewhere in Africa come across as arrogant, disrespectful, aloof and careless in their attitude towards local business communities, work seekers and even governments.’²⁵

But Radebe could also have been describing his Cabinet colleagues Erwin and Mbeki. In August 2003, the *Sunday Times* remarked on Southern African Development Community delegates’ sentiments at a Dar es Salaam regional summit: ‘Pretoria was “too defensive and protective” in trade negotiations [and] is being accused of offering too much support for domestic production “such as duty rebates on exports” which is killing off other economies in the region.’²⁶ More generally, the same paper reported from the AU meeting in Maputo the previous month, Mbeki is,

*viewed by other African leaders as too powerful, and they privately accuse him of wanting to impose his will on others. In the corridors they call him the George Bush of Africa, leading the most powerful nation in the neighbourhood and using his financial and military muscle to further his own agenda.*²⁷

23. *Business Day*, 2 June 2003.

24. Rose, R. (2004), ‘Companies “Shirking” their Nepad Obligations’, *Business Day*, 24 May.

25. Sapa (2004), ‘SA’s “Imperialist” Image in Africa’, 30 March.

26. *Sunday Times*, 24 August 2003.

27. *Sunday Times*, 13 July 2003.

Indeed, the pumping up of Pretoria's post-apartheid military muscle has been rather revealing. Thanks especially to former international banker Terry Crawford-Brown of Economists Allied for Arms Reduction, much more is known about the invidious ways that French, German and British governments (as well as even Swedish trade unions) corrupted African National Congress leaders through a multibillion dollar arms deal.²⁸

Conclusion: The resistance continues

Given South Africa's subimperial posture, it is fitting that some of the most exciting anti-imperial initiatives being advanced in the contemporary world are emanating from the most proletarianised and arguably organised country in Africa, South Africa. Critique and practical opposition to neoliberalism in South Africa are stronger than in any other African country, perhaps with the exception of Ghana.²⁹ (Indeed, in 2005 the long-standing Campaign Against Privatisation in Ghana sent staff to South Africa's major cities to meet water activists, as Johannesburg's Rand Water won a commercialisation joint venture concession for Accra's water arranged by the World Bank. Rand moved into Accra under the rhetorical cover of Nepad and the Millennium Development Goals, sparking strong critical reactions by the Anti-Privatisation Forum in Johannesburg.)

To do South Africa's grassroots protest movement justice, a full-length work on its internationalist orientation awaits publication. From the World Conference Against Racism to the World Summit on Sustainable

28. Crawford-Brown, T. (2005), 'The Arms Deal', Unpublished paper, Durban, Diakonia.

29. See, e.g., Saul, J. (2005), *The Next Liberation Struggle*, Toronto, Between the Lines Press, London, Merlin Press, New York, Monthly Review Press and Pietermaritzburg, University of KwaZulu-Natal Press; Gumede, W. (2005), *Thabo Mbeki and the Struggle for the Soul of the ANC*, Cape Town, Zebra Press; Barchiesi, F. and T.Bramble (Eds)(2003), *Rethinking the Labour Movement in the 'New South Africa'*, London, Macmillan; Kimani, S. (Ed)(2003), *The Right to Dissent: Freedom of Expression, Assembly and Demonstration in the New South Africa*, Johannesburg, Freedom of Expression Institute; Alexander, N. (2002), *An Ordinary Country*, Pietermaritzburg, University of Natal Press; Jacobs, S. and R.Calland (Eds)(2002), *Thabo Mbeki's World*, London, Zed Books and Pietermaritzburg, University of KwaZulu-Natal Press; Hart, G. (2002), *Disabling Globalisation*, Pietermaritzburg, University of KwaZulu-Natal Press and Berkeley, University of California Press; Desai, A. (2002), *We are the Poores*, New York, Monthly Review Press; Bell, T. and D.Ntsebeza (2001), *Unfinished Business*, Cape Town, RedWorks; Adams, S. (2001), *Comrade Minister*, New York, Nova Science Publishers; and Marais, H. (2000), *South Africa Limits to Change*, London, Zed Books and Cape Town, University of Cape Town Press.

Development to the Iraq War and on various other occasions, South Africa's independent, progressive movement has successfully contested Pretoria. The highest-profile social and political struggles in South Africa against talking left while walking right on the international stage remain the anti-war movement, the campaign for access to generic medicines, solidarity struggles (e.g. with Palestine, Burma, Zimbabwe and Swaziland), advocacy for reparations and debt-cancellation, anti-WTO and unfair trade activism, the anti-privatisation movement, and various environmental battles.

As noted at the outset, the context remains the failure of any of Mbeki's main initiatives to bear fruit. As noted, Mbeki and some colleagues have begun to express reservations about sites of struggle including the UN, WTO and Bretton Woods Institutions. They still haven't reached the point of realigning political relationships so as to build – instead of destroy – fledgling progressive projects of the independent left. With internecine squabbling added to the mix, the initiatives noted just above are only in their formative stages. But they have much better prospects for long-term success, so long as the more reformist international NGO projects – such as Make Poverty History and even the Global Call for Action Against Poverty in 2005 – don't prove too distracting in coming months and years.

In addition to building the popular movement at home in a more general way, intense challenges remain in the linkage of issues between often fractious movements across the sectors and transnationally, in venues such as the African Social Forum and its affiliates. Notwithstanding the steep climb ahead, in all these cases, it is evident where the antidote to imperialism and subimperialism is to be found. It is because of these activists' work that society and the environment have a chance of survival, and we must be especially grateful that they are beginning to undo the damage done so consistently by the ruling crew in Pretoria. ★

Two economies?

A critique of recent South African policy debate

Caroline Skinner and Imraan Valodia

In August 2003, President Mbeki's address to the National Council of Provinces first introduced the idea of South Africa being characterised by a 'First Economy' and a 'Second Economy' operating side by side. He states:

The second economy (or the marginalised economy) is characterised by underdevelopment, contributes little to GDP, contains a big percentage of our population, incorporates the poorest of our rural and urban poor, is structurally disconnected from both the first and the global economy and is incapable of self generated growth and development.

Since this speech the notion of the 'second economy' has become part of policy rhetoric at all levels of state, including in the recent Accelerated and Shared Growth Initiative in South Africa (Asgisa). In this paper the notion of two economies as articulated by Mbeki and the African National Congress is interrogated.

We explore the thinking of two key political economy scholars - Rosa Luxemburg and Harold Wolpe. Luxemburg, writing on the global economy, highlights the exploitative nature of capitalist expansion as it seeks new avenues for accumulation. Writing on South Africa, Harold Wolpe's seminal work provides a probing insight into the different modes of production and the articulation between these in the national economy. We draw on these writings to reflect on the notion of 'two economies' in South Africa. Using Statistics South Africa data we reflect on recent labour market trends. This data supplemented with qualitative research is harnessed to suggest that there are several inaccuracies with the notion of the 'second economy'.

We particularly examine linkages between employment in the formal and the informal economy arguing that, contrary to the views of the President and the ANC, there are in fact fairly close linkages between the formal economy and the informal economy.

The governing party elaborated on the notion of a dual economy by characterising the two economies as follows:

The first and second economies in our country are separated from each other by a structural fault. ... what we now have is the reality ... of a 'mainly informal, marginalised, unskilled economy, populated by the unemployed and those unemployable in the formal sector'. The Second Economy is caught in a 'poverty trap'. It is therefore unable to generate the internal savings that would enable it to achieve the high rates of investment it needs. Accordingly, on its own, it is unable to attain rates of growth that would ultimately end its condition of underdevelopment.

(ANC Today, Volume 4, No. 47, 26 November—2 December 2004)

In outlining what government will do about transforming the Second Economy, much emphasis has been placed on infrastructure development. In the 2006 State of the Nation Address the President has this to say:

We should move faster to address the challenges of poverty, underdevelopment and marginalisation confronting those caught within the Second Economy, to ensure that the poor in our country share in our growing prosperity.

Later in the speech he states:

The public sector will also accelerate infrastructure investment in the underdeveloped urban and rural areas of our country through the Municipal Infrastructure Grant, Expanded Public Works Programme and other infrastructure funds to improve service delivery in the areas of the Second Economy ... R372 billion will be provided for both these sets of programmes over the next three years.

From these statements it is clear that included in the notion of the second economy are those working informally (in informal enterprises,

domestic work and subsistence agriculture) and those who are unemployed. Further central to the notion of the second economy is that these activities are structurally disconnected from the mainstream of the economy.

The re-emergence of a dualist view of the economy is significant not only because it is being articulated by the President but also because it seems to inform much of the policy focus of the ANC. Not having had a definitive statement from the President, we can only speculate on why he chooses to use the term First and Second Economy, rather than formal and informal. As we shall see, definitions matter and the President's view of the Second Economy includes the unemployed so he is clearly talking about a conceptualisation of the economy that moves beyond a simple formal-informal dichotomy.

Dualisms in Wolpe and Luxemburg

The issue of dualism has been a theme in the economic development literature. Both Harold Wolpe and Rosa Luxemburg wrote very insightfully about dualism. More specifically, they contributed to Marxist analysis about the links between the capitalist mainstream of the economy and its underdeveloped periphery.

Harold Wolpe was a key contributor to debates about dualism and the relationship between the mainstream of the apartheid economy and the periphery have characterised much of South African historiography. His contribution was more profound in the debates of the early 1970s about the relationship between apartheid and capitalism in South Africa with liberals arguing that capitalism would ultimately undermine apartheid as more and more of the periphery came to be incorporated into the mainstream of the economy (see Lipton, 1985 and O'Dowd, 1978) and Marxists such as Wolpe arguing that there was in fact a close, but exploitative, relationship between the mainstream and the periphery (Wolpe, 1972). Examining the relationship between production in the traditionalist (African) economy and the mainstream capitalist industrial and mining economy in South Africa, and more specifically to explain why African workers who are in possession of resources in the homelands would nevertheless enter waged employment, Wolpe argued:

The conventional conceptualisation of wage labour as a means of supplementing ...production in the reserves ..(due to) inefficient

farming methods. Underlying this conception is, thus, the dual economy thesis in which there is no place for an analysis of the way in which capitalism enters into, lives off and transforms the rural African economy (1973:494)

Rosa Luxemburg wrote most insightfully about dualism – specifically the links between the capitalist pre-capitalist economies. In her classic, *The Accumulation of Capital*, Luxemburg argues that the existence of pre-capitalist enclaves within the capitalist economy is a pre-requisite for the continuation of accumulation. Her contributions were focussed at the global level. Seeking to explain accumulation at the global level, Luxemburg wrote:

Since capitalist production can develop fully only with complete access to all territories and climes, it can no more confine itself to the natural resources and productive forces of the temperate zone that it can manage with white labour alone. Capital needs other races to exploit territories where the white man cannot work. It must be able to mobilise world labour power without restriction in order to utilise all productive forces of the globe... This labour power, however, is in most cases rigidly bound by the pre-capitalist organisation of production. It must first be 'set free' in order to be enrolled in the active army of capital (Luxemburg, 1951:363).

Both Wolpe's and Luxemburg's contributions highlight the importance of clearly understanding the nature of exploitation between the different components of the economic system, and to understand the linkages that may exist. How might the insights of Wolpe and Luxemburg contribute better to an analysis of the first and second economy debate in South Africa?

The South African Labour Market

Since Stats SA introduced the six monthly labour force surveys (LFS) in 2000, South Africa has had comparatively good labour market statistics. The statistics presented below are based on analysis of the September Labour Force Surveys for the period 2000 through 2005. Table 1 represents the population by employment status and sector for South Africa.

Table 1. South Africa: Population 15+ by employment status and sector

	2000	2001	2002	2003	2004	2005
Formal agriculture	686,219	678,910	826,343	845,182	639,194	591,772
Formal other	6,865,361	6,927,409	7,075,966	7,512,036	7,739,645	8,075,451
Domestic work	1,215,165	1,070,362	1,053,834	1,204,010	1,085,946	1,080,341
Informal agriculture	1,083,211	412,193	576,781	394,515	474,304	381,087
Informal other	1,802,050	1,797,722	1,590,343	1,779,371	1,800,332	2,340,984
Don't know	110,516	119,032	60,288	39,875	52,488	35,457
Unspecified employed	206,752	28,562	29,123	17,254	19,606	42,422
Unemployed	4,088,846	4,541,111	4,846,492	4,578,243	4,143,553	4,501,277
Not economically active	12,657,110	13,591,432	13,740,966	15,747,509	15,392,429	14,751,856
Total	28,714,426	29,166,734	29,800,137	32,117,995	31,347,498	31,800,646

These figures are adapted from calculations made by Debbie Budlender.
Source: LFS, own calculations

Table 2 presents the same information as the previous table, but this time in terms of percentages, and restricted to the employed.

Table 2: South Africa: Distribution of employed by sector

	2000	2001	2002	2003	2004	2005
Formal agriculture	6	6	7	7	5	5
Formal other	57	63	63	64	66	64
Informal other	15	16	14	15	15	19
Informal agriculture	9	4	5	3	4	3
Domestic	10	10	9	10	9	9
Total	100	100	100	100	100	100

Source: LFS, own calculations

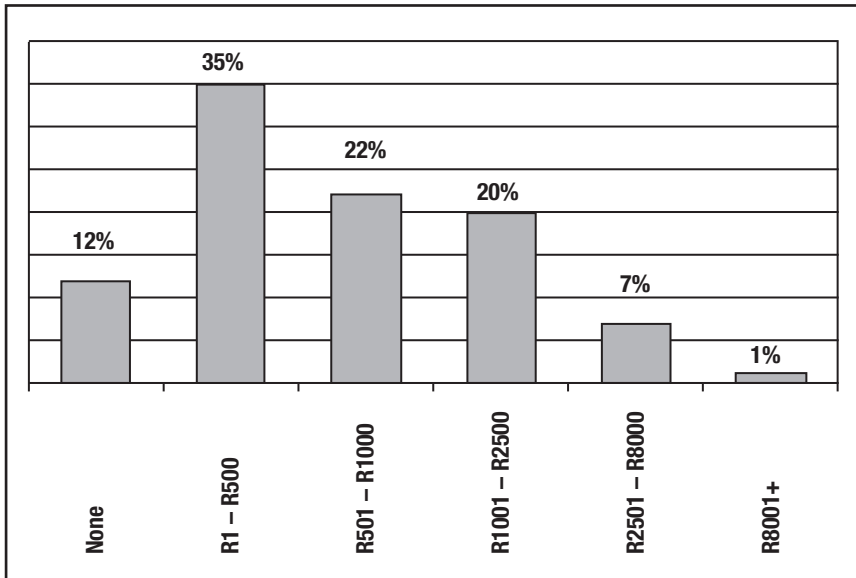
From these tables it is clear that there are significant numbers of South Africans who are not working in formal jobs. In absolute terms 4 million informal economy workers are recorded at national level in 2000 and 3,7 million in 2005 for the informal economy broadly defined i.e. including those working in informal enterprises, domestic work and informal agriculture.¹ This constituted 34% and 31% of the labour force in 2000 and 2005 respectively. Further there is a very large group of people who are unemployed. This corroborates Mbeki's contention that those considered part of the second economy constitute 'a big percentage' of the population.

Turning our attention to those employed in informal enterprises although figures fluctuate, this has been an area of employment growth in the post-apartheid period. This is reinforced in Casale, Muller and Posel (2004) who recalculated Stats SA data to ensure comparability of years for the period 1997 to 2003. Using figures from the October Household Survey they calculated that in 1997 there were 1 161 300

1. There has been considerable debate about the reliability of informal economy statistics (see Devey, Valodia and Skinner, 2006). It is informative that in the years where incentives have been given to fieldworkers to find informal work due to an additional survey being carried out that significantly more informal work has been registered. This seems to suggest that there is undercounting. This should be born in mind when considering these figures.

people reported to be working in informal enterprises. The comparable figure according to our calculations for 2005 is 2 340 984.

Figure 1: Monthly income for individuals in informal enterprises, September 2005



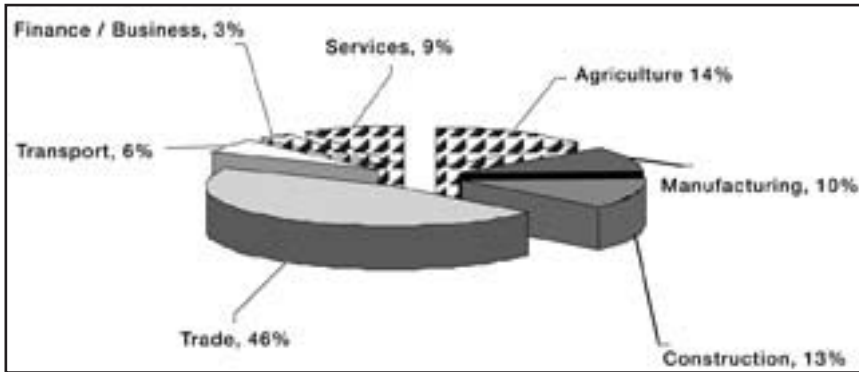
Source: LFS, own calculations

Figure 1 above reflects the monthly incomes of those working in informal enterprises. Sixty nine percent of respondents reported earning R1000 and below, suggesting as is the case internationally that there is a close correlation between being poor and working informally.² Although individual incomes in the informal economy are often low, cumulatively this activity contributes significantly to gross domestic profit (GDP). Budlender, Buwembo, Chobokoane, and Shabalala (2002) estimated that the informal enterprises contributed between 8 and 10% to South Africa's GDP. In a recent study Lighelm (2006) calculates that country wide total expenditure in the informal economy stood at R51.7 billion in 2004. He goes onto point out, this compares well with two largest chain store groups with turnover

2. For international evidence of the relationship between poverty and informality see Sethuraman's (1998) review.

figures of R32 billion and R27 billion respectively. He notes that R16.7 billion was spent on food and R15.9 billion on transport (mainly taxis). This suggests that the contention that the second economy contributes little to economic growth is inaccurate.

Figure 2: Informal enterprises by industry, September 2005



So are the activities in the second economy ‘structurally disconnected’ from the first economy? Case material evidence indicates that there are multiple forward and backward linkages between the formal and informal activities. Consider, for example, that most informal workers are involved in retail selling basic consumption goods such as fruit and vegetable that is sourced from formal markets. Witt’s (2000) work on informal fruit and vegetable distribution demonstrates multiple formal-informal linkages. Ince’s (2003) and Godfrey *et al*’s (2005) work on informal clothing manufacturing in Durban and Cape Town respectively shows extensive forward and backward linkages to formal clothing manufacturing and retailing. Not only do manufacturers source their inputs in the formal economy but the garments often end up in formal- retail stores. Khosa (1994, 1991) has documented over time how closely the taxi industry is linked into the formal motor, insurance and petrol industries. Even the most marginal of those working informally are linked into the formal economy. Consider for example waste collectors. Over 3000 waste collectors supply the 117 waste buy back centres, that the multi-million rand paper company Mondi has established in the country. These centres now accounting for almost 20% of Mondi’s total recovered

paper purchases. (*The Star*, 29/05/05). A significant proportion of South African Breweries', the South African division of the second largest beer group in the world, products in the domestic market's final retail point are these unlicensed taverns or shebeens. It is estimated that 74% of liquor retailers are unlicensed (*Business Day*, 07/07/05). It is thus clear that many of South Africa's biggest companies rely on informal worker to supply inputs or retail their goods.

As we have argued elsewhere (Devey, Valodia and Skinner, 2006) it is these linkages which in policy terms are often the most interesting places to be concentrating on.

Further, as is the case internationally³, there is also substantial evidence of a growing informalisation of previously formal jobs. Budlender *et al* (2001:14) analysis using Stats SA data show that over 45% of workers employed in the formal sector displays one or more characteristics of informality – do not have a written contract, a permanent position or paid leave. As early as the mid 1990's the International Labour Organisation's report on the South African labour market demonstrated that labour flexibility has been growing. For this research, a survey was conducted with nearly 400 manufacturing firms. Over a quarter (27%) of firms reported using part-time workers and 83 % of all firms had employed temporary or casual labour in the recent past (Standing, Sender and Weeks, 1996). These trends are confirmed in Theron and Godfrey (2000) study in which interviews were conducted with key informants in retail, mining, manufacturing (food, clothing, metal and engineering) catering and accommodation, construction and transport. Not only were firms making use of temporary employment contracts but almost all informants reported an increase in the use of labour brokers and employment agencies (2000:27). These trends are further corroborated in their more recent work tracking the rise in labour brokering (Theron, Godfrey and Lewis, 2005). This is particularly acute in certain sectors. For example Kenny's (2005) work on formal retail stores finds that on average only 35% of employees have permanent contracts and this figure excludes the subcontracting of non-core activities like cleaning and security. Clarke (2000) found that 70% of workers in one of South Africa's largest formal retail outlets Woolworths were casual.

3. See for example Standing 1999 for a review of international evidence.

Conclusion

The articulation of the First and Second economy conceptualisation of South Africa by the Presidency coincided, we would argue, with a refocusing of economic policy in South Africa (see Padayachee and Valodia, 2001). This conceptualisation tacitly acknowledges the failure of the trickle down economic growth policies so central to the post-1996 GEAR era and informs much of government's more recent emphasis on poverty alleviation. However, the dualism suggested by arguments about a 'structural' break between the First and Second economy allow government to argue that its economic policies have been successful for the First Economy and, as a result of these successes, government is now able to address issues of poverty and unemployment in the Second Economy. Yet, for all its claimed successes in stabilising South Africa's macroeconomic situation after 1994, promoting black economic empowerment, and to re-orienting the budget to meet some social objectives, it is accepted, even in government, that its major failing has been its inability to address South Africa's unemployment situation and, related to this, the high levels of poverty among segments of the population.

Rosa Luxemburg and Harold Wolpe provide us with probing insights into the relationship between the mainstream of the capitalist economy and its 'underdeveloped' components. Critical to their thinking is a clear understanding of the exploitative nature of capitalist accumulation vis-à-vis the underdeveloped sector. We have provided evidence that, contrary to the official view, there are in fact a range of linkages between the formal and the informal economy. Our argument is that the particular form of mainstream economic development in post-apartheid South Africa is closely linked and integrated with informalisation. Thus, rather than being separate spheres lacking articulation, the so-called first and second economies are very much an integrated feature of the growth pattern in the post-1994 period.

At the policy level a clear understanding of the linkages between the formal and the informal economy is critical for the development of good policy. At one level, President Mbeki's recent preoccupation with the 'second economy' has undoubtedly raised the profile of the unemployed and those operating in the informal economy. This is a positive development. However, the concept is not useful for understanding the

history and current challenges facing the economy. There is a danger that the concept will again relegate issues of poverty and unemployment to the arena of welfare, rather than as central challenges of economic policy and the necessary structural changes in the economy will be conveniently overlooked. Note, for example, that the Department of Trade and Industry and the Department of Public Enterprises are charged with developing policy for the ‘first economy’ while the deputy President is charged with policy on the ‘second economy’. What little policy there is for dealing with the unemployed and those informally employed is piecemeal and ineffective, and likely to remain so unless it becomes a central tenet of our economic policy. Surely the acid test of the success of an economy is the degree to which it is able to generate employment and improve the living standard of the population? Relegating these issues to ‘the second economy’ is hardly an appropriate way to integrate unemployment and poverty in mainstream economic policy. ★

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New faces of privatisation

From comrades to customers

Greg Ruiters

Across the globe, since the late 1980's sea changes have occurred in the philosophy and practice of public sector governance (Clarke and Newman, 1997; Cheung, 2005; Drewry, 2005) involving a shift to a market-orientation in public services and what is termed 'managerialism'. Managerialism has three key themes: first, an emphasis on cutting costs and increasing labour productivity and efficiency; second, the delegation of management responsibilities; and, third, the development of neo-Taylorian practices such as setting standards and targets, performance measurement and performance related pay designed to create incentives for better performance. Complementing managerialism have been measures to break up public sector organisations into separate, self-contained units (ring-fenced) in order to create smaller, 'product'-focused forms of organisation and reconfiguring services as commodities and citizens as customers. These changes provide the structural context for the development neoliberal forms of citizenship.

One indicator of the reshaping of public services has been the shift by 2004 to Customer Charters in UK, France, Italy, Australia, Belgium, Canada, the Netherlands and the USA as well as in developing countries like Argentina, India, Malaysia and South Africa (Drewry 2003, Cheung 2005).

Customer charters

It is mandatory that all South African municipalities adopt customer charters (see section 95 and 108 of Municipal Systems Act and *Batho Pele Guidelines*). *Batho Pele*, driven by the Department of Public Services and Administration says 'customers' should be consulted about service levels and quality and be given a choice about services. Customers must

receive full and accurate information about their services, should be treated with courtesy and should be entitled to an apology, explanation and remedial action if the promised standard of service is not delivered'. The document goes on to suggest that 'value for money means public services should be provided economically and efficiently'.

Since 2002 at local level, customer-relations management has taken off. For example, in 2003 and as part of the Igoli programme, Johannesburg adopted customer charters for each of its utility companies.¹ In 2005 there were several *Batho Pele* conferences, and multi-millioned rand customer satisfaction surveys by municipalities that were supported by the Treasury. The desire to measure, monitor and evaluate programmes and 'customers' through surveys has become a major part of state activities.

We briefly review the example of Buffalo City. In Buffalo City (greater East London) in 2004, a 'Thetha noRhulumente wakho' communication campaign spearheaded by Provincial government sought to 'bridge the gap (between citizens and the state) through information sharing with special emphasis on customer relations, *Batho Pele* and quality assurance' (*Bua News*, August 1, 2004). Since 2004 the city has conducted annual 'customer' surveys. It has established a call centre, customer care centres in satellite areas of the municipality and a customer service charter. The 2005 customer satisfaction survey that found a satisfaction index of 59 percent. On that basis the municipality declared 'we know that our customers are fairly happy with our service, but this strategy will help us improve on our customer relations.'http://www.buffalocity.gov.za/news2006/feb/feb20_customer.stm

Buffalo City, supported by the national Treasury, undertook a survey that aimed to assist the municipality in its drive to be more customer-orientated in the delivery of services. Cost recovery and customer services are linked. The City introduced a 'Pay-and-Win Competition' to encourage customers to pay their bills, and claimed this was a success. Based in the Corporate Services department, the customer care division has the following aims:

1. The Johannesburg Road Agency says 'customers are people regularly using the road infrastructure in our City. While specific organized sectors are expected to make collective input into our business planning, we nevertheless value all inputs we receive from every person who has the interest of the City at heart'.

The maintenance of effective customer relations. The monitoring of customer satisfaction. The development of a customer care strategy for Buffalo City Municipality. The development and implementation of a customer service improvement plan for Buffalo City municipality. The marketing of Buffalo City Municipality to external communities. The establishment of customer service centres throughout Buffalo City. Customer education. (<http://www.buffalocity.gov.za> accessed 20 March 2006]

The significance of customer focus

What do these shifts to institutionalising customers mean? Customer Charters have been embraced by both neoliberals and the some groups within the left (Drewry, 2005) but have for the most part been based on a ‘consumerist approach’ to public sector services. While some critics dismiss it as empty rhetoric, Anne Pollitt sees it as serious move, an effort to present an ‘acceptable face’ for new-right thinking and a ‘vehicle for the New Right political philosophy’. Gamble (1988) believes it is a way of ‘discrediting the social democratic concept of universal citizenship rights’ guaranteed by the state.

Less critical observers (see Drewry, 2005) believe that charters can be used in progressive ways. Advocates of Charters stress the importance of empowerment, consumer choice, and value for money. The right to complain (voice) and to reject an inferior service (exit) is also crucial (Kirkpatrick and Martinez-Lucio, 1995). Although Charters are pseudo-contracts (legally unenforceable) with fictional ‘exit’ in most cases, there are cases where fines may be imposed. Charters formulated in ‘bottom-up’ way by citizens may be powerful tools for public participation.

Several key questions arise: Do Charters empower users? Are these charters public relations exercises? Do customers indeed make sovereign choices? Do labels matter or can users simply ignore them? Should we take customer charters seriously as new institutional forms and as an object of investigation and political struggle? How does this affect labour relations and justify increase managerial control? Do the intentions of policies translate into reality or are policies quietly sabotaged? Should social movements try to radicalise public participation by exploiting opportunities presented by ‘customer charters’?

Scholars argue the Charters tend to be used as managerial tools

used against workers and consumers. Paradoxically charters serve the managers' aims more than customers (Cheung, 2005: 317).² Drawn up by the bureaucracy with easily manipulated performance targets Charters can often go wrong (Drewry, 2005, Kirkpatrick and Martinex-Lucio, 1995) Recent assessments of Charters in India show that they tend to be top-down, exclude socially marginal communities and illiterate citizens: 70 percent of intended beneficiaries lacked awareness of charters (Haque, 2005: 408-9; also see Desai and Imri, 1998;). Corruption and payment of bribes undermined charters and satisfaction levels were under 30 percent for most services (Haque, 2005: 410).

The shift from citizen to the customer may also be seen as a hegemonic state project, as a way of hailing people in ways consonant with exchange rationality – all of which transforms to undermine public services ethics. Public service ethics refer to a set of values which include accountability to the political process, acceptance of bureaucratic norms of honesty, professional integrity and a stress on altruistic rather than pure financial motivations from public official. The ethic in practice becomes an institution that ensures commitment to service and vocation and a willingness to serve beyond contractual obligations (Kirkpatrick *et al*, 2005: 41).

The figure of the empowered sovereign customer has been central to new public management ideology, creeping privatisation, and 'virtualisation' across the world. Professionals and civil servants have had to reinvent themselves as customer-centred, entrepreneurial and providing value for money. Customer focus has meant a change from services delivered by powerful professionals whom the public trusted to cost-driven commercialised services. Against old-style bureaucratic paternalism and professional self-interests, new modes of access, redress, choice, and voice have been invented (Clarke and Newman 1997: 108-9). It has been driven by financial control, the desire to open up services to market pressures, and overpowering desire to reduce all social relations to a money nexus. Targets, indicators, charters and

2. For example, Batho Pele (People First) argued: 'Customer' ...embraces certain principles which are as fundamental to public service delivery as they are to the provision of services for commercial gain. ...But it is not only the public who are 'customers'. National and provincial departments have many internal customers ...within their own organisations... . The *Batho Pele* initiative applies equally to these internal customers. (Department of Public Service and Administration, 1997).

a 'culture of serving the customer' have been invoked in the interest of excellence and serving the customer. Customer charters, and the idea of contract which has replaced the idea of entitlement, is a new neoliberal governance paradigm, whereby users are construed as knowing customers; payment for services is linked to ownership, pride and quality, and customer charters define new procedures that aim to dislodge notions of rights and entitlement. Neoliberalism as David Harvey (2000, p. 76-7) put it introduced the 'mantras of private and personal responsibility and initiative, deregulation, privatisation, liberalisation of markets, free trade, downsizing of government, draconian cutbacks in the welfare state and its protections'.

With marketised public services come new governance forms and new technologies of citizenship (Barns, 1999) which valorise remote forms of monetised self-regulation by consumers (Hogget, 1994) and deflect conflict away from political channels into conflicts between customers and service providers. Downloading via self-servicing for example consumers reading own meters and bills via internet is a further dimension, decentralising responsibility to households and individuals, and differentiating 'communities of consumption' (Rose, 1992).

The interactions resulting from attaching the 'customer' identity to citizens radically change the forms of representing issues, and the forms of seeking redress and accountability. Accountability is occurs through 'customer satisfaction,' surveys, customer relations managers usually based in call centres and customer charters. These state initiated 'marketisation' processes assume a certain model of community, self and state. 'Neoliberal conceptions of an individuated mass of consumers... diminish the role of elected local government, ...break[ing] up the old institutional attachments, but also create new forms of articulation between the citizen as consumer and the state.' (Clarke and Newman, 1997: 78).

And as Fairclough suggests, market language has diffused from manufactured products to services such as banking and now public services, education and the professions. The borrowing of advertising techniques such as the use of direct address in 'your water company, or your internet provider' is what Fairclough calls 'conversationalisation'. Whether it is 'fake intimacy' or false familiarity, conversationalisation

involves a restructuring of the boundary between public and private orders of discourse and influencing people for institutional purposes.

Public services become a product, not a politically negotiated community service. Poor residents therefore are subjected directly to money-discipline and required to internalise a new way of consuming and managing the service, turned commodity. This affects everyday habits. The changing architecture and technologies to the extent that they are accepted by the populace *materially* structures the opportunity structure for resistance crafting new political subjectivities, new private-public divides and new consumption experiences and imaginaries.

The fictional equality of impersonal agents, willing buyers and sellers in exchanges erases coercion (as it erases all past identities, dependencies and inequalities creating equals). Black, white, comrade or hippie, all are equal customers. As Bagguley (in Burrows and Loader, 1994: 74) puts it: 'market power is aimed at the calculus of the subject inside a proactive body' as opposed to 'the bureaucratic personality inside a docile body'. Some argue that new information technologies, subcontracting and flexible uses of labour and the organisation of welfare through markets rather than bureaucracies have been powerful shapers of new public services (1994: 6). In the words of Peck and Tickell, neoliberal institutions need to be 'rolled-out' by the state itself. Distinguishing as they do between 'roll-back' and roll-out neoliberalism, with the former referring to early phases of neoliberalism and the latter to new institutionalisations of the market, although clearly these two process often happen at the same time or overlap. The market and competition are forms of disciplinary power that do not arise spontaneously but are strategically imposed.

Resisting customer identity

Some scholars attribute the triumph of 'new public management' (NPM) to enforced adoption in the third world at the behest of donors (Clarke Newman, 1997). Others reject the assessment that neoliberal managerialism has indeed triumphed at all. While new public management is real enough for workers, consumers face power asymmetries: producers through advertising and distribution affect choices consumers make. Consumers may however play along and the 'customer' if he is always

right may want to talk for hours even if only buying one item (Sturdy 2001: 8). All these ‘customers’ are captive consumers and have to buy the services from monopolistic suppliers. If the image of the sovereign customer is fundamentally flawed, it is equally flawed to accept as given a seamless transition among professionals to the neoliberal model. Many of the old professional styles persist and it cannot be taken as given that new policies and discourses are always realised in practice (Kirkpatrick and Ackroyd, 2005: 3).

More pertinent is to note the limits and contradictions of neoliberalism and its antisocial biases which invariably impose costs of social and public life (Taylor-Gooby, 2000). Desai and Imrie (1998) suggest that NPM potentially sets up a crisis of governance in terms of accountability, regulation, coordination and implementation: ‘Indeed, far from the promises of streamlined, efficient services, some evidence suggests the reverse’ (Desai and Imrie, 1998). ‘The excessive concern of such market-oriented reforms for efficiency’ argue Desai and Imrie, has seen not only ‘the erosion of traditional public service ethics’, but also a decline in public trust in state institutions, which in turn puts more pressure on governments to show responsiveness to their citizens, service quality and accountability (Taylor-Gooby, 2000, Haque 2001).

While Customer Charters are still in early stages in South Africa, and they are being exported to the rest of Africa (Balogun, 2003), they play a major hegemonic role and have to a significant extent re-shaped citizen-state-worker relationships in contradictory ways presenting a serious challenge to the Left. Can we or should we ‘reclaim the state by having our own grassroots citizens’ charters? The concept of customer charters is very ideological and is based on a ‘consumerist approach’ to services which are seen as commodities not as socially and politically negotiated public goods. A vehicle for New Right political philosophy and new public management, it has become the ‘human face’ of neoliberalism. ★

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Black Economic Empowerment

The South African Social Formation

Leonard Gentle

The issue of black economic empowerment has come to be quite pivotal in various narratives about post-1994 South Africa. From the side of, mainly, white liberal commentators wishing to take forward the spirit of what they wish to call the ‘miracle’ of the peaceful transition to the post-Apartheid dispensation, there has been much moaning BEE as reflecting the ‘Africanist’ impulses of the Mbeki presidency which they contrast with the greater non-racial humanism of the Mandela period. For erstwhile PAC-BC critics of the ANC, however, BEE was a step in the right direction. From the side of the SACP it was suggested that BEE was engendering a ‘patriotic bourgeoisie’ which could underpin a ‘developmental state’.

In the 2006 *State of the Nation*, editor Roger Southall considers BEE to be un-problematically virtuous and therefore thinks we should look at BEE more as ‘black influence within the economy’ so that we can measure how far we have come. He wants to include issues such as the management profile of the parastatals, affirmative action in the public services etc – i.e. not just the extent of black ownership and control of private companies – in order to make such a measure. Of course, in the context of black share ownership on the JSE having reduced dramatically from 1998 (more than 12%) to subsequent levels closer to 2%, this kind of expanded definition of BEE provides substantial comfort.

From the side of a section of the left there is a narrative which locates the ANC government’s embrace of neoliberalism as a product of external pressures – the IMF, imperialism etc. Mbeki’s BEE initiatives are therefore hard to locate within this narrative except possibly to critique

its narrowness and limited nature. These left critics of BEE are therefore champions of making BEE more expanded, more 'broad-based'. In its initial forays into perspectives on BEE COSATU attempted to expand BEE to include forms of extended share-ownership, along the lines of a brand of 'people's capitalism'. Of course the reality was more of the sort of union investment companies and union-involved Provident Funds seeking maximum returns on investment in blue chip companies or privatised ex-parastatals rather than imprinting any kind of socially-responsible agenda onto investment decisions.

BEE as 'black influence within the economy', is defining the matter so broadly as to lose any critical meaning. This nebulous approach crucially loses the point about so much of the content of the struggles over the last period – to challenge the fact that those who owned the means of production also held political power and that new progressive forms of political power could not leave the ownership of the means of production unchanged. This approach also conflates a long-held goal of struggles against Apartheid-capitalism (to solve the national question) with a specific form of outcome and therefore beyond criticism or reflection.

Lacking any kind of analysis of the social forces underpinning the transition from apartheid to post-apartheid and without a characterisation of the Mbeki regime we are left with the kind of mortal conundrum: 'How can anyone be opposed to BEE in a country in which black people were oppressed and excluded from so many of the institutions of public life? Do you want whites to still run the economy, as they have done for so many decades from colonialism to segregation to Apartheid?'

In order for the Left to develop a perspective which moves beyond this we should first look at who were the prime initiators of BEE, when did it start, and what was the form that it took and then ask ourselves what thus says about the social character of the current state.

Who initiated BEE?

The first BEE initiatives did not stem from the ANC government or from aspirant black businesspeople. Finding a black compradorist ownership class was already project of reformed Apartheid of the 1970s. Sam Motsuenyana and others were products of the apartheid-era Development Banks keen to nurture businesses within the confines

of Apartheid – as Bantustan businesses and, what some called then ‘location traders’. In the same period the Anglo American-inspired Urban Foundation sought to promote a black middle class (including the later more ambitious, Nthato Motlana) who could ensure political stability in the midst of the emerging insurrectionary movement in the townships. But these initiatives were constrained by apartheid’s legacy and the lack of legitimacy of the individuals concerned.

The period of political negotiations between the 2 February 1990 unbanning of the liberation movement and 1994, however, clearly redefined the future political landscape and Big Business was not slow to seek new strategic interventions. Metropolitan Life – a subsidiary of the Sanlam group - initiated the processes, setting up a 10 percent shareholding for Motlana and prompting the formation of New Africa Investments Limited (NAIL). Anglo American quickly followed suit unbundling its industrial wing, JCI, to Mzi Khumalo and co. after initially insisting, through intermediaries, that it wanted a consortium of trade unions and aspirant black businessmen to be involved.

Both of these ground-breaking initiatives were interventions by white Big Business, both declared that they wanted black share ownership and would create the financial vehicles for it (after all blacks had no capital) and both were pursued before the 1994 breakthrough. In terms of historical precedent the setting up of large-scale Afrikaner Big Business by Anglo American in the 1960 case of Gencor and the Afrikaner Handelsinstituut (AHI) comes to mind.

The BEE of the Mbeki era, to be sure, included such interventions as the Mining Charter and a Banking Charter but these state interventions built on what had been already initiated by white capital before the state formulated its policies.

What were the mechanisms involved?

The creation of BEE by the white monopolies in South Africa has had a clear political objective – that of creating a black bourgeoisie with a stake in the system in the context of the high risks involved in the transition from reformed apartheid to a form of black majority rule.

The initiative coincided with developments in the international capitalist world which made the deals take on a specific form. These

developments have been referred to by various writers, such as Michel Aglietta, Karel Williams and others, as financialisation. Briefly this process involves corporate restructuring to focus on those entities which get best rewarded on international finance markets by higher share prices (and this can be independent of the financial performance on the operational side of businesses). Anglo American, for instance, in preparation for its overseas listing, had long been criticised for being an old-fashioned behemoth. Unbundling the JCI created what investment advisors and portfolio managers call ‘shareholder value’ which share markets duly rewarded. Unbundling its industrial arm, and creating a space for black ownership, was thus not only political but also part of an economic restructuring that suited its preparation for the demands of international share markets.

The details of the share deals would require a substantial study but the design included high debt-to-equity ratios, non-voting shares and having corporate subsidiaries lending black investors money to ‘buy’ the shares created in new investment companies created as empowerment vehicles whose control remained limited

The outcome of all these initiatives in terms of the scale of black ownership has been puny. At its height Black share ownership on the JSE was at 12 percent in 1998 and fell to less than 1 percent in 2002.

BEE and the current conjuncture

BEE is not an initiative of an interventionist state contesting the terms of accumulation with a recalcitrant white bourgeoisie on behalf of a restive black middle class. Nor is it a nationalist project - anchored by an appeal to the popular classes as in the popular bourgeois revolutions such as the French, the US war of independence and most of the 19th century nationalist projects – popular, anti-the established order, on the backs of a popular insurrection in which the new aspiring bourgeoisie was hegemonic after a period of revolutionary excesses. Nor is BEE akin to the kind of militant black nationalism which occurred in the popular anti-colonial struggles in Africa in the 1950s and ‘60s.

The popular wave of mass struggles which started in the mid-1970s in South Africa reached its peak in the mid-1980s, during which period it challenged white bourgeois power without defeating it. In its period of

retreat – from 1987 - the mass movement had state-sponsored vigilante forces unleashed on it in the militant heartlands of the East Rand, the Vaal triangle and Kwazulu Natal by the De Klerk regime. The political negotiations of the early 1990s, the terms of the new constitution and the trade offs made then and in the form of the policies carried out after the democratic elections of 1994, all occurred in the context of a defeat of the energy, the troops and the demands of the mass movement. This defeat and its codification in the form of the constitutional principles, the sunset clauses, the Government of National Unity and undertakings given by the incoming government to ensure investor confidence strengthened the hands of white monopoly capital.

More recently SACP Deputy General Secretary, Jeremy Cronin has written a paper in which he records his disappointment with BEE, finding that, far from it embodying the growth of a progressive, independent 'patriotic bourgeoisie', BEE beneficiaries are instead a parasitic compradorist fraction tied to traditional Big Business and increasingly high-jacking the ANC towards a pro-capitalist agenda. Cronin characterises the Mbeki regime as being 'bonapartist' seeking to impose a technicist, managerial, growth-first logic onto the South African social formation. This he contrasts with the bonapartism of the Mandela presidency which used its authority over the state to drive through a more progressive agenda. This is an interesting proposition and a serious attempt to characterise the Mbeki regime. But he has his periodisation wrong.

Bonapartism, as used within the pantheon of Marxist analysts, is above all, about a particular unstable equilibrium of class forces in which the bourgeoisie cannot rule in the old way and the working class cannot take power. That unstable equilibrium was characteristic of the P.W. Botha and De Klerk regimes of the 1980s and it is significant how they stood above the political parties of the day (including their own) in order to impose Tricameralism (Botha) and neoliberalism/negotiations (De Klerk). The Mbeki government is presiding over a period of stability in which the popular classes are not challenging the state or threatening bourgeois rule.

The Mbeki state is not one perched on a knife-edge still waiting for the contending class forces to play themselves out either way. The mass movement has been in retreat since the 1980s. BEE is a project of the counter-revolution.

BEE and a characterisation of the state

Apartheid is best understood as a form of racial capitalism in which capital accumulation took place based on a racially-divided working class in which black labour power was cheapened through extra-economic state interventions in the wage relation. These measures included political exclusion, sampling of forced labour in the Reserves (and later Bantustans) using the contract labour system and policed labour segmentation in the urban areas. These schemas of cheapening were bolstered by the use of patriarchy to exploit forms of black female domestic and rural labour. The capitalist class at whose behest these arrangements were made was white and South African. This characterisation was based not so much on the electoral behaviour of individual capitalists (some of whom supported the all-white parliamentary opposition) but on their being the direct beneficiaries of the policies pursued.

The post-Apartheid social formation has certain sharp discontinuities with the above configuration. Chiefly the victory over the apartheid state has brought to an end the extra-economic intervention into the wage relation based on the legal separation of white and black labour and the political exclusion of black people from citizenship. But there are many points of continuity with the Apartheid form of capital accumulation. These are:

- The racial composition of the bourgeoisie has remained the same. The capitalist class is overwhelmingly white.
- Insofar as BEE has been carried out it has been done so at the behest and with the enthusiastic support of the white capitalist class. But, more importantly, BEE is based on the same regime of accumulation as that espoused by the white capitalist class – cheap labour power.
- The system of cheap labour power is now based on neoliberal prescriptions of labour flexibility, externalisation of labour contracts, informalisation and increased labour segmentation and these are being pursued by an interventionist state (through its promotion of greater labour flexibility in its labour laws amongst other things).
- The racial composition of the new battalions of cheap, informalised,

flexibilised, segmented labour is overwhelmingly black, with black women being the most informalised and flexibilised. All indices indicate that the white employed still dominate the white-collar, the professional and the managerial strata.

These continuities with the Apartheid period of racial capitalism lead me to characterise the Mbeki regime as neo-Apartheid.

The broad/maximalist definition of BEE takes as its point of departure that 1994 was a ‘democratic breakthrough’ in which political power was transferred to the black majority while economic power was left largely in the hands of whites. Therefore BEE is part of ‘transformation’ – the process of changing the racial landscape of SA so that we gradually infringe upon the economic power of the whites, while keeping the fundamentals of the economy intact, ensuring sound economic management, macro-economic stability etc.

This ignores the work done by Harold Wolpe, Martin Legassick, Frederick Johnstone and other radical intellectuals of the 1970s which established the ‘inextricable link’ between apartheid and capitalism. In is no accident that Thabo Mbeki has resurrected the old liberal school approach to the apartheid-capitalism question – that South Africa has ‘two economies’ (one white and one black). Essentially this formulation is a throw-back to liberal and pre-Marxist ideas of the ‘economy’ and the ‘politics’ being discrete entities which can be analysed separately and engaged separately. Instead the state, the economy, the state are all social relations, different moments in the circuit of capital etc. To the extent that there can be a disjuncture between the state and the economy (as in a seizure of power moment) this disjuncture is temporary/unstable and one or the other must triumph (hence some validity in Cronin’s ‘bonapartism’ thesis). Except he uses Mandela and Mbeki as case studies whereas a better example would be a Chavez or a Castro a la 1959.

Resurrects notions of the ‘developmental state’ where the state is seen as a technical measure which can be used differently by whomsoever chooses – ignores a rich Marxist history of theories of the state, from Hegel, Marx, Lenin, Gramsci, to Poulantsas etc. Also falsely reduces neoliberalism to its PR – that it’s about removing the state from the economy and allowing the ‘free market’ to determine. But Thatcher, Reagan, Botha, Mbeki etc have all presided over very

interventionist states. It's just that the interventions have been different under neoliberalism, in comparison with Keynesianism.

Neo-Apartheid empowerment

BEE is not the struggle of a successful black state trying to find patriotic allies, but an example of a successful neo-Apartheid white state trying to co-opt surrogate blacks – hence the pre-1994 interventions by Sanlam and Anglo. Hence the parasitic nature of the new BEE capitalists. Hence the domination of whites in all aspects of social life in SA (from sport to business, to the cities, to the sphere of middle class life). Hence the domination of the SA imperial project in Africa.

In the period of open political negotiations, 1990-1994, leading up to the ANC government much of the focus of intellectuals linked with the mass movement became focused on the question: what would a new South Africa 'look like' and, particularly, how could the movement put forward concrete policies for the new state which would tilt the balance of forces in favour of the working class?

What started out as a strategic intervention by intellectuals close to COSATU, however, became a pre-occupation with the technical side of policy alternatives. In the course of which the questions of the nature of the state and the relations between capitalism and Apartheid fell off the table (after all if Apartheid's demise was a certainty, why study its evolution?). A brand of instrumentalism began to take over in the absence of any analysis of the political economy of South Africa, the nature of the capitalist class and the social forces which shape the conjuncture.

Of course nature abhors a vacuum... And, in the absence of any continuity with the body of Marxist scholarship of the 1970s and 1980s, the space has been filled with all the liberal prescriptions and conceptual categories that the Left had so successfully railed against in the 1970s and 1980s. So apartheid has come to be seen as a relatively short-lived chapter of irrationality associated with white Afrikaners post-1948. South Africa's big business monopolies are seen to have been of solid anti-apartheid stock (witness the accolades delivered by the government, the ANC and the SACP to the recently-departed Anton Rupert). Thabo Mbeki has resurrected the old 'two economies' concept (which was used by apartheid's modernist apologists in the 1970s) and,

more recently, a number of commentators have begun to append the term 'developmental state' to the Mbeki second term, of presidency.

So in government circles and in the mainstream the changes from the Reconstruction and Development Programme of the early Mandela years are contrasted with Mbeki's first term in office (1999-2004) which in turn is contrasted with the ostensibly more 'pro-poor' policies of Mbeki's current term of office now that South Africa has been successfully integrated into the world economy. One of the most significant indicators in this construction of Mbeki's new turn is the move away from privatisation and the withdrawal of the state from large-scale expenditure in the GEAR years towards the increased state investment in the economy captured by the Accelerated and Shared Growth Initiative for South Africa (ASGISA) policy unveiled in 2006.

On the left, surprisingly, there are sentiments which operate within this discourse. Firstly the ANC's Alliance partner, the South African Communist Party (SACP), lauds ASGISA as part of the post-GEAR consensus and celebrates its commitment to increased state expenditure on the parastatals. The SACP takes government at its word that GEAR was simply a neutral technical tool to achieve macro-economic stability and therefore ASGISA represents a new turn now that government has gotten the painful but necessary and irritating GEAR out of the way.

But even more surprisingly the construction that Apartheid was a kind of nationalist autarchy also lies within the periodisation of some of the anti-government left for whom GEAR is neoliberal and the character of the state monopoly capitalist. GEAR's unveiling in 1996 is seen as a radical rupture from the past, which means that, for this section of the left, the origins of neoliberalism lie externally - in the pressure exerted by foreign forces (the IMF, the World Bank) on the ANC government. Apartheid, in this model therefore continues to be seen as part of fortress South Africa, which collapsed in 1994 whereafter the ANC was increasingly pressurised/seduced from 1994 until it capitulated in 1996.

There is much that gives a lie to this conceptual construction - both in the assumptions made about the origins of Apartheid and the social forces which drove its agenda as well as in the timing of the beginning of neoliberalism in South Africa and the social forces which underpinned it (i.e. the social forces of monopoly capitalism which have shifted from

Keynesian racial capitalism in the periods of segregation and grand apartheid to neoliberalism in the reform period of apartheid and the current neo-apartheid state.

The continuity has been at the level of cheap black labour and the identity of the social force which has presided over South Africa's evolution over the last 100 years - largely the same white monopoly capitalists, who rose from mining barons in the early 20th century, to multi-sectoral industrialists in the 1950s and 1960s, to transnational corporations and financiers after 1994.

Some conclusions for activists

We can end with three general points:

- The national question is not resolved – black unity (of the dominated classes, including the black middle class), fighting racism, struggling to change the cultural/language/colour of social life in SA is a vital part of new struggles of social movements. But BEE is in opposition to this (they are like the quislings of old).
- The issue of broadening transforming and radicalising democracy – seeking to establish and extend institutions of popular self-government into all aspects of social life and private life is – still a vital part of the struggle. SA is not satisfactorily defined as a successful bourgeois democracy that must now move hastily to socialism. In fact, the ANC government, as with all neoliberal governments, are a direct threat to whatever democratic gains have been won despite the counter-revolution. BEE is however not part of the struggle to defend democracy, BEE is part of crony racial capitalism.
- Social movements need to see degrees of continuity with the older social movements in that they are dealing with a two-fold nature of current struggles – on the one hand they are defensive struggles against neoliberalism (which is relatively new), on the other hand they are picking up the struggles of unresolved crises of Apartheid. They are not just nebulous protests against service delivery. The fault here does not however lie with the new social movements but with the older traditional movements who have abandoned their role as counter-hegemonic projects. ★

PART

THREE

SOCIAL STRUGGLES

Property for people, not for profit

Ulrich Duchrow

Since the breakdown of historic socialism, the category of private property has practically disappeared from the discussion on economic justice. The Cold War alternative was: private property or state ownership. As the latter has become obsolete there seems to be ‘no alternative’ to private ownership. The discussion on neoliberal globalisation normally deals with the three main characteristics: liberalisation, deregulation and privatisation. But even in the growing struggle against privatisation of public services there is hardly any reflection about the fundamental role of private property in the make-up of the dominating political and economic system leading to so much impoverishment of people and destruction of nature. The thesis of this essay is that we cannot design and implement alternatives to neoliberal globalisation creating poverty, exclusion and destruction unless we tackle the issue of private property.¹

Historic roots

The historic roots of an economy based on private property date back to the 8th century BC. In Greece, peasants were able to liberate themselves from feudal bondage by owning land.² It is those free landowners who formed the Polis, a city in the midst of an agricultural region (e.g. Athens in Attica). The importance of this property led to the introduction of

1. The argument of this article is extensively unfolded in Ulrich Duchrow/ Franz J. Hinkelammert, *Property for People, Not for Profit: Alternatives to the Global Tyranny of Capital*, Zed Books, London in cooperation with the World Council of Churches, Geneva and CILR, London.

2. Cf. Heinsohn, G./Steiger, O., 1996, Eigentum, Zins, Geld – Ungelöste Rätsel der Wirtschaftswissenschaft, Hamburg; Maissen, Th., 1998, Eigentümer oder Bürger? Haushalt, Wirtschaft und Politik im antiken Athen und bei Aristoteles, in: Held, M./Nutzinger, H.G., (Hg.) 1998, Eigentumsrechte verpflichten. Individuum, Gesellschaft und die Institution Eigentum, Frankfurt/M.

'interest' on loans. A debtor had to pay back more than he had borrowed, e.g. seed. He also had to put his own land as a pawn. Could he not pay back, he lost his land and had to work as a debt slave for the creditor. The contracts on the loans started to be traded which according to some scholars led to the introduction of money, gradually developed in the forms of coins. So private property and money came into existence at the same time – linked to debt slavery and loss of land. On the other hand, the creditors could collect more and more land, money and debt slaves. This resulted in increasingly splitting society, which can be seen at the occasion of Solon's legal reforms in Athens in 594 BC, e.g. prohibiting debt slavery. But the property-money-economy was spreading even more during the time of the Hellenistic Empires. And the Roman Law even legalised the absoluteness of property (*'Dominium est jus utendi et abutendi re sua, quatenus juris ratio patitur'*/ownership is the right to use and abuse/consume/destroy your thing as far as compatible with *ratio*, i.e. the logic of the law).

A new phase of this type of economy started in the 14th century AD. The prohibition of interest, prescribed by the Canon Law, was broken in the north Italian city states. Florence even introduced compound interest. And in England the common land was transformed into private property by 'enclosures'. Differing from antiquity, those peasant farmers who had lost their land had to live from waged labour – if they got a job. Karl Polanyi in his famous book *The Great Transformation* described the dramatic changes of all relations between persons following the 'privatisation' of the land.³ Jeremy Rifkin sums it up with the following words:

Enclosure introduced a new concept of human relationships into European civilisation that changed the basis of economic security and the perception of human life. Land was no longer something people belonged to, but rather a commodity people possessed. Land was reduced to a quantitative status and measured by its exchange value. So, too, with people. Relationships were reorganised. Neighbours became employees or contractors. Reciprocity was replaced with hourly wages. People sold their time and labour where they used to share their toil. Human beings began to view each other and everything around them in financial

3. Polanyi, K., 1945, *The Great Transformation*, Gollancz, London.

*terms. Virtually everyone and everything became negotiable and could be purchased at an appropriate price.*⁴

Thomas Hobbes, in his 'Leviathan' (1651), was the first to put the anthropological, social, economic and political dimensions of this development into one theory, brilliantly interpreted by C.B. Macpherson.⁵ The human being is understood as an individual striving for ever more power, wealth and honour in competition with all others within the framework of a 'possessive market society' (Macpherson). Thus everybody becomes a wolf to everybody. This is why an absolute 'sovereign' has to guarantee the institutions of property and contract politically and legally in order to ensure non-violent forms for the war of everybody against everybody.

A further theoretical step, which has been pivotal up to this day, was taken by John Locke. In 1688 the bourgeois classes came into power through the Glorious Revolution. In 1690 he published his 'Second Treatise of Government' delivering the theory for the new rulers. Human beings are being defined as owners in a triple way. They are 1: owners of their own person (including their labour); 2: owners of their goods; 3: owners of their freedom.⁶ But 'God ...has given the world to men in common', i.e. 'nobody has originally a private dominion' (§ 26). So how to justify the private appropriation of the earth? Locke's first answer regarding the state of nature is: by work.

Thus the Grass my horse has bit; the Turfs my Servant has cut; and the Ore I have digg'd in any place where I have a right to them in common with others, become my Property, without the assignation or consent of any body. The labour that was mine, removing them out of that common state they were in, hath fixed my Property in them (§28).

4. Rifkin, J., 1998, *The Biotech Century*, New York, 40f.

5. Thomas Hobbes, *Leviathan*, Penguin Classics, Middlesex 1986; *Macpherson, C.B.*, 1962, *The Political Theory of Possessive Individualism: Hobbes to Locke*, Oxford University Press, reprint at the Clarendon Press 1964, Oxford.

6. J. Locke, *The Second Treatise of Government*, ed. by Peter Laslett, Cambridge University Press, Cambridge, 1988, Book 1, ch. 9; Book II, ch. 5.

As the state of nature is still present in North America⁷ this theory legitimates the conquest of that territory from the indigenous people by the British settlers. Should these peoples contest this, however, they place themselves in a state of war and wage an unjust war in which they can, entirely legitimately, be killed like wild animals and subjugated to the despotic power of slave owners (§§ 8-11 and 172). In addition, the conquerors can legitimately demand the reimbursement of their costs of war in order to indemnify the losses of the victor (§183).

Locke, however, needs an argument for the unequal distribution of property. So he construes a human agreement, implicit in the use of money:

...it is plain, that Men have agreed to disproportionate and unequal Possession of the Earth, they having by a tacit and voluntary consent found out a way, how a man may fairly possess more land than he himself can use the product of, by receiving in exchange for the overplus, Gold and Silver, which may be hoarded up without injury to any one, these metals not spoiling or decaying in the hands of the possessor' (§50).

This 'tacit and voluntary consent' in the accumulation of wealth through the use of money pertains to the 'state of nature' thus preceding any social contract. The state and its laws are secondary to this universal right of the property-money-economy. What he calls 'political or civil society' (§89) has the only purpose to protect this (unequally accumulated) property.⁸ So Locke was the first to establish the priority of the world market for the sake of wealth accumulation over politics and law serving the preservation of this accumulated property.

With this position Locke does not only renew the Roman absoluteness of property but reinforces it by the capitalist mechanisms of the money economy. All Western constitutions and legal codes followed this approach. However, in the 20th century the competition of socialism and the growing strength of the labour movement brought some changes. E.g. in Germany the Weimar Constitution after World War I added a second sentence to the guarantee of property in article 153:

7. 'Thus in the beginning all the World was America, and more so than that is now' (§49).

8. '...the chief end whereof is the preservation of property' (§85).

‘Property has an obligation. Its use shall also serve the common good.’ This was taken up again in the German Constitution (Grundgesetz) after World War II in article 14.2: ‘Property has an obligation. Its use shall also serve the common weal (welfare).’ This same tendency can be seen in the US policy of the New Deal between the thirties and the sixties of the 20th century, in the UK under the influence of Keynesianism and certainly in the ‘Swedish model’ of the welfare state. In practice we can see various political and legal instruments taming the absoluteness of private property: e.g. a progressive tax system redistributing unequal income, health and pension systems based on solidarity, anti-monopoly laws etc. The motivation for these changes is not only social concern on the basis of pressure but also the intention to avoid the self-destructive tendencies in liberal capitalism as experienced in the great depression after 1929.

Beginning with the seventieth year of the 20th century we see the emergence of *neoliberalism*. The forces of capital operate more and more on a global level putting pressure on the national political and legal instruments which had been able to make property socially responsible. This has very destructive consequences. Capital moves into speculation (‘Casino-capitalism’), escapes taxation, drives up interest rates and produces public debt, especially in ‘developing’ countries, but also in the rich industrialised ones. On the other hand we experience an extreme concentration of private wealth. Workers and their unions lose much of their bargaining power and suffer ‘flexibilisation’, a further degradation of the ‘property’ of one’s own labour force. Those growing numbers of people who have neither capital property nor work are being excluded. This happens again in the most dramatic way in ‘developing’ countries, indeed, development as such is dropped from the global agenda. But also nature suffers destruction from an economic system operating towards one end: maximisation of profit on capital property. The state changes its function from an instrument for common welfare to a supporter of competitive capital. This leads more and more to measures of expropriation like in the times of primitive capital accumulation and an intensified rate of exploitation.⁹

This is by no means accidental, but ideologically wanted.

9. Cf. Chr. Zeller, *Globale Enteignungsoekonomie*, 2003.

The father of *classical liberalism*, Adam Smith, still thought the invisible hand of the market would create a common wealth of nations. He made two presuppositions which both have turned out to be false:

- that human beings are characterised by a basic sense of solidarity,
- that all actors in the market have equal power and information and thus control each other by balanced competition.

The *neoliberal theory* is ambivalent:

- Some theoreticians keep up the promise of a free capitalist market economy producing common wealth by a trickle down effect. A scientific theory, however, must be subjected to verification or falsification by reality. Empirical research shows clearly that since the abandonment of the social regulation of the market economy, the gap between rich and poor is drastically widening without wealth trickling down to the bottom. On the contrary, more and more people are being excluded from the formal economy with the consequence of dying or struggling for survival. To give a recent example: Argentina before introducing neoliberal policies (under the pressures of the IMF) had 60 percent middle class. Now 60 percent live under the poverty line. So who keeps up this type of argument does not have a theory, proven by verification through reality, but an ideology.
- There are secondly those neoliberal economists who say bluntly what the nature of their ideology is. F. Hinkelammert calls it 'cynical capitalism'. Let us look at a quote of one of the main fathers of this 'school', F. v. Hayek: '*A free (sc. market-)society needs morality that is ultimately reduced to the maintenance of life - not the maintenance of all life, as it could be necessary to sacrifice individual life in order to save a greater number of other lives. That is why the only rules of morality are those leading to a "calculation of life": property and contract*'.¹⁰ First of all this quote builds on a wrong empirical assumption. There is more than enough food for everybody, if and when justly distributed, as many studies of the UN have shown clearly. On the basis of this wrong assumption, v. Hayek says that human lives have to be sacrificed in order that others may

10. See Friedrich von Hayek, Interview in *Mercurio*, Santiago de Chile, 19.4.81

live (implicitly: live better on the basis of property and the market mechanisms increasing it). As the criteria for this calculation of life and death he names private property and contract. These are the constituents of the capitalist market in which the owners and the people who be accepted as contractors, e.g. workers who get a job, may live, the others may die. So capital property in the context of a pure market system is not only a dictator but the last judge over life and death of people (and nature because also nature is no legal property owner).

Development on the basis of these forms of neoliberalism is re-enforced by the hypercapitalism of intellectual and cultural property.¹¹ Through patenting seeds and even genes and through commercialising all forms of culture the last spheres of human and natural life are subjected to the mechanisms of capital accumulation. Those who own property beyond their needs can, by the exchange value of their surplus property, expropriate the 'property for use' of all non-owners.

Thus, neoliberal globalisation has become a totalitarian project, disguising itself religiously as the ultimate incarnation of freedom and democracy. Because of this new fundamentalism of the total market and empire we have to wage the struggle also at the religious level. How can we mobilise genuine religious resources in order to regain space for a human life in dignity and justice?

Biblical impulses for an alternative

The origin and spread of the property and credit economy from Greece in the late 8th and 7th centuries BC encountered a quite different context in Israel.¹² The liberation of the Hebrews from the slavery of the Egyptian empire and the farmers from the tribute obligations of the Canaan city-kingdoms took place around 1250 BC. The freed slaves and farmers settled on the Palestinian mountains and organised themselves into independent families and clans. They settled their common affairs in

11. Cf. Rifkin, J., 2000, *The Age of Access: The New Culture of Hypercapitalism, Where All of Life is a Paid-for Experience*, New York. Rifkin claims that the role of property is being replaced by access. But this is a semantic problem. Under property he understands material goods of production and consumption. But it is clear that also the new forms of intellectual and cultural property have one goal: the accumulation of capital property.

12. Cf. Duchrow, U., 1995, *Alternatives to Global Capitalism – Drawn from Biblical History, Designed for Political Action*, International Books, Utrecht, 142ff.

egalitarian fashion at a general meeting, with explicit reference to the God to whom they owed their liberation, Yahweh (*qu'hal Jahwe*).

Around 1000 BC the people opted for the monarchy, against the resistance of peasant and prophetic groups. The consequence was increasing oppression and exploitation of peasant people by the king's court, his officials and the military (1 Sam 8). With the new mechanism of property-interest-money the (small)holder producers suffered an additional dangerous attack on their livelihoods. Before they had to pay taxes to the king, the temple and for the luxury of the aristocratic upper class from their production, going beyond the costs of their reproduction. Now competition arose among themselves. They did not take out loans in order to set up a lucrative, credit-financed production in the modern sense but from pure hardship – e.g. for seed when they had a bad harvest and had to eat the seed before the next seed-time in the interests of sheer survival. The consequence was that many lost their land to the large land-owners piling up more and more land and, to add insult to injury, had to work as debt slaves for them. It may be assumed here that the new form of property economy with its credit mechanism seeped into the monarchic, feudal system and that the starting point was unequal land distribution. The decisive thing for the social history Israel was that the farmers were exposed to another exploitative mechanism from the late 8th century, in addition to the royal and imperialist structures of tribute. This mechanism arose in their own midst and destroyed their solidarity.¹³ How did Israel react to this aggravation of the situation?

Four distinct ways to secure the practical consequences of faith in Yahweh can be observed over the centuries up to the Jesus movement and the early church:

- Prophetic critique
- Legal provisions
- Strategies of resistance and defiance
- Alternatives in small groups.

13. In his book 'State and society in pre-exile Judah – from the 8th century to the exile' (*Staat und Gesellschaft im vorexilischen Juda – vom 8. Jahrhundert bis zum Exil*, E.J. Brill, Leiden/New York/Köln, 1992) Rainer Kessler examined precisely the period in which the property economy was penetrating into the society of the kingdom of Judah. He shows that the basic contradiction arising from the property economy in Jewish society was that between creditors and debtors.

Precisely the wrong development in public and social life, caused by the new property economy, called forth the protest of the great *prophets* in the last third of the 8th and then of the 7th centuries. Amos and Hosea (still in the northern kingdom before its destruction in 722 BC), Isaiah, Micah, Zephaniah, Jeremiah, Habakkuk and Ezekiel called for law (*mispāt*) and justice (*sedaqa*), which were lost through the new property law. But above all, repealing justice and the rights of the poor meant rejecting the God of Israel himself. Knowing God is identical with creating justice for the poor (see e.g. Jer 22:16). E.g. the prophet *Isaiah* in the 7th century criticised the expropriation of farming families and the accumulation of land in sharp terms: 'Ah! You who join house to house, who add field to field, until there is room for no one but you and you are left to live alone in the midst of the land!' (Is 5:8). He, too, calls the greedy land-owners 'thieves' (1:23) and the seizure of the land of indebted farmers taking 'the spoil of the poor' (3:14).

The prophetic critique of the 8th and 7th centuries was not totally unsuccessful. That is clear from the different *legal reforms* from that period and afterwards. The first took place in the early 7th century BC, reflected in the so-called *Code of Covenant* (Ex 21-23). Here we find e.g. the prohibition of interest and the regulation of taking pawns with the goal not to endanger the lives of indebted people and with the theological argument that Yahweh is 'compassionate' (22: 24-26). In 622 BC the *Deuteronomic reform* under king Josiah adds corrective measures like social 'taxes' every third and debt cancellation as well as the liberation of debt slaves every seventh year (Deut 14:28ff. and 15:1ff.). After the traumatic experience of the destruction of Jerusalem and the deportation of the Judean upper classes by the Babylonians there is a broad reflection on the issue: how to reorganise society after return from exile in order to avoid the systemic injustices with its disastrous consequences. One result is the *Code of Holiness* in the priestly writings (Leviticus). Here, besides the prohibition of interest etc. we find the famous jubilee regulation for the redistribution of land (the means of production in an agrarian society) every fiftieth year so that each family regains the basis for subsistence farming. The key theological argument is: 'The land shall not be sold in perpetuity, for the land is mine; and with me you are but aliens and tenants (Lev 25:23).' This means there must

be no absolute property for human beings but the gifts of God are for the life of all people.

The same is expressed in the magna charta of biblical economy, the story of manna (Exod 16). The bread given by God from heaven in the desert is enough for every person for each day. ‘...those who gathered much had nothing over, and those who gathered little had no shortage’ (v. 18). Jesus prays accordingly: ‘Give us this day our daily bread’ (Matth 6:11). This is the economy of enough in opposition to the economy of unlimited property accumulation through money mechanisms.

When the accumulation of power and wealth becomes totalitarian as in the Hellenistic-Roman empires the only way for faithful Jews and followers of the Messiah Jesus to react is *resistance and defiance*. The classical text is the story of the three Jewish men resisting the worship of the golden statute of the emperor. They risk to be thrown into the furnace (Dan 3). And according to Revelation the faithful Christians are not participating in the imperial economy (13:16f.). The faithful congregations suffer affliction and poverty (2:8-11), while the unfaithful are rich because of adaptation to the empire (3:14ff.). But God will bring down the thrones of power and wealth (18) and create a new heaven and a new earth of justice and life (21).

Jesus himself adds another exciting option in view of the presence of the sovereignty of God destroying all domination of humans over humans through property and money mechanisms: the *small scale alternatives* in communities of faithful people. Certainly he also practices resistance. This is most obvious in Jesus’ prophetic confrontation with the temple (Mk 11:15-19). It is the economic centre of the priestly aristocracy robbing the poor for the sake of the temple treasure by the system of sacrifices and collaborating with the Roman Empire. Matthew the evangelist (Mt 6:19-34) elucidates the same in the context of his topic ‘collecting treasures’ on earth. ‘You cannot serve God and Mammon.’ So the conflict is not just about material things but the God question. Who rules finally? The God of accumulation for the few or the compassionate God caring for the lives of all? All what is needed for life will be given to those who first seek the kingdom of God and its justice, that is, a life in just relationships. This life of sharing is exemplified in the story of Jesus and his disciples feeding the 5000 (Mk 6:35ff.). The disciples want to go to the market. But Jesus

empowers the people to feed each other by sharing what they have. This is enough for every body and more than enough. Sharing leads to abundant life: 'I came that they may have life, and have it abundantly' (John 10:10).

The early Christian community, filled with anti-imperial Spirit, is living this alternative. The classical text is Acts 4:32-35. The congregation voluntarily shared its property. More exactly that means: those with land and houses sold them and placed the proceeds at the apostles' feet. This wording can be no accident. After all, precisely the accumulation of land and houses had been attacked since Micah and Isaiah as a structural cause of the impoverishment of the farming population. And Jesus had called this robbery, in the same prophetic tradition, and demanded of the rich young land-owner that he sell his accumulated goods and give the proceeds back to the poor (whose land had been stolen through the mechanisms of property - interest-bearing loans – debt; Mk 10:17-22). And this balancing out of property was expressly described as the fulfilment of the Deuteronomic Torah, as the text in Acts continues: 'There was not a needy person among them' (cf. Dt 15:4). At the same time, however, it says that they gave their testimony to the resurrection of the Lord Jesus. That means, that way Jesus came alive among them not by their using their property as their own, to maximise personal profit and accumulate property, but by the community living together in such a way that there was no hardship among them. Jesus' resurrection means – economically speaking – life in community without need. That is the fulfilment of the laws and the prophets in the First Testament.

What does this clear biblical witness say in our context?

A new property order 'from below'

The historical and biblical overview demonstrates that there is a basic decision before us: shall the economy serve the accumulation of property for a few owners or shall it serve the life of all people and the earth? Neoliberal globalisation shows that an economic system following the deregulated rules of the market based on the absoluteness of private property and unlimited accumulation through money mechanisms leads to destruction and even self-destruction. It is not possible to repair the damages produced by this system. All efforts by governments or by

the UN since the eighties of the 20th century to stop the destructive effects of the global system in the framework of neoliberalism have been in vain. Public debt is growing everywhere, social exclusion and degradation as well as the destruction of nature are increasing around the globe. So we need to reconstruct the basic foundations of our economy. A key element in this is private property because the whole credit, production, distribution and consumption system is built on private property. It operates according to the principle: 'those who have, more will be given; but from those who have nothing, even what they have will be taken away' (Luk19:26).

Every practical proposal of an alternative property order is to be checked and judged by whether it is *de facto* useful to real life and whether anyone was excluded from the process of devising it or would not benefit from its consequences. Here there can be no *a priori* prescribed, absolute priority for a specific form of property. There can be no natural law governing (capitalist) private property, nor can state ownership of the means of production be the only alternative. Precisely this false, absolutised alternative has brought the world to the almost hopeless situation in which it finds itself at present and which is driving it further into the abyss. Any alternative proposed below is therefore to be checked strictly against the necessary criteria of life and the participation of all, and also in terms of its feasibility. All historical, cultural, technical, political, legal and economic factors need to be considered. The results must remain open, allowing for revision. I am not replacing market fundamentalism with another form of fundamentalism. The goal is the fullness and variety of real life.

The first form of property is *personal property*. The historical and cultural ubiquity of personal property indicates that its allocation corresponds to people's basic needs. Here we have property in its legitimate form measured as use value, not as exchange value for the purpose of limitless accumulation in the capitalist market.

Land, natural resources and the environment are goods which should not be owned in the sense of *dominium*, of absolute private ownership; there should only be the right of usage. The long-term goal here can only be that of reversing capitalist development. There are different ways to approach this. Indigenous peoples and social

movements like that of the landless (Movimento Sem Terra) in Brazil struggle for fundamental land reforms. But also ‘First World’ economists like Hans Christoph Binswanger from St. Gallen, Switzerland, call for a fundamental revision of the constitution regarding the ownership of land.¹⁴ With a research group he has presented proposals for a total revision of the Swiss federal constitution to bring about a phased, more or less radical abolition – or at least restriction – of dominion over land. They proposed different options:

1. Turning real estate into public property, be it that of the municipality or the state.
2. Distinguishing between property for use or for disposal, and turning the latter over to the local authority or the state; property for use would be subject to public regulations.
3. Property would be divided up in this way in urban settlements and property for disposal would be turned over to newly formed public owners’ associations, either consisting of all inhabitants or of the owners but allowing the inhabitants a say.
4. Excluding the right to building on property.
5. Retaining a comprehensive concept of property but having the state or local authorities restrict the freedom of use.
6. Maintaining the guarantee of ownership but restricting the freedom of disposal by the local authorities or the state.
7. Introducing state taxes on the basic income from the landed property, which also gives direction to the market.¹⁵
8. Adopting state regulations on ownership, e.g. so that legal entities can only be owners in the public interest and that only restricted ownership of housing and building land is allowed – related to a proprietor’s own use.

14. Binswanger, H.Chr., 1978, *Eigentum und Eigentumspolitik. Ein Beitrag zur Totalrevision der Schweizerischen Bundesverfassung*, Zürich, 27ff., summarised on 58ff.

15. Fred Harrison and others have taken up the heritage of Henry George, *Progress and Poverty* (1889) asking for a 100 percent tax on the annual rental value of all land plus natural resources and a simultaneous reduction in other forms of taxation claiming that this would allow for a public budget satisfying all social needs. Cf. Harrison, F., ed., 1998, *The Losses of Nations: Deadweight Politics versus Public Rent Dividends*, Othila, London.

These variants clearly show that transitional arrangements are possible depending on political feasibility, but in no case is there to be a guarantee of unlimited ownership of land for unlimited wealth accumulation. The optimum solution from the angle of real life and the involvement of all local stakeholders is communal property. In similar ways natural resources (water!) and environmental goods have to be looked at. Unlike the tradition of dominium and common law, this new conception of law does not assume that private property is absolute and then possibly allow restrictions. Instead the preservation of the natural environment is fully integrated into the very concept of ownership, and priority in decision-making is given to the cooperatives of local and regional residents affected by decisions.

The same conversion towards life and the common good is necessary with the ownership form of *basic social services*. It has already become clear how disastrous the consequences are for the majority of people, particularly in pauperised countries, when water supplies are privatised, i.e. transferred to the ownership form of the capitalist market of profit maximisation. But that applies to other basic social services, not just to water. It means public transport, but also basic long-distance connections, basic communication systems, education (schools and universities), health care and energy supply. In all these areas it is not a matter of permitting private facilities *in addition*. The central point is that appropriate public institutions must be available to guarantee that *all* members of society have affordable access to basic provision in these areas. It is a question of practicability as to whether local or central government is the owner. Therefore, it is of utmost importance to join the struggle against the planned privatisation of these services in the framework of the WTO negotiations on GATS (General Agreement on Trade Related Services).¹⁶

Another complex issue is the *private ownership of the industrial means of production*. Existing proposals for reform with respect to the property issue start from two central points: the involvement of workers in wealth and profit development of a company and co-decision independently of ownership. Binswanger proposes the formulating of clear goals to which

16. Cf. Stop the GATS Attack, in: <http://www.citizen.org/pctrade/GATS/GATSsignon.htm> and: <http://www.xs4all.nl/~ceo/gatwatch>.

individual matters can be uniformly related. He here proposes ‘relating the production of goods to the *common good* as the goal and pivot of all economic law.’¹⁷ Three consequences follow from this:

- ‘The supreme goal besides the production of goods is *personal development* and the *economic safeguarding of all those working in the company*...
- A further goal is the *granting of participatory (co-decision) rights* in the enterprise.’
- Finally he calls for ‘the broadening of entrepreneurial ownership and the formation of company ownership in the hands of the workers to be made an issue and a constitutional right.’

For some time now, however, there has been a new model: a tax-financed basic income for all citizens. A precondition for the implementation of such a model would be a tax system starting from productivity and wealth. The present fiscal system is shifting the burden of tax increasingly to work and away from capital. This by no means corresponds to productivity development, that is increasingly being determined by capital investment. Hence taxation on the basis of value added would be the appropriate form in the productive sphere.

In the case of *intellectual property and culture*, too, fundamental resistance is called for. The elements of life, the ‘commons’, must not go into private ownership. The central reason is that private property excludes, and only allows access to well-off buyers, while public ownership guarantees (at least in principle) access to the good in question, in this case to knowledge.

How to envisage alternatives with regard to *money and finance*? Among other things the monetarist policy deregulating the interest rates on the transnational money markets has to be challenged. The real interest rate must not transcend the real growth rate. Otherwise there is an automatic redistribution of wealth from debtors to owners of money assets. Another core demand is the political curbing of speculation by measures like a turnover tax on all currency transactions, known as the Tobin tax, as well as capital movement and currency controls. Another

17. Binswanger, 1978, 146ff..

key problem is that of tax oases and offshore finance centres. Their only purpose is to save capital property from the responsibility for society and the common good. Tax flight must be abolished, not just from the alternative perspective of human and natural life, but also for the self-preservation of the state and even of the real economy. For all that we need new international political cooperation in the framework of a reformed UN instead of the undemocratic institutions like IMF, World Bank and G7 dominated by the property owners.

The options of the social movements including unions and churches

Prophetic critique, resistance, living alternatives and intervention towards legal reforms – these were the biblical forms of practicing faith in Yahweh, the compassionate God. How could these impulses be implemented by actions of civil society today? This seems to be the question of the Social Forums at all levels. This is also the question within the ecumenical ‘committed process of recognition, education and confession regarding economic injustice and ecological destruction’ launched by the World Alliance of Reformed Churches (WARC) in 1997, confirmed by the World Council of Churches (WCC) Assembly in Harare in 1998¹⁸ and also taken up forcefully in the Lutheran World Federation (LWF) at its last Assembly in Winnipeg/Canada (2003), the General Council of WARC in Accra (2004) and the AGAPE (Alternative Globalisation Addressing People and Earth)-Document in preparation of the WCC Assembly in Porto Alegre (Febr. 2006).

Prophetic critique and resistance are needed regarding the global market which totalises the mechanism of capital accumulation based on private property, idolises itself and is increasingly destroying the life of people and the Earth, implemented by neoliberal political powers.

Living alternatives are needed and possible, particularly at the local/regional level. Locally people have lost more and more power over their economy. This trend is now being fostered by the WTO negotiations on a General Agreement on Trade in Services (GATS) including the privatisation of public local services like traffic, health and education. In his book *Captive State* George Monbiot has shown for the UK how this policy has

18. Cf. WCC (ed. D. Kessler), *Together on the Way*, Geneva 1999, 183.

decreased the quality of the services, made them more expensive for the people and subsidised the private companies from tax money.¹⁹

It is therefore crucial for the communities to win back control over those aspects of the economy which are necessary to satisfy the basic needs of the people. As mentioned above, this includes the question of ownership. It has to be reconsidered where communal and cooperative ownership is the adequate form of property. An economy needs to be built bottom up, not top down. Many initiatives in India, Bangladesh, the UK, Germany, France, Canada show that this is possible.²⁰ In Canada a campaign of the cities and communities has been started to oppose the GATS (cf. the Resolution of Vancouver²¹).

Let me only mention the classic book by Richard Douthwaite, *Short Circuit*.²² He describes four areas in which people can organise themselves cooperatively in order to develop self-reliance: Create their own money for exchange (LETs), do their own banking, thus keeping their saving power in the region, use locally available energy like sun, water, wind and bio-mass, produce and market their basic food locally. All these fields of action aim at satisfying needs, not at accumulating private assets.

Local initiatives, however, are not enough. Globalisation, left alone, destroys more than can be built up locally. Therefore, 'Protect the Local, Globally!' (Colin Hines).

Intervention for legal political reforms is needed regarding many demands asked for by the victims of neoliberal globalisation. We have to form broad alliances in order to put pressure on our governments (and the European Union) to end their present neoliberal policies regarding the global market. In order to concretise and strengthen this vital and constitutional transformation of politics over against economic interests civil society movements are involved in various campaign asking for specific changes. In the light of the reflections on property the following

19. G. Monbiot, 2000.

20. Cf. M. Mies, *Globalisierung von unten. Der Kampf gegen die Herrschaft der Konzerne*, Rotbuch, Hamburg, 2001, pp. 158ff. and 185ff.; H. Diefenbacher, *Nach haltige Wirtschaftsentwicklung im regionalen Bereich*, FEST, Heidelberg, 1997; D. Korten, *The Post-Corporate World: Life after Capitalism*, 2000.

21. Cf. P. Julien, 2000.

22. R. Douthwaite, 1996.

are central, above all:

- the *promotion of municipal and cooperative ownership at the local and regional level*, in order to give the people there the opportunity to organise production and services to satisfy their basic needs in the context of their respective ecological and cultural conditions;
- consequently to immediately *end the GATS negotiations in the WTO setting* that aim to privatise public services; the privatisation of water supplies has particularly fatal consequences since in the poorer countries transforming water into a means of accumulating capital property excludes the poor from the most fundamental human right, the quenching of their thirst by drinking water; but also energy, health, education services are in danger of being subjected to the capital logic;
- rescinding the *WTO TRIPs agreement on the patenting of intellectual property regarding seed and life-forms*, in particular the protection of people and their genes from patenting, in order to prevent the monopolisation of life and the threatening world food crisis and the commercial manipulation of the future of humankind;
- *moving land and environmental goods into public trusteeship or cooperative common ownership with strict social and ecological requirements for any economic usage*;
- *linking private productive property to strict criteria* of social usefulness and the participation in decision-making by the employees and other stakeholders, and particularly promoting investments in the production of simple, durable utility goods;
- the *consistent combating of speculation* on the financial, particularly currency markets, with instruments like the Tobin tax, capital flow controls and regulation of derivatives;
- *the prevention of tax avoidance and consistent combating of tax flight* at the national and international level, since the withdrawal of tax harms the common good not only directly but also indirectly, through the resultant public debt;
- the *reintroduction of visibly progressive taxation of incomes from*

entrepreneurial activity and assets in the sense of the constitutional commitment of performance-related contributions to the common good, and the extension of this system to the global level;

- the *ending of the monetarist policy introduced in 1979 and re-regulation of the interest rate* on the trans-national markets in order to adjust real interest to the level of real growth;
- the immediate *abolition of the structural adjustment policy of the IMF and World Bank*, which in order to pay interest to capital owners plunges whole societies into poverty and misery, plus the cancellation of all illegitimate debts;
- the *phased restructuring of the international system* into democratic institutions in the framework of the UN, which needs to be reformed accordingly.

All these proposals have to be evaluated in relation to the time they require. Some are long range some are short range. But it is necessary also for the short range goals to keep the long range perspective clear. Only in this way we can get at the root causes of the present system in order to transcend capitalism and make another world possible. ★

Challenges for the regional labour movement

Ntwala Mwilima

Under the current global order, we have observed massive job losses, a declining membership base for unions, and the informalisation of the labour markets. Regardless of the negative impact of the processes of globalisation, Third World elites continue to adopt and implement economic policies in line with the neoliberal economic paradigm, believing that this will encourage the inflow of foreign direct investments into their countries and thus create employment.

Neoliberal policies and privatisation have led to the deregulation of the labour market and retrenchments in the formal sector. Furthermore, we have observed a shift from secure employment, towards the creation of precarious employment patterns under the process of globalisation. So, what are trade unions doing in response?

Challenges facing labour

There are two aspects of globalisation that impact negatively on labour movements. The first is deregulation of labour laws in order to bring flexibility to the labour market. Workers' rights to collective bargaining are amongst the targets of deregulation, so as to weaken the strength of the unions against employers who would hire and fire at will.

For example, Zimbabwe was forced to deregulate its labour law during the 1990s structural adjustment, in order to make the labour market more flexible. Two main amendments were made to the Labour Relations Act of 1985 in 1991, culminating in the Labour Act of 2001. The main changes made were meant to deal with the perceived rigidity of the law.

In terms of the Labour Relations Act of 1985, the minister had excessive power to specify minimum wages. Deregulation allowed for

minimum wages to be determined by the market even though the minister still had powers which could be used if she/he finds it necessary. Another aspect of the law that was deregulated involved retrenchments, which made it very easy for the employer to hire and fire according to the provisions of the registered code. In other countries such as Ghana, the government introduced policies of wage freezes or wage rationalisation.

In addition, new economic laws aim to attract big MNCs. Many developing countries entice MNCs with promises of cheap labour and protection from trade unions. Thus based on this, they introduce laws that prohibit trade unions from organising workers in EPZs or Free Trade Zones. For instance, many countries have introduced EPZ laws that prohibit trade unions from organising the workers or industrial strikes. The Namibian EPZ act of 1995 contained a clause which prohibited strikes in companies operating under EPZ status. A struggle resulted between labour and the government over this issue until a compromise was made that this clause would only be applicable in the first five years. This clause was specifically put in the act to protect business at the expense of worker's rights.

A second challenge of globalisation to labour is privatisation, which comes in many shapes and sizes. The main forms that have a direct effect on the workers are commercialisation, contracting out and outsourcing.

Under commercialisation, market driven logic is introduced in an enterprise and this means adopting cost effective measures to maximise profits. This leads to streamlining the enterprise through the process of retrenchments, and outsourcing activities which are not considered as 'core activities' to the enterprise. The non-core activities are then sub-contracted out to a sub-contractor or outsourced to another company.

The problem with this process is that it creates a chain of employment relationships. For example, the main company who hired the sub-contractor indirectly employs a worker who is employed by a sub-contractor. In most cases, the activities are performed at the main company's office premises or factory. Thus when it comes to issues of health and safety at the work place, there is always confusion as to who should deal with them. This process undermines collective bargaining as an institution as it becomes very difficult to negotiate with many employers who employs that particular worker.

African countries such as Namibia, Ghana, Zambia, Nigeria and Zimbabwe have all engaged in privatisation. Privatisation in Namibia has happened in the form of commercialisation of state-owned enterprises and contracting out of service provision. In Zambia, under the structural adjustment programme, privatisation was a key component which was implemented by the Zambia Privatisation Agency. Privatisation was also introduced in Ghana under SAPs during the early 1980s. Elites in these and other countries undertook privatisation processes either as part of their externally-imposed structural adjustment programmes or voluntarily, as in the case of Namibia.

The effects for trade unions were similar. Many retrenchments resulted which led to loss of hundreds and thousands of jobs in the formal economy, which has traditionally held the majority of trade union membership. This had adverse implications for trade unions in these countries as they lost many of their members.

Labour movement responses to globalisation

Globalisation has had adverse implications for the labour movement and for workers. The very existence of the labour movement lies in its ability to come up with strategic critiques, responses and initiatives which will counteract the processes of globalisation and strengthen its own capacity. These initiatives should include influencing policies geared towards deregulation of the economy and labour markets. Thus the labour movement should propose alternative policy paradigms which will promote and protect workers rights and lead to the alleviation or reduction of poverty.

One way to illustrate this is the way that organised labour is calculating whether the costs incurred in the process of FDI attraction are recovered through the benefits obtained, especially because of a recent upsurge in investment incentives. The two forms of FDI are Merger and Acquisitions (M&A) or 'greenfield' investment, also known as 'mortar and brick' investment. M&As refer to the acquisition of existing assets rather while investments in new assets are referred to as greenfield investment. Research has shown that the benefits of M&As are lower and the risks of negative effects are greater, yet in Sub-Saharan Africa, almost all FDI in the form of M&As takes place in South

Africa. Approximately 60% of inward investment in South Africa also takes the form of mergers and acquisitions.

In part because of advice from the Bretton Woods Institutions (the International Monetary Fund (IMF) and the World Bank), Southern African leaders had unrealistic expectations that FDI would raise employment and exports, bring new technology and capital and create spill-overs to benefit other sectors and companies in the host country. Over the past 20 years, African governments have lowered entry barriers and opened up most of their sectors to foreign investment. Incentives are a component of policies used to attract internationally mobile investors.

As labour has consistently pointed out, this has led to countries engaging in a 'race to the bottom' situation, whereby host countries offer investors ever increasing incentives and reduce the regulatory requirements on firms. This type of competition almost inevitably means that even the country that 'wins' (the investment) has to pay a high price for it. Competition based on investment incentives further raises the distinct possibility that every country, whether small or big, could be worse off than if it were to refrain from using FDI incentives altogether.

Any investor's main goal is to maximise the return on capital and to produce at lower costs, whereas the host country hopes to achieve development in terms of economic growth, unemployment reduction and technology and skills transfer. That means it becomes a very difficult task to direct FDI in a way that will lead to development in Africa. Many foreign investors in the manufacturing industry are relatively footloose, and could decide to move on to other locations offering them more generous incentives.

In short, once labour contributes to the debate, a closer analysis of FDI in Africa reveals that FDI does not really yield the desired and expected benefits. Moreover, a closer analysis of capital flows reveals that in the medium term there is often more capital outflow than capital inflow into the host country. Exemplary in this regard is South Africa, where between 1994 and 2000, FDI inflow into the country was R45 billion compared to R54 billion capital outflows.

Capital leaves the host country through the process of profit repatriation by foreign investors, as dividends for shareholders, as 'interest' on loans or as debt service payment.

The situation is similar in Namibia which is also a net exporter of capital.

In 2002, for instance, Namibia recorded FDI inflows of N\$ 1.9 billion compared to outflows of N\$ 1.7 billion in portfolio investment and N\$ 3.2 billion in other long-term investments. This indicates a net capital outflow of N\$ 3 billion in 2002 alone! The myth that FDI brings development is quite misleading. There is no real evidence that FDI in actual fact brings development.

Aside from engaging in advocacy along these lines, further initiatives that can be taken by the labour movement should include embarking on educational campaigns to inform their members. Educating members will lead to raising awareness of workers on issues that affect them. Labour movements should also formulate policies on issues affecting workers and society and adopt these policies. Of critical importance to the labour movement is its shift from its organisational focus by extending its organising horizon to attract new members such as those in the informal economy, women and the youth. Reaching those frontiers not traditionally organised by the labour movement is very important as under globalisation there is a shift towards the growth of the informal economy and the feminisation of labour (employment of females than males).

One of the most profound responses of Southern African organised labour has been the formation of alliances and affiliations with other trade unions in Africa and all over the world. This alliance has played to the advantage of trade unions, as financial support and technical support is given to weaker unions. Furthermore, this alliance is important as capital is no longer restricted within its own borders, as one company can operate in many countries. Thus alliances among labour movements all over the world is required to be able to fight capital. ★

The Shackdwellers Movement of Durban

S’Bu Zikode

Comrades, I am going to talk about the pain and suffering we are facing in our own country, facing the hazards of detention, death and arrest.

Just to share my experience with you, I have suffered a lot. I have suffered stress and headaches, three hours before the local government election. I have tried so-called diplomacy three hours before the election. I have never been able to sleep on behalf of the poor. I have approached the high profile members of the ruling party. But in vain!

Three hours during the election, the same brand of the poor was used to gain voters to vote at polling stations. So it is very critical that today we are here to share the pain and suffering. We are living at the grass root level, where there is no one below us, the poorest of the poorest. So we are going to share our experience.

This country is rich because of the theft of our land and because of our work in the farms, mines, factories, kitchens, laundries of the rich. We cannot, and we will not continue to suffer the way we do. We brave heat, hunger, thirst, exhaustion and police repression.

Today we had our day in court, today we won recognition of our right to speak, today we march on the city, because today we stand up for our rights, not only to speak, but to live, to breath, to eat, to sleep, to work in dignity and safety. Today we demand adequate land and housing to live in safety, health and dignity. Today we demand the creation of well-paying and dignified jobs. Today we demand participation in genuinely democratic processes of consultation and citizenship. Today we demand safe and secure environments in which we can work, play and live. Today we fight HIV and AIDS, and today we demand well-resourced staff and health facilities.

Today we cannot afford electricity, and today we demand that these services be made free to all the poor. Today we suffer without toilets or water. Today we demand our rights.

Today the people from around the city and the country are uniting in support of our struggle. We express our support for our comrades else where; we have stood with and we will continue to stand with our comrades in Chatsworth, Crossmore, , Merebank, Emandeni, Clairwood, Wentworth in their fight against EtheKwini Municipality. We will also continue to stand with the people of South Durban in their struggle against environmental racism, the poor students facing exclusion from technikons and universities, and with comrades all over the country fighting for land, housing, work, education, health care and democratic development. We affirm that their struggle to resist evictions from their homes and win basic services is just.

Today we demand answers. We have approached the municipality on many occasions and we have been promised the earth, yet still we have no land. The municipality says it will house us. We demand to know when, we demand to know where, we demand to know how, we demand to know how many houses, we demand to know who will be recycled. We demand all this today.

We have fought and won. We beat the city manager of Durban Mike Sutcliffe and Obede Mlaba, the mayor of Durban, who tried to silence us. We would not go quietly. Today the police tied us up and we broke free. Today and everyday, until the government acts, we will raise our voices for the poor and we will fight for justice.

Comrades, while I am standing before you, in Umlazi, E Section, the day before yesterday, in the protest against the repression of the freedom of the people and the will of the people, a twenty-three year old, Monica Ngcobo, was shot dead. The Abajlali baseMjondolo and the whole country are watching. In numerous marches that we have had, we have never experienced such loss of life. Therefore we extend our condolences to the people of Umlazi, E Section, as do other comrades around the country as they are watching.

Our masses speak volumes; our unity is what will liberate this country. What we have learnt is that the government currently in power cannot understand IsiZulu nor English nor Xhosa. We have written

letters, but they cannot understand the language of pen, faces and telephones.

The only language that they can understand: guess what? Putting thousands of people on the street. Amandla! It works, it worked for us, it may work for you.

So comrades, today, I appeal to you, that what we need to do, is to conquer this capitalist system, because each second you turn your head, the capitalist system is there. We face electricity cut-offs, water disconnections, evictions and so on, because we cannot afford to pay.

Abahlali baseMjondolo has become the home for the homeless, for the hopeless, for the voiceless - in rural areas, in the urban, in the city centre. There are many people who have no home, and nobody in power to speak to. So we are here to stand against the injustices, the inhumane attacks on popular democracy.

So comrades, we are coming from different backgrounds and have grown up with different ideas, and we have different walks of life. If we put all that together, that experience, it will allow us change this country. So I would emphasise that we start working together and start allowing each one of us to share their experience and ideas.

What our Abahlali baseMjondolo movement contributes, is that it is a home for the destitute. Some people are battling even to get a rand to buy a tomato, to have their dinner. Our movement has strong leaders who stood tall during the times of darkness, through threats of violence and death, and in detention and under arrest. They will always stand for you. ★

Against the commodification of education

Salim Vally

I have been asked to talk to people gathered in this hall who have recently engaged in massive vibrant struggles against the commodification of education. It needs to be said that your struggles in the shacks around Durban and on this campus have greatly inspired us in the rest of the country.

These struggles dove-tail with the divide that Massimo D'Angelis in his paper mentioned earlier on in this conference; on the one hand vibrant concrete daily struggles and then on the other, abstract and insipid analysis that justifies privilege. I'll illustrate this dichotomy. Fortuitously, I am going to quote somebody whom comrade Prishani Naidoo earlier in this conference also mentioned, Father Mkhathshwa, then deputy minister of education and now [at the time of the conference] mayor of Tshwane. Four years after the first democratic elections in South Africa, he implored South African educationists to (after extensively citing World Bank documents), '...go outside the classroom and engage ... about macroeconomic policies and strategies so that our curricula should, like good African soldiers, march in quick step with national economic imperatives'. The incongruity of Father Mkhathshwa's martial metaphor was matched by the South African state's embrace of neoliberalism. The latter has severed continuity with the social justice ideals of South Africa's vibrant anti-apartheid education social movements and has not dramatically reduced inequality in the country's education system.

The words of Father Mkhathshwa were uttered at Wilgespruit Fellowship Centre just outside Johannesburg. Now this Centre has an

important place in some of our memories. Wilgespruit was the place where the South African Student Movement (SASM) held its very important meetings before and after the 1976 Uprising. As a regional executive member of SASM I met many young people at Wilgespruit who ended being killed, sentenced to long prison sentences, or forced into exile. When the independent trade union movement in the early 1980s had their 'siyalalas' or all night education sessions we formed a very interesting community with the workers at the Centre, many of whom were involved in driving the struggle as well. So when Mkhathswa spoke many years later at the Centre I really thought that I saw the stones of the Centre weep.

Yet, despite the lived experience of the neoliberalism Mkhathswa championed, over the past few years in many of the sprawling informal settlements and dusty townships we do have continuity with the concrete struggles that existed pre-1994. This has been the attempts of young people, to link poverty to the obstacles in accessing and receiving free, quality, public education. In our reports, we highlighted some of these events to really underscore the interrelationship between community struggles and schooling, and how these pressures impact on children and their right to free quality education.

We provided many examples. Here are a few: On the 30th of August 2004, Teboho Mkhonza, 17, left school early along with many fellow classmates to protest against unemployment and the parlous delivery of services in Intabezwe township in the Free State province. The protest was the culmination of entreaties to various authorities spanning many months. A reporter familiar with Mkhonza's family wrote 'Like many of the people in the windswept township, Teboho experienced poverty every day. He lived with his grandmother, who supported him on her social grant. So when word spread that residents were going to march on the town he joined in, with thousands of youth from Intabezwe's schools' (*ThisDay*, 1/1/2004). The march ended in tragedy. In scenes captured on film that were reminiscent of the apartheid era, police shot at protestors without provocation. Twenty-five protestors, including one as young as eight, were shot with rubber bullets and live ammunition as they tried to flee. Police are also seen beating protestors including Teboho, who later died in prison.

Two months earlier a statement issued by the Education Rights Project co-coordinators in Kwazulu-Natal read ‘The newly elected ANC provincial government has introduced itself to the poorest urban communities in Kwazulu Natal by shooting a 19 year old boy at point blank range. The community of Phoenix was shaken by the brutal shooting of Marcel King by the Council security. King was shot in the mouth whilst protecting his mother who in turn was trying to protect her home from having her electricity disconnected.’ Another tragic event occurred in the township of Katlehong, with students involved in the Education Rights Project and linked to the social movements we work with in Gauteng. There, 15 year old Nthlanthla Masuku, a grade eight pupil and 21 year old Denis Mathipi, in his last year of secondary school, were also killed as their families resisted being evicted for allegedly defaulting on the payment of housing loans.

The desperate poverty experienced by the inhabitants of Intabezwe, Phoenix and Katlehong have been known for some time. In 1998 the Poverty and Inequality Hearings captured some of the conditions in these townships and other rural areas of these provinces. Testimony from various community members provided evidence that poverty was a major obstacle blocking access to education, and because the costs of school fees, uniforms, shoes, books, stationery and transport imposed too heavy a burden on the family some pupils were forced to discontinue schooling. The lack of electricity, desks, adequate water and toilet facilities in schools were also referred to in a number of submissions. The chairperson of the Phoenix Education Forum woefully testified, ‘Together with thousands of other people I helped put up billboards declaring ‘free education’, ‘housing for all’ and ‘welfare for the people’ – echoing voices and times left behind. Many grass-roots leaders too have been uprooted - now rich and powerful they have distanced themselves from the people’.

Now, we have tried very hard to talk about this, amongst what Patrick Bond would call the ‘policy wonks,’ those involved in education policy. Our point has been that in the context of rising poverty and inequality and growing protests over the cost of education and other substantial barriers to education access by the poor, communities have grasped a fact that seems to elude education policy analysts, and therefore,

their analysis remains really in the realm of the absurd. Communities have understood that progress or the lack thereof in schools cannot be divorced from poverty and its consequences. We cannot expect children to come to school, ready to learn if they are hungry; if they have been evicted from their homes or they lack light by which to read at night, they cannot learn properly. So issues of access to schools are not the only consideration affecting the learner's right to education.

The quality of education and the relevance of education are also vital. Faced with the problem of sexual violence, harassment or rape, and other forms of physical abuse, one cannot question why so many young people are pushed out of school.

Now consider an ideological hoax which is perpetuated in this country under the guise of human rights. South Africa's negotiated settlement, the Truth and Reconciliation Commission, the Bill of Rights clauses in the Constitution and the establishment of statutory organisations such as the South African Human Rights Commission and the Commission for Gender Equality, for all the important work they have accomplished, still disguise the fundamental social differences between people in South Africa. The language of rights masks privation and obscures this reality by presenting rights as common to all despite the fact that they are unattainable for the majority. Acting as if certain rights exist for all inhibits people's ability to recognise when they are in fact, illusory. A single mother in Soweto compared to a suburban-based corporate executive cannot be said to have the same power of political persuasion or opportunity. These are real distinctions that give some people advantages and privileges over others.

Conventions, constitutional obligations and requisite legislation around education rights often permit individuals and groups to hold governments accountable for the progressive realisation of rights. Too often though, human rights in education with attendant legislative and policy sops are reduced to mere mantra-like recital of human rights declarations. 'education-as-a-human-right' remains elusive and has failed to prevent the increasing commodification of education and the attainment of social, economic and environmental justice. Human rights universals are often constructed in an instrumentalist way restricting education rights to a discussion of international frameworks. Some have

argued that ruling ideology, often in the form of rights, disguises reality and bleaks perception and creates illusions.

What we are trying to do in our work is to expose the discrepancies between the existing normative framework of society and its reality, its everyday reality without the glossy rhetoric. The dominant international education rights discourse has been built around a liberal conception of rights, viewing human beings as individuals with positive rights instead of being social beings. It is vital to see rights collectively as a product of a web of relations, social economic and political from which social relations arise.

I really intended to talk about different aspects of education, the curriculum, further education and training policy, early childhood development, adult education, the amount of money and training that go into these areas and how the market operates through parental choice in schools. I don't have the time to do all of that, but I do want to point out a few basic facts about education in our country, things that people don't often talk about.

You often hear politicians talk about how we have amazing enrollments in our schools relative to other countries. And normally, it is prefaced by the attendance in our schools by what they call 'girl learners' compares favourably with most developed countries around the world. But, the impressively high enrolment rates in South Africa of both boys and girls do not reveal the ability of the system to retain learners nor provide a 'quality' education. According to the Intergovernmental Review the average throughput rate and the differential between children in the first year and the final year of schooling - 'On average for every 100 children in Grade 1, there are 52 in Grade 12' - is suggestive of a high dropout rate. The recent Education For All Global Monitoring Report places the 'survival rate' of South African children reaching Grade 5 at close to 65%, lower than Zambia, Tanzania, Namibia, Lesotho and Swaziland. Statistics also indicate that progression rates decline even further in the later grades.

The debate around school fees preceded the South African Schools Act which was passed in 1996. All the liberation movements called for free quality public education. But that changed, and it changed because of the advice of the World Bank. There were two

consultants from the World Bank who came despite the discussions in communities. And the argument, really solid arguments, for having free quality education, was changed unilaterally, undemocratically. When they had the review of the education policy, once again, the people who did this review were people mainly from the Treasury Department. There were consultants from the World Bank as well.

They were laying the blame for high water use and electricity use on the communities. They were talking about Eskom coming up with strategies to have these 'pay-as-you-go' meters for schools, for schools in poor communities. By the way these are schools that have water and electricity; forty-three percent of schools in this country are not electrified. And yet when you hear some of the politicians speak about computers in schools, 'every school now has a computer'; you wonder where they are living. In fact some of them talk about moving towards a situation, like some countries, where we don't even need walls, because we have the technology. And of course our response is, 'Yes that is very, very true; there are many kids who are being taught under trees, without walls.'

Finally a few words about the Education Rights Project (ERP). The ERP feels that the right to basic education and adult education for significant numbers of those from working class communities is no more than a mere constitutional declaration, words on paper. The ERP has worked thus far with over 150 communities around the country. The project has conducted seminars, seminars on the political economy of education, and has even encouraged young people to use the techniques of the Brazilian Augusto Boal, to start using drama as a way of mobilisation. And the kind of participatory research initiatives with various social movements and community organisation is for many of us a form of social accountability. It really asserts the need for communities to have access to collective self knowledge; in a sense decommodify, demystify knowledge and research independent of the government, in order to have the state to account for its policies and implementation. It's used as a social check on the state's numbers and statistics which are used very often by state functionaries as official justification for policies, and in this instance, the denial of the right to quality and free public education.

And in a number of instances, around transport, around school fees, around school feeding schemes, we have won major victories because community members themselves have gone and done the research and used it for mobilisation purposes. So in this sense, this critical research becomes a transformative endeavor. In the conservative academy, we are always challenged precisely because this community involvement does not have the kind of prestige associated with work conventionally undertaken in universities. So we see the research itself as the first step towards forms of political action that can address the injustices in the research field itself.

And I just want to end by saying that what we are trying to do is to place issues of education in the struggle against commodification of education in the details of every day life. And I need to say that at the global level, it really is possible to imagine alliances with similar organisations doing very similar work with social groups battered by the global market. In fact globalisation through technologies and the global flow of ideas etc, do provide opportunities to find a common language with which to confront the global capitalism.

So this kind of globalisation from below is vital. As Michael Apple, one of the great living educationists has concluded, it will be an act of utter foolishness to give capitalism a free ride in this world. No amount of theoretical arrogance must allow us to distance ourselves from this; we must never excuse as somehow natural or inevitable the suffering around inequality, exploitation and alienation. And for those who say that 'There is No Alternative (Tina) to corporate globalisation in the vein of our Trevor Manuels and Alec Erwins, we will always retort by saying, 'Themba'! There Must Be an Alternative!

Themba means 'hope' in some of the indigenous languages. ★

Challenging municipal policies and global capital

Trevor Ngwane

As Marx put it, ‘The history of all hitherto existing society is the history of class struggles’.¹ Major developments in the world have been a result of the struggle of the classes. In the 20th century the struggles of the working class took centre stage as a result of the establishment of the first communist state in history. Its collapse in 1989 precipitated an intellectual exodus from Marxist analyses and perspectives, thus opening the door for postmodernist thought in academia and in some activist circles. The capitalists won the Cold War. The destruction of ideas and institutions with communist, socialist and truly democratic orientations intensified. Since all victors rewrite history we find that all the gains and achievements of the international workers’ movement are being overlooked and even rubbished as new theoretical and political sensibilities take over the intellectual landscape and in the movements.

The South African workers’ movement was atypical in that in the 1980s when most workers’ movements were under attack and in retreat in the world, it appeared to be moving strongly ahead, making history by overthrowing the formidable apartheid regime. However, the moment of triumph proved to be a ‘defeat in victory’ as the price for getting rid of apartheid was paid in one of the biggest political and ideological somersaults in history as the new government of liberation embraced capitalism and chose the neoliberal path.² The ANC government and its allies proceeded to demobilise and deactivate the workers’ movement and its dream of socialism and ‘a better life for all’ was largely trampled

1. Karl Marx and Friederich Engels, *The Communist Manifesto*, <http://www.marxists.org>

2. P. Bond, *Elite Transition: From Apartheid to Neoliberalism in South Africa*, University of KwaZulu-Natal Press, Pietermaritzburg, 2005.

upon. Today the South African working class and allied classes are forced to endure vicious attacks on their living standards. The dissatisfactions and frustrations of the masses are accentuated by the wide gap that exists between the promise and the reality of liberation; attempts to close this gap are at the heart of the struggles taking place in South Africa today.

Local and global struggles

Scholars such as Noam Chomsky agree that the beginning of the 21st century finds the world suffering under capitalist globalisation, defined here as the ‘neoliberal’ restructuring of the world economy that results in the rich getting richer and the poor poorer.³ There has also been significant opposition to capitalist globalisation, as witnessed in the birth and development of the anti-capitalist (anti-globalisation) movement. In South Africa this struggle has expressed itself in various ways such as in the struggle against privatisation by the trade unions and new social movements.

The latest struggles in South Africa are protests and even mass uprisings against poor service delivery. The uprisings represent the specific way in which the South African working class movement is engaging with the issues of globalisation. It also represents a remobilisation of the masses and a slow revival of the once-powerful South African workers’ movement. This renewal of militant action expresses itself mostly as a struggle for service delivery directed at local government. But more importantly perhaps, it represents resistance to the very hegemony of capitalism and the neoliberal model, and a search for alternatives to this model. This resistance has a potential of being turned into a local and global project to change the world by challenging and defeating neoliberalism and overthrowing capitalism. Investigation of the struggles taking place in the city of Johannesburg around water and electricity, and also around jobs, by residents and workers, reveal the interconnections between local and global issues, indicating to us the need for addressing these problems at different spatial scales of analysis.

3. Noam Chomsky, *Profit Over People: Neoliberalism and Global Order*, Seven Stories Press, New York, 1999.

Thousands of protests and uprisings by communities that pepper the South African political landscape appear to be sending a clear message to the government.⁴ The question is: what are the policy changes necessary to avert the anger and frustration of the masses? Many social commentators locate the problem at local government level because this is the sphere of government that is in charge of delivering the basic services around which most of the demands of the uprisings seem to coalesce. Some researchers and social commentators have pointed out that the problem is wider than local government, which often becomes the target of the people's anger because it is closest to the people.

According to Siyabonga Memela of the Institute for Democracy in South Africa, 'Most of the protests have been around a lack of housing, which is a provincial competence. Municipalities can only facilitate [housing delivery], but because they are closest to the people, communities tend to take their grievances about lack of houses to local government authorities.'⁵ The government thinks the problem is primarily with local government as seen in its official response to the crisis in the form of 'Project Consolidate', a programme designed to shore up municipalities struggling with service delivery.⁶ The fact that the local government elections are around the corner (March 2006) is perhaps another reason that the role of local government is accentuated in the debate.

4. There were 881 illegal protests in South Africa, according to Minister of Police Charles Nqakula, some of which turned violent leading to 66 police service members - 21 of them in the Free State – being injured. 223 occurred in Gauteng, 153 in the Eastern Cape, 132 in KwaZulu-Natal and 51 in the Western Cape. He also told parliament, in response to a question from the official opposition, that during the 2004/2005 financial year there were 5 085 legal public protests. [Source: Bheko Madlala, *Daily News*, 14 October 2005; *Cape Argus* (Cape Town) 13 October 2005]

5. *Daily News*, 14 October 2005.

6. The following number of councils in South Africa were not able to provide basic services to at least 60% of their constituency:

203 out of 284 councils could only supply	Sanitation to 40% or less of inhabitants
182 out of 284 councils could only supply	Refuse removal
155 out of 284 councils could only supply	Water
122 out of 284 councils could only supply	Electricity

[Sources: *Mail & Guardian*, 'Ministers' report card, December 2005; *SA Reconciliation Barometer Newsletter*, The Institute for Justice and Reconciliation, quoted in *The Sunday Independent*, 18 December 2005.]

This raises the question, to what extent are the problems of local government located within the broader problems of governance and political economy in South Africa? What are the roots of the problem of local government in South Africa? Can strengthening local government, as Project Consolidate suggests, or electing more accountable councilors, as some social commentators suggest, solve the problem?

Accumulation by dispossession in South African municipalities

The failures of local government actually represent the failures of neoliberal macro- and micro-economic policies in South Africa and of capitalist globalisation in the world. We question the dominant view of piling the blame on local government in a way which seeks to protect capital's culpability for the evils that are visited upon ordinary people on a daily basis in South Africa and in other parts of the world. This protection and immunity of capital will be shown to be at the heart of the 'miracle' of the transition from apartheid to post-apartheid society. The use of local government as scapegoat to avoid considering solutions that go beyond this sphere of government is something progressive scholars and activists should be alert to. There are indeed serious problems and even crimes being committed by local government but the real source of the problems is to be found in the inequities of the capitalist system itself. A corrupt system can be expected to engender corruption. That is why it is important to analyse the problems of local government at different scales of analysis.

David Harvey has warned against scientific analysis that confines itself to only one scale of analysis. 'The upshot is to render all ways of thinking that operate only at one scale at least questionable if not downright misleading'.⁷ Neoliberalism has become 'the defining political and economic paradigm of our time' because this ideology is best suited to serve capital.⁸ Local government is a sphere of government where

7. David Harvey, *Spaces of Hope*, Edinburgh, Edinburgh University Press, p.80. Foucault usefully defines discourses as 'practices that systematically form the objects of which they speak.' The discourse of local government might serve to hide the real villain in our country: the system that puts profits before the needs of the people.

8. Chomsky, *Profit Over People*, p.7.

neoliberal microeconomic policy is being aggressively implemented in South Africa.⁹

The workers' movement has been central in the struggle against capitalism over the decades. In South Africa it was arguably the workers' movement that contributed the most to overthrowing apartheid. During the height of the struggle against apartheid, in the 1980s, this movement was at its strongest. It was this movement that interfered with the plans of capital which, at that time, made full use of legalised racism to maximise profits. The movement consists of all sectors of working class society and its non-working class allies. It raised the spectre of communism in South Africa, when its analysis of the situation developed to the point where capitalism was fingered as the enemy as much as apartheid. To protect itself, capital opted for a political gamble and scored the jackpot as the ANC top leadership, and its SACP and COSATU allies, chose to collaborate with and humanise capitalism rather than fight for its destruction.

The cement for this deal was class collaboration, defined as an attempt to find a middle road between capital and labour, seeking to equally satisfy the antipodes. It is this politics that was injected into the South African workers' movement and which contributed to its later demobilisation and loss of hope and vision.¹⁰ In the context of bourgeois rule this politics favours the bourgeoisie and undermines the workers' struggle. In South Africa on the eve of liberation this politics served to protect capital by redefining it as a 'social partner' of the movement in the struggle against apartheid and the reconstruction of South Africa. Liberal analyses of the relationship between apartheid and capitalism were revived and bestowed with legitimacy.

Capital, which had been seen by the workers movement as the problem was now seen as the solution to unemployment, poverty and overcoming the social and economic legacy of apartheid. The attack on the powerful apartheid state was turned into a justification for a lean, mean state – a neoliberal state. The attack on apartheid housing policy

9. Greg Ruiters, 'Knowing Your Place: Urban Services and new Modes of Governability in South African Cities', Paper presented at the Centre for Civil Society, University of KwaZulu Natal, 6 October 2005.

10. Jonathan Grossman and Trevor Ngwane, 'Social Movements and the Revival of the Workers' Movement in South Africa', unpublished paper, 2005.

in black working class townships was turned into the promotion of privatised housing and private property by the ANC government. Hatred of the capitalists was turned into hatred of white capitalists who don't allow blacks - and in particular senior ANC leaders - to join their ranks. Socialism was declared a joke and an anachronism.

Those are some of the things that happened when the South African workers movement lost its way and lost its vision. The demobilisation that followed is still with us today and the struggles we see are part of the process necessary to overcome this legacy of demobilisation. The militancy of the new social movements, the anti-privatisation struggles of some unions and the recent uprisings in the Free State represent strands that, if they were to come together, would represent the revival of the workers movement. And, as the slogan says, no force can defeat a working class united.

The need of the working class for basic services, such as water, electricity, housing, education, health care and public transport, is at the heart of the present dissatisfaction and upsurge in struggle. The heart-rending voices of shack dwellers which have been heard recently tell a story of daily suffering and misery for millions of people. People die because they don't have proper houses and their shacks burn down because they have no electricity. People die from cholera outbreaks directly linked to the privatisation of water. The crisis in housing borders on a catastrophe.

Struggles around water and electricity reflect the role of capital in the artificial scarcity of these services to the majority of people in South Africa. With privatisation there is clear evidence that the quality of provision of services is deteriorating, with the poor being forced to accept less water, poor quality connections, less electricity and a lower amperage, clinics but no doctors, and RDP houses that collapse because of bad workmanship. Any investigation of struggles around water and electricity must consider the micro and macro levels of analysis, and the antecedents and consequences of the commodification of these services. The international dimension of these struggles, what has been done and what is possible, must also be considered as a strategic question.

The context for this study is capitalist globalisation, that is, the neoliberal restructuring of the world economy to suit the needs and

interests of the international bourgeoisie and their class allies. This process started with the collapse of the post-war truce between the international workers movement and the bourgeoisie which saw the welfare state, arguably the highest expression of this exercise in class accommodation, coming under attack by leading bourgeois political representatives such as Margaret Thatcher and Ronald Reagan.

The capitalists' hand was tremendously strengthened by the collapse of Soviet socialism, many decades after Leon Trotsky, one of its architects, had denounced it as Stalinism, predicted its imminent collapse and later murdered for his efforts to topple the historical monstrosity. A unipolar superpower system provided the right conditions for the systematic clawing back by the capitalists of all the gains that the working class had made in the 19th and 20th century. The first decade of the new millennium finds humanity faced by the consequences of the undisputable victory and unrivalled hegemony of the capitalists and their system over almost everyone and everything in the world.

It is a hackneyed but no less valid truth that when the capitalists win, workers are the losers. Faced by a profitability crisis arising from specific circumstance and the contradictions of the system, namely, the tendency of the rate of profit to fall, the capitalists' responded in typical fashion by seeking to make the working class of the world pay for their losses. A ruthless regimen of policies was developed and variously implemented in every part of the world where the capitalists had power and influence. Some of these policies are mentioned by David Harvey – drawing on Rosa Luxemburg - in his description of what he terms 'accumulation by dispossession', that is, the processes by which wealth extraction is effected through imperialist relations:

The commodification and privatisation of land and the forceful expulsion of peasant populations; conversion of various forms of property rights into exclusive private property rights; suppression of rights to the commons; commodification of labour power and the suppression of alternative (indigenous) forms of production and consumption...'.¹¹

11. David Harvey quoted in Patrick Bond, *Looting Africa*, working draft, 2 Nov 2005, p.1.

With neoliberalism the process is multiplied manifold and extended to reach hitherto unreachable spaces and spheres (cyberspace, biosphere) and, in addition, reversing the gains made by the working class in imperialist countries such as the protection they enjoyed from the welfare state against the more savage ravages of capitalism. Trade liberalisation, deregulation, labour flexibility, reduction in corporate tax, cuts in social expenditure, and so on: these are some of the defining aspects of neoliberalism as a global economic trend and ideology dominating the world.

Chomsky calls neoliberalism ‘capitalism with the gloves off’ as big business grows stronger and more aggressive and faces less opposition than ever before. He argues that:

*The economic consequences of these policies have been the same just about everywhere, and exactly what one would expect: a massive increase in social and economic inequality, a marked increase in severe deprivation for the poorest nations and peoples of the world, a disastrous global environment, an unstable global economy and an unprecedented bonanza for the wealthy.*¹²

Neoliberalism is the victory of the free market, read big business, over the world. It represents the ‘end of history’ in the true sense in that all governments are now compelled to think within the confines of capitalist profits as the alpha and omega of all political, economic and social existence. In his book *Capitalism and Freedom*, Milton Friedman, the leading neoliberal scholar, argues that:

*because profit-making is the essence of democracy, any government that pursues antimarket policies is being undemocratic, no matter how much informed popular support they might enjoy. Therefore it is best to restrict governments to the job of protecting private property and enforcing contracts, and to limit political debate to minor issues. (The real matters of resource production and distribution and social organisation should be determined by market forces).*¹³

12. Chomsky *Profit over People*, p.8.

13. *Ibid.*

It is in this neoliberal context that struggles in Africa, in particular, South Africa are taking place. Bond conclusively demonstrates how the political transition from the apartheid regime to the post-liberation ANC government has been marked by a consensus between the elites that neoliberal economic policies, beloved by the World Bank, IMF and World Trade Organisation, are the foundations of democracy in this country and in Africa.¹⁴ Many scholars have documented how disastrous these neoliberal policies have been for the country's economy and, in particular, for the working class and the poor.

The ANC government discarded the vaguely social democratic Reconstruction and Development Programme in favour of the neoliberal GEAR strategy without even consulting its own party structures nor even its parliamentary representatives. At the heart of GEAR is privatisation, trade liberalisation, flexibility of labour, deregulation, removal of exchange controls and other stock in trade neoliberal policies.

One economic consequence of GEAR has been the destruction of over a million jobs due to trade liberalisation, significantly pushing up the rate of unemployment in the country and no doubt adding to the misery and destitution of millions of people in the country.

Another has been the privatisation of basic services such as water, electricity, education, health care and transport. Untold suffering has been caused as the government's policy of cost-recovery has seen millions lose their access to water and electricity, some even losing their homes, because they are too poor to pay for these services which neoliberalism has suddenly discovered to be a lucrative source of profits.

Privatisation of basic services has slowed down the rate of 'roll out' of infrastructure in South Africa as the concern for profitability overtakes the mandate for a better life for all upon which the ANC pinned its colours when it took power. As a result we still find communities using the bucket system of sanitation, when this country is busy bidding to host every conceivable bourgeois conference and public event in the world. One of the common threads in the uprisings that rocked the country in 2005 was opposition to the bucket system and, since sanitation is a local government competency, the people's anger was often directed at their mayors and councilors.

14. P. Bond, *Elite Transition*.

Learning from Durban's battles

The rise of the Abahlali baseMjondolo movement of shack dwellers has put the spotlight on a sector of South African society which is suffering under the new democratic order. According to Lubna Nadvi:

What has become evident after ten years of a democratic dispensation, is that local government authorities in most areas have been unable to successfully cater to the needs of the largest section of their constituencies, those South Africans living in informal settlements and low income housing. The basic essential services that are supposed to be guaranteed to citizens such as adequate housing, clean water, electricity, sewage facilities and refuse removal have basically become the key point of contention between shack residents and city officials throughout the country, especially in KZN.¹⁵

It is estimated that about 2 million people live in shacks in South Africa. To understand the scale and nature of the problem it is noteworthy that while in 1990 there were 20 informal settlements in South Africa, today there are more than 300. Durban is reported to have 180 000 shacks. Life in a shack is not a picnic, as S'bu Zikode poignantly points out:

Our bodies itch every day because of the insects. If it is raining everything is wet - blankets and floors. If it is hot the mosquitoes and flies are always there. There is no holiday in the shacks. When the evening comes - it is always a challenge. The night is supposed to be for relaxing and getting rest. But it doesn't happen like that in the jondolos. People stay awake worrying about their lives. You must see how big the rats are that will run across the small babies in the night.¹⁶

If the rats don't kill you, the fires will. Because of unsafe forms of fuel, the highly flammable materials used to construct shacks and their proximity to each other shacks regularly catch fire with disastrous results for the dwellers. In Foreman Road, Durban, a base for the Abahlali baseMjondolo, 288 shacks were destroyed by fire about a year

15. Lubna Nadvi, 'No house...No land...No vote', *Sunday Tribune*, 24 December 2005.

16. S'bu Zikode, 'The Third Force', *Cape Argus*, 9 November 2005.

ago, Joe Slovo residents in Cape Town had a shack fire, one of many, that left 4 000 people homeless.

It is no surprise then, as the *New York Times* reported, that ‘South Africa’s sprawling shantytowns have begun to erupt, sometimes violently, in protest over the government’s inability to deliver the better life that the end of apartheid seemed to herald a dozen years ago.’¹⁷ These people ‘just became tired of living in the squalor which had been their homes for so long.’¹⁸

There does not seem to be much hope for the shack dwellers if they were hoping the government will build houses for them. The Durban City Council, for example, is planning to build 16 000 houses per year, but the annual rate of growth of Durban’s 175 000 shack population is estimated at 10%, the state will do what the shack dwellers everyday: run as fast as possible just to stay where you are.¹⁹ The conclusion is that the shack dwellers will always be with us. This has got some journalists like Max du Preez really hot under the collar at this injustice: ‘What do these unfortunate people have to do to get heard? Burn thousands of cars in the suburbs like the rioters did in France? Start planting bombs?’²⁰ The frustration of living without the basic taken-for-granted necessities of life day in day out has made the issue pretty straightforward for the shack dwellers:

*What do we want? The basics. Water, electricity, sanitation, land and housing.*²¹

It is the failure to provide basic services and the hardship and suffering that accompanies this that is intolerable for the millions living in shacks. There is the added problem of insecurity of tenure when you live in a shack settlement. Often the government’s solution is to relocate shack communities to areas miles away from jobs and amenities in the backwaters of the city. More often than not the government refuses

17. Michael Wines, ‘South Africa feels heat from shantytown dwellers,’ *New York Times*, 25 December 2005.

18. Lubna Nadvi, *op. cit.*

19. Michael Wines, *op. cit.*

20. Max du Preez.

21. S’bu Zikode quoted in Carole Landry, ‘South African shack dwellers speak out’, *Agence France Press*, 25 December 2005.

to recognise the settlement and acts as if it does not exist or regards as a nuisance to be removed. Ironically many shack settlements thrive against the will of the government and resisting their relocation.

Many scholars have pointed out how the new South Africa has failed to overcome the geography of apartheid. Grand apartheid planning aimed at segregating blacks from whites at all levels of socially, politically and economically. To achieve this apartheid introduced very strict racial segregation on where people could live and work. The white people got the biggest and best lands and suburbs. The new South Africa inherited this geography albeit modified in some respects as some of the crazier aspects of apartheid proved impractical e.g. influx control broke down and some suburbs became 'grey'. There does not seem to be any plan to change the geography of apartheid in any significant way. The black working class is to be found in the old apartheid ghettos while whites live in their suburbs. Some black middle class people have moved into the suburbs leaving their working class folk behind. New ghettos have emerged in the form of informal settlements, ironically better located than the new official low cost housing developments. The post-apartheid racial and class reconfiguration of space seems to have made matters worse not better. In the city of Johannesburg business fled the inner city in an unprecedented development in terms of the scale of the flight. Meanwhile the high cost of land and the reign of the market has seen low cost housing being developed on the outskirts of the city. Despite the stated intentions to achieve equity and integration of the authorities, the inequities of urban development have been reinforced and spatial exclusion continues.

This rejection of whole communities evokes the manner in which the Transvaal Boer Republic of Paul Kruger regarded the city of Johannesburg in the 1890s:

*The government did not wish to recognise its permanency as a community and, therefore, an entitlement to the protection of the state and to essentials such as food, water, housing, lighting, waste disposal and a good communication system.*²²

22. M. Barry and N. Law, *Magnates and Mansions: Johannesburg 1886-1914*, Lowry, Johannesburg, 1985, p.22; cited in R. Tomlinson *et. al. op. cit.*, p. 38

Johannesburg, the proverbial discarded rock, become the head cornerstone.

The shack dwellers promise to be the cornerstone of a different type of building: the movement against neoliberal government policies in South Africa. The proliferation of shack settlements and the failure of the government to build houses and provide services for these communities is a major reason for the uprisings and protests that threaten to engulf the country. The Durban shack dwellers constituency has forcibly put itself on the national agenda through its militant actions.

Class differences in the movement

But there is another 'neglected' community, the *backyard* shack dwellers. The housing crisis has forced many working class people to rent a shack in someone's yard. In Soweto, for example, it is estimated that by 1997 the number of backyard shacks in Greater Soweto was about 121 000, this is in addition to 18 000 people who live in Soweto's 27 shack settlements. The backyard dwellers consist 20% of Soweto's population.²³ There are more backyard shack dwellers than shack settlement dwellers in Soweto. This indicates the size of the problem of inadequate housing. Many many more people are frustrated and have had enough of shack life, than just Abahlali baseMjondoli.

Knowing your place entails more than just knowing where you live. It also means: 'Knowing one's station, living within one's means, and one's standard of living all resonate with knowing ones place in the socio-economic order.'²⁴ There is social differentiation within the working class some of which corresponds with people's abode. Research indicates that, at least in Meadowlands, Soweto, there exists 'some significant social differences...between these two groups [backyard tenants and their owner-occupier landlords] with respect to urbanisation, age, tenure, class, and social status.'²⁵ The implications of this for the movement of the shack dwellers, the new social movements and the workers' movement in general are yet to be seriously considered.

23 O. Crankshaw, A. Gilbert and A. Morris, 'Backyard Soweto', *International Journal of Urban and Regional Research* 2000, 24, 841-857.

24 Greg Ruiters, 2005, *op. cit.* p. 2

25 J. Beall, O. Crankshaw and S. Parnell, 2003, *op. cit.* p. 202.

Crankshaw's work on social differentiation in Soweto has revealed that the grannies active in the social movements there tend to be the landlord owner-occupiers. What is the implication of this for the struggle? How can we ensure that the voice of the backyard dwellers is not suppressed, as Crankshaw suggests it might be, by the 'landlords' in our organisations? The struggle between the tenants and landlords no doubt continues everyday, how are we to approach this struggle addressing injustices without allowing for division that can cripple a broader solidarity?

Social differentiation is also relevant in the search for common themes in the lives of employed and unemployed workers that can help build unity. Uneven geographical development is an important factor if we want to understand more about the people who live in South African working class townships. Rural areas, small towns, big cities, low cost houses on the periphery, all these dynamics must be taken into account in the endeavour to understand the condition of the working class in relation to the questions raised in this proposed research project.

The real question of course is how and towards what ends can the struggling masses change the geography of apartheid; how can this be done without exchanging the chains of race with the chains of class. Because: 'The coercive power of money takes over where the pass laws left off.'²⁶ And that forces us to ask more forcefully how to distinguish between spontaneous struggles and those aimed at overthrowing the power of money, of class.

Postmodern 'spontaneity', socialist visions

Many social scientists and commentators now locate key problems of local government within the broader contradictions of global capitalism and neoliberal globalisation. The authors of the book *Emerging Johannesburg: Perspectives on the Postapartheid City*,²⁷ benefiting from the international, multidisciplinary conference on Urban Futures at Wits University in July 2000, locate the problem correctly within a global context. For some reason, they fail to mention how that conference

26. Ruiters, *op. cit.* p. 17

27. R. Tomlinson, RA Beauregard, L. Bremner and X. Mangcu, *Emerging Johannesburg: Perspectives on the Postapartheid City*. New York: Routledge. 2003.

itself was targeted for protest and disruption by workers, students and communities opposed to the privatisation not only of Johannesburg public services, especially water, but also of Wits University, where it was held, that saw more than 600 workers losing their jobs. Those protesters would certainly not agree easily with the editors' suggestion that: 'the challenge is to incorporate the egalitarian and social justice impulses of the antiapartheid struggle while recognising the imperatives of global capitalism and its neoliberal mode of governance.'²⁸ How, some of them might ask, is it possible to incorporate social justice within the imperatives of neoliberalism?

This failure to recognise the centrality of class struggle, that is, the irreconcilability of the interests of the proletariat and the bourgeoisie, is apparent in another statement by the editors about 'the groups who will shape [the restructuring of] local [government] policy.' These groups are said to be 'investors and policy-makers, civic leaders, and consultants.'²⁹ It would be more correct to say that a battle and struggle of these groups, including labour, will decide the outcome. This process will involve major struggles, sometimes life and death struggle, and not just misunderstandings and polite disagreements.

Moreover, the book tackles important topics of local government in the context of Johannesburg from a postmodernist perspective. The editors argue that 'the fall of the apartheid state was part of a breakdown of those modernist institutions by which the state had maintained its dominance'.³⁰ Xolela Mangcu, on the very last page of the book, expresses the wish that President Mbeki's 'African Renaissance' should lead to a 'more postmodernist political culture'.³¹ In contrast, in his book, *The Condition of Postmodernity*, David Harvey presents a thorough critique of postmodernism.³² Some post-modernist strands of political thought are vehemently opposed to the people sharing their vision of a good society in the course of organised struggle because this entails imposing 'grand narratives' and a 'totalising vision' on others. Thus they

28. *Ibid.* p.xiv

29. *Ibid.*

30. *Ibid.*, p.x

31. *Ibid.* p.290

32. David Harvey, *The Condition of Postmodernity*, Oxford: Basil Blackwell. 1999.

are opposed to the workers movement adopting socialism as a vision or goal of the struggle. But it seems to me that sharing our dreams is essential in the struggle for social justice and economic security for all.

A vision can involve a simple set of proposals that can serve as a beacon of hope, provide focus and serve as a measure of success in the toil of struggle. Otherwise the struggle can become an endless treadmill with no apparent way out for the exploited and oppressed and no clear basis for the selection of strategies and tactics. Class analysis is also important, something the postmodernists eschew, because in the course of the struggle we should be able to draw a line between our enemies and our friends. We should also be able to distinguish the various shades and gradations within the working class with a view towards overcoming them.

With the spontaneous uprisings it is becoming clearer that despite years of demobilisation and loss of hope and self-confidence, the workers' movement is slowly waking up in South Africa. The fact that the uprisings are said to be 'spontaneous' – i.e., not tied to a particular form of organisation or a definite programme of action - indicates that they are organic, arising from the depths of working class experience. That they are happening in different places all at once indicates the same problems and conclusions which different communities are facing and have arrived at.

A correct understanding of spontaneity and how it relates to conscious organisation reveals weaknesses in the postmodern – especially 'autonomist' - standpoint. The autonomist strand of postmodernism favours ceaseless struggles and confrontations with the state, with no vision of how and when such struggles can be consummated into a new power that will govern society. In reality, the autonomists regard power in an ahistorical and abstract fashion, as something to be understood separately from social, economic and political processes: 'All state power is bad'. From this assertion flows hundreds of other incorrect axioms: 'All political parties are bad', 'All politicians are hypocrites', etc.

The work of building movements that respond to the immediate problems facing the working class is counterposed to politics and political party building as if the former happens outside of the sphere of politics. The important questions to ask are: which class and which social group

wields the power, who benefits from the manner in which such power is wielded and what form of resistance is provoked by this? We cannot reject and discard in toto and in knee-jerk fashion difficult questions such as power just because solving them is not a straightforward affair.

Nor can we embrace all spontaneous uprising without posing for them the question of revolution and going beyond capitalist rule. The reticence of the postmodernists and the autonomists to impose 'grand narratives' is passé, since capitalism mercilessly and daily imposes its choice on ordinary working class people. For some left intellectuals, this might not be immediately apparent, leading to fairy tales about struggles that can win but that leave power in the hands of the bosses.³³ Ordinary workers are daily dreaming and thinking about that power. We should not leave the masses in motion fighting against neoliberal local government and other aspects of capitalism to exhaust themselves on the treadmill of single issue campaigns, because this often leaves the workers movement without an agenda and programme to win the very reforms that sparked off the resistance in the first place. It can lead to demoralisation, demobilisation, and push ordinary people to turn against collective struggle as they lose their vision and their hope of a different power.

No doubt there is a power in the uprising: it is ordinary working people taking action in defence of their interests. The source of this power is the everyday struggle for survival which is the first act of resistance by the masses. The real core of the working class movement – with or without the trade unions, the civics and even the new social movements – is the energy that is generated from the interaction of the lives of ordinary working class people, surviving, resisting and beginning again to demand something more than the conditions of barbarism imposed on them in everyday life. That is why in the Free State, the uprisings happened without the new social movements and without the trade unions and without the National Intelligence Agency's mythical 'third force' - but they happened.

From this point of view the enormous size of the working class movement can be accurately discerned because hundreds of thousands

33. See especially writings of John Holloway, who coined the phrase, 'How to take power without taking the state.'

and millions of ordinary working class people are already at the barricades of everyday life. It is against this backdrop of the daily grind of unglamorous and largely unreported struggles that the uprisings and the problems of local government will be addressed in this research. The organised workers' movement needs to harness this raw power and to do so will require it overcoming some political and theoretical obstacles that make it hard to see the wood for the trees, besides circumventing the counter-measures to weaken the movement that can be expected from the capitalists and their government. The postmodernist disdain of state power cannot change the fact that the capitalist class largely relies upon this organised force to suppress, deter and distract struggles that threaten bourgeois interests.

The hope of a better future is the fuel for today's struggles. The vision of socialism is not just a grand narrative, rather it can be seen as short-hand for saying a different future from the barbarism of capitalism is possible and action can be taken to prepare for it and make it a reality. The dream makes possible practical steps to be taken to solve immediate problems and build the struggle today.

In his book, *Ideology and Popular Protest*, George Rude grapples with the question of how spontaneity can be married to conscious organisation for a revolutionary outcome. He does this at the level of ideas: he wants to know how the 'inherent', 'mother's milk', 'simple attitudes' of the masses get welded together with 'sophisticated', structured 'received' ideologies in the course of struggle. He notes how both types of ideologies are inadequate by themselves to effect revolution: a judicious combination is necessary. Such a combination is not guaranteed to succeed or gel. Specific circumstances are necessary for optimum revolutionary combination. Rude quotes Gramsci who emphasised that 'ideology itself must be analysed historically'.³⁴ For this reason, Rude notes that 'in writing of the popular ideology of *protest*, it is essential that I should know how that ideology is composed and how *historically* its components have come together.'³⁵

This sets the terms of reference for the job of analyzing the ideology

34 Antonio Gramsci, *Selections from the Prison Notebooks of Antonio Gramsci*, ed. Q. Hoare and G. Nowel Smith, London, 1971, pp 376-7 in George Rude, *Ideology and Popular Protest*, *Ibid.*

35 George Rude, *Ideology and Popular Protest*, Lawrence and Wishart, London, 1980, p.10.

and identity of protest that informs the Free State and Delmas uprisings. On the one hand we need to study the ideas that are ‘the peculiar property’ of the popular classes that are based on direct experience, oral tradition, that are ‘inherent’ and traditional to masses; on the other hand we need to study:

*The stock of ideas and beliefs that are ‘derived’ or borrowed from others, often taking the form of a more structured system of ideas, political or religious, such as the Rights of Man, Popular Sovereignty, Laissez-faire and the Sacred Right of Property, Nationalism, Socialism, or the various versions of justification by Faith’.*³⁶

Rude emphasises that there is no Wall of Babylon dividing the two types of ideology, instead there is overlap. Also, we should not conceive one as ‘superior’ to the other, nor assume an automatic progression from one type of ideology to the other. I think what is important is that there is no *tabula rasa* upon which ‘derived’ ideology can be grafted, rather the ideologies that are brought from ‘without’ the working class must connect with what already exists in the minds of the people, that is, with those ideas which are spontaneously generated in the course of everyday existence.

These assertions are important because the postmodernist challenge consists mainly of reverting to spontaneity and denying altogether the legitimacy and desirability of bringing developed ideologies to the workers movement. The accusation that things are imposed upon the people is not correct, as Rude shows that the chemistry of revolution derives from a sagacious combination of the two types of ideology rather than domination of one by the other. In practice the postmodernist philosophical refuge in spontaneity leaves the political field wide open for the ideology of the ruling class to influence and dominate the masses. It is important to note also that in each collective act of self-activity to protect themselves and move forward, ordinary working class people are sowing the seeds of a different future. By doing them and in doing them they create the best chance to look for and see that different future; by their own self activity, they embolden themselves to look up

³⁶ *Op. cit.* p.28

and dream and hope. They feel it as a strength, and that strength in turn fuels the struggle of the here and now. Silences get broken. There is a spirit of defiance in the endurance, an impatience, a growing willingness to intervene. A working class willingness to intervene, working class determination to intervene – working class intervention itself – these are the real bases for hope. This hope has been expressed before, when the working class fought apartheid.

The continuing history of violent protest

In a study of local politics in Meadowlands, Beall, Crankshaw and Parnell, found that the legacy of the anti-apartheid struggle was very much alive in the minds of residents.³⁷ Many local leaders are still respected in Meadowlands because of their role in the struggle despite the people's disillusionment with delivery.

In South Africa during the 1970s and the 1980s there were revolutionary upsurges that were informed by specific ideologies of protest. These ways of thinking about the world and about themselves have not completely disappeared from the minds of the working class. Some of the 'derived' ideologies of the 70s have been absorbed and have become part of the 'inherent' daily ideology of the masses.

This is a tremendous resource for anyone wishing to move with the masses into revolutionary action. This is a historical phenomenon and political treasure which cannot be taken away from the masses. These ideas are like rough diamonds which require cutting to bring out their beauty and brilliance. Only a fool would throw away the diamonds because they appear worthless before being cut, and another kind of fool will be content with keeping the raw diamonds without seeing the need to enhance its value by ornamental cutting and mounting.

While the bourgeoisie and their lackeys shout from the rooftops about the failure and unviability of socialism, and the greatness of the free market, these ideas are alive among the masses, perhaps not properly elaborated and worked out, but still alive. Sometimes these ideas, in the form of memories, are kept deep in workers' hearts, buried like treasures

37 J.Beall, O. Crankshaw and S. Parnell, 'Social Differentiation and Urban Governance in Greater Soweto: A case study of postapartheid Meadowlands', in R. Tomlinson *et al.*, 2003, *Op.cit.*

and never spoken about lest they received like the proverbial pearls that were thrown to swine.

There exist ideas arising out of the militancy of encountering and surviving the everyday – the militancy of the everyday life. The ground has been half-prepared for revolutionary ideologies that can articulate with the consciousness of the masses and take them forward to visions and perspectives that can help them change the world to their advantage.

The ground is more than fertile for such revolutionary ideas in places such as Intabazwe, Harrismith, Warden, Heinemann, Khutsong, Frankfort, Khayelitsha and others where the popular masses are already in protest, where the militancy of everyday life is coalescing into a set of more collective, aggressive, visible outbreaks of self-activity. What is fascinating about these outbreaks is that they are often violent. They signal a great anger and frustration among ordinary people and appear to point to insurrection as the road the masses are suggesting must be traveled to solve their problems.

It must be our express intention to avoid assuming a perspective that legitimises the status quo. Such a perspective is apparent in journalistic coverage of the uprisings, that treat the violence as an aberration, as something wrong, as something that can be stamped out either by the police or preferably through improving communication channels. While I don't want to suggest that violence is a virtue, it is also true that from the violence of the masses we can learn something, and even achieve something.

Certainly the decade-long neglect by the post-apartheid state of many villages, towns and townships in South Africa could only be broken by dramatic and violent events which served to sharpen the nation's mind on the burning issues of poverty and poor service delivery that face millions everyday. Our job as scholars is not to admonish the masses and preach to them how they must conduct their struggle (although this is sometimes necessary). Rather we have to be aware that, as Rude reminds us, "structured" ideas are often a more sophisticated distillation of popular experience and the people's "inherent" beliefs.³⁸

As Marx pointed out in the *Communist Manifesto*: '(The communists) merely express, in general terms, actual relations springing from an

38. Rude, *op. cit.*, p.29

existing class struggle... from a historical movement going on under our very eyes.³⁹ Marx's intention was to 'give back to the workers' movement in a theoretical form what he took from it in a political and ideological form.'⁴⁰ This means that we must not flinch from inviting criticism for imbuing 'respectability' to the violent actions of the masses by developing a theory that (sympathetically) explains their action from the logic of the social and economic position they find themselves in.

My own experience of protests is that often the police are to blame for violent outbursts. But even if the violence is 'unprovoked' it is important for us to understand the dynamics and the ideas that make the use of violence to be seen as a legitimate option. South African politics only recently emerged from the preponderance of the use of violence in the solution of political problems. The period that marked the 'peaceful' transition from apartheid to democracy was in fact a very violent one. Political violence was a feature of the strategy of the state and of the forces of liberation.

It would be crude to argue that the use of violence for political purposes became a 'tradition' in working class areas, but we have to see the continuity between the violence then and now, even though this might not seem politically correct. For example, one of the 'favourite' targets of the Free State rioters for violent attack are the mayors and councilors. There are several possible reasons for anger to be directed at local government politicians: it is the level of government which is in charge of basic services like water, electricity, housing, roads, which remain points of daily and basic suffering and frustration for the masses.

Central government has not been shy to blame everything on local government and thus shed responsibility for the failure of their system; local government is nearest to the people: 'you can throw a stone but it will not reach Pretoria but it can smash the local councilor's house.' We should also consider the ideologies which make such a reaction common in many areas engulfed by revolts. This, advises Gramsci, requires the study of history. The physical attack of councilors in South African working class townships in revolt seems to be something of a 'tradition' dating to hundreds of attacks on councilors during the 1980s-early 1990s.

39. Cited in Rude, *Op.cit.*, p. 29

40. L. Althusser, *Lenin and Philosophy and Other Essays*, London, 1971, p.9.

The leadership of the struggle in Khutsong is SACP. I don't think SACP leaders will easily and openly advocate violence. They might hint at it or refrain from denouncing it, but even if they did, their constituency did seem rather to follow such uncivil instructions and on 14 December 2005 the masses attacked and burnt down five houses, four of which belonged to councilors. One of the houses belonged to a soldier.

At the height of the township uprising in September 1984 the ANC issued a statement saying: 'police and soldiers must be killed even when they are at their homes, and irrespective of whether they are in uniform or not.' There is reason to believe that the police used heavy-handed methods against the rioters. Which ideas would spring to mind to the Khutsong SACP stalwarts when the 'enemy' unleashed violence against the people? Perhaps no one specifically remembers President Thabo Mbeki's words on a Radio Freedom broadcast in May 1985 when he said: 'We will reply to its [enemy's] reactionary violence with revolutionary violence'.

The violent sentiment ('meet fire with fire') was carried over from the anti-apartheid struggle to the post-apartheid era of struggle. In our exploration of popular ideology and protest we need to locate today's actions within a historical context and the history of the development of ideas; we should see the continuities (and not only the discontinuities) between the past and the present.

At which point is the use of violence seen as legitimate by the masses? Mbeki's position is (was) that when the enemy attacks the masses should respond accordingly. Mbeki is no Martin Luther King and the methods of struggle adopted by the liberation movements in South Africa have not generally followed the non-violent teachings of Gandhi. In fact, one of the key strategies of the ANC was 'people's war', a call for making the country 'ungovernable', a call for insurrection, that is, for the violent overthrow of the state.

This is important because perhaps in South Africa violence was made into a form of politics, a way of doing politics, in the absence of institutional channels for doing so. What choice was left for the ANC, PAC and other organisations whose leaders were killed and jailed and banned?

Michael Adison argues that the term 'political violence' is misleading, rather we should speak of 'violent politics'. This covers

terrorism, insurrection, riots and civil war. 'Politics is one method of solving conflicts. War is another. Violent politics – lying in the zone between peace and war – is a third.'⁴¹

When peaceful political consensus breaks down, violent politics takes over. Violent politics is an approach which locates the problem in historical circumstances rather than passing judgment based on abstract moral standards. It is not that the ANC in exile consisted of bloodthirsty groups of maniacs who wanted violent, it is that these people were left only with violence as a currency they could bargain with and make political headway given the ruthlessness of the apartheid regime.

It is a question that scholar activists will have to answer: why did the Khutsong community opt for violent protest? Unlike during apartheid days, there now exists a new 'technology' of crowd control developed by the new democratic government. It seeks to stop violence by redefining the public protest as a legitimate form of social expression and prescribing a regimen of negotiations, permits, time schedules and self-regulation in order to, as Foster and Durrheim note, 'democratise crowd control. Boundaries were established between tolerated (peaceful) and intolerated (violent) crowds. The shifting of legal boundaries normalised the crowd and led to its acceptance as a feature of democratic society.'⁴²

It is not only in Khutsong that the new technology of crowd control failed. Violence is a common factor to be found in the hundreds of protests that have turned violent in recent months. As Addison asks,

Is violent politics rational, a way of opening channels blocked by conventional politicians, for good reason or bad? Or is it pathological, a symptom of a sickness in society, or in individuals? Can it be creative, or is it always destructive? The answer is it depends. Violent politics is by no means always illegitimate: the English, French and American revolutions were undoubtedly legitimate – and the Russian one too...⁴³

41. Michael Addison, *Violent Politics*, Oxford, Palgrave, 2002, p. 1.

42. D. Foster and K. Durrheim, 'Crowds, psychology and crowd control' in E. Bornman, R van Eeden and M. Wentzel, *Violence in South Africa: A Variety of Perspectives*, HSRC, Pretoria, 1998, p. 140.

43. Addison, 2002, *op. cit.* p.20

The violence deployed protesters is explained and justified by Addison:

The belief that societies are naturally peaceful and that violence is a perversion, is utopian. When people consider their vital interests threatened – and it is impossible in practice to avoid this entirely – they do not voluntarily eschew the powerful modes of violent political change and limit themselves to constitutional modes, since the modes of violent politics trump those of conventional politics.⁴⁴

In his book *Democracy and Disobedience*, philosopher Peter Singer grapples with the philosophical, political and ethical question of whether it is ever legitimate to knowingly and publicly break the law, or disobey the state, in a democratic state. He concludes that in specific historical circumstances it is acceptable to disobey when: 'Disobedience [is] designed to gain publicity for a point of view which has not received a fair hearing, and disobedience aimed at inducing reconsideration of a decision.'⁴⁵

However, he feels that such disobedience must be peaceful and the disobedient should be willing to face the legal consequences of their action. He then asks more generally whether Western democracies qualify to be obeyed at all times. His standard is that 'fair compromise' obliges one to be bound by a decision even if one opposes it on the grounds that you had an equal say in the decision-making process.

But in reality Western democracy is not a [equitable] model and some groups have less than an equal share of influence, while many people are not effectively represented at all. Elections, it is generally agreed, do not rectify this inequality. For groups and individuals with less than equal say in decisions, the argument for disobedience based on fair compromise does not apply.⁴⁶

The liberal-democratic model of democracy does not always provide equal say to all social groups despite the holding of regular elections. Therefore, according to Singer, such excluded groups cannot be expected to be bound by decisions counter to their interests made through the

44. *Op. cit.* p. 170

45. Peter Singer, *Democracy and Disobedience*, Oxford University Press, New York, 1974.

46. *Ibid.*

institutions of such a body polity. What Singer fails to mention is that the bourgeois state demands obedience on pain of jail or worse.

There is some sympathy for the position of the protesters in the mainstream press. The protests are seen as peculiar to and provoked by the particularly bad state of local government in South Africa. 'People [are] no longer willing to accept procrastination in the pace of development', Bongani Mthembu argues, and although the violence might be a problem, 'The protests would keep the municipality officials on their toes.'⁴⁷

My gut feeling is that the uprisings suggest that the masses are seeking radical solutions to the problems they face. The violent protests raise the spectre of insurrection, of people's power, workers' power. What is the meaning of burning a councilor's house and the council office?

Addison asserts that 'the aim in violent politics is not conquest by force but by persuasion – aided by prevention, fear and force as necessary tools when all others have failed'.⁴⁸ The masses of Intabazwe, Harrismith, came to the conclusion that the way forward for local government and for their lives is to take matters in their own hands, and forcefully intervene in decision-making as a collective, as a movement.

The enemy reacted in brutally clear terms: shooting dead Teboho Mkhonza, a 17-year youth, and then sending the Minister of Police Charles Nqakula to explain the government's point of view on the matter. But this should not blind us to that first act taken by this working class community: let us rise up and revolt as a body so that something can be done about our plight.

Many different communities throughout the country arrived at the same conclusion. Their challenge to the powers that be was triggered by their frustration about what is and has been, but they were no doubt also inspired by a dream of something better, something which can only be won through collective and sometimes violent struggle.

Just as strength lies in numbers so is the power expressed through the violence. The violence perhaps signals a frustration by a large crowd that feels powerful, that wants to be powerful, and by burning the mayor's car expresses that power by imposing its will on reality (and on the hapless mayor).

47 Bongani Mthembu, *Daily News*, 27 December 2005

48. Addison, 2002, *op. cit.* p. 20

Someone may ask: how does burning the mayor's car help your struggle? People get arrested and the campaign gets rubbished by the enemy. This is true. But once the deed is done for the group there is a kind of satisfaction or feeling of accomplishment – a catharsis, in the sense Frantz Fanon described – despite the high cost paid by the people. Violent politicians, according to Addison, 'cannot sell their ideas through words because conventional politicians and their electorates will not buy them. The propaganda of the deed becomes as important as the propaganda of the word'.⁴⁹

It is instructive that Addison warns against allowing our analysis to become clouded by a fascination with violence. He argues that is exactly what happens with the media, the blood and gore is sensationalised and the political point that is being made is lost. The violence is a means not an end. By chasing councilors away the people are saying: 'we don't want this type of councilor, we want a different type.' In my experience some of the communities in the Free State still need to work through some heavy issues for themselves because some will demand the replacement of an ANC councilor by another ANC leader as if oblivious of the power of the policies of the government and of the party over the individual incumbent. But could it be that through political education and experience the people might start to say: 'we don't want this type of government, we want a different type of government'?

This takes us back to the question of combining spontaneous ideology with revolutionary theory. If we imagine the engine of historical development to be the masses, the self-activity of the working class, then we will immediately note that such leaps of consciousness, from demanding another councilor to demanding a different government, requires more providing the masses with the correct dose of revolutionary ideas. The masses don't just learn from books, they also learn through experience.

During the 1980s hundreds of thousands, even millions, experienced a different power, the power of the workers' movement. The latter consisted of the unions, the civics, women's organisations, youth, students, churches and so on. When all the different components of the working class are moving forward together, sharing, learning, talking

49. *Ibid.*

to each other, it is then that it becomes easier for them to imagine a different type of government, a truly people's government, a workers' government.

This is not at all automatic or guaranteed because such a movement has to be guided by the best policies and democratic practices and to arrive at these is a constant struggle. But the point is when the different sections of the workers' movement unite in practice, transformative ideas are easier to grasp. It is the unity of solidarity and struggle that makes possible the creation of solutions, visions and powers that can take humanity forward.

Social movements and workers

The mass uprisings represent a revival of the workers' movement in South Africa. We can say the same about the rise of the new social movements, for they too represent a revival of the spirit of collective struggle. The failure of the new social movements to maintain a momentum of struggle and to build consistently is a topic that must increasingly be addressed. My initial concerns revolve around how the social movements failed to confront and overcome the legacy of demobilisation that is currently crippling the workers movement in South Africa.

Militancy alone cannot solve this problem, it needs to be understood politically. Behind the demobilisation is the politics of class collaboration, the idea that it is possible to balance the interests of the rider and the horse, the exploiter and the exploited. Most middle men, interlocutors, liaison officers, interpreters, brokers, in short the petty bourgeoisie, believe this to be possible and desirable.

But in a context where the world's elite have the upper hand this translates to a pro-bourgeois policy that disguises itself as pro-working class. This is the politics that permeates the senior ranks of the COSATU and SACP leadership. It is the politics which sees COSATU leaders shouting 'Viva ANC!' in a march against the ANC government.

At the heart of this politics is the protection of capitalist interests. Some of the new social movements can be commended for trying hard to build unity and solidarity with the unions, despite the reluctance and treacherous attitude of some union leaders. Both movements, the unions and the new social movements, missed rare moments when

they could have united in a powerful way against the capitalists. One example was during the struggle against Igoli 2002 in Johannesburg, when the municipal workers' union fought against privatisation and the community had been mobilised and was also fighting. The unions' eagerness to defend the ANC and the social movements' eagerness to attack the ANC had the outcome that the capitalists were left protected and no solidarity was built.

The social movements are also developing a tendency to view themselves as centres of their own political universe rather than ceaselessly striving to reach out and embrace the real movement of the working class, the barricades of everyday life. At these barricades we will also find the COSATU member exploited and abused by the capitalists just as we will find the granny who had her electricity cut off.

Recent theoretisations by some left movement intellectuals that social movements must cut themselves off from COSATU indicates a failure of vision and perspective of what is possible with a united workers' movement. The mass uprisings represent another wave of struggle that is sweeping the South African political landscape just as we had such waves in the 50s, 70s and 80s.

The working class has learned some valuable lessons in the past decade or so and it is the percolation of these ideas among the millions that is giving rise to the violent outbursts. The various strands of the workers' movement need to come together in a project to defend the class and fight for a different society. While I would emphasise the centrality of organised labour as one pillar of the workers' movement, broadly defined, I agree with the spirit of Peter Waterman's assertion that: 'The problem, it seems, is not that labour is no longer the, or a, privileged emancipatory subject but that there are no such privileges, only potentials, and that such potentials have to be sought for and released.'⁵⁰

Marxism is not a dogma but a guide to action. It is very important that we constantly revisit our premises and redefine them. Intellectuals have to give back to workers in the form of theory what they have taken in the form of ideology and struggle. The spontaneous uprisings, despite

50. Peter Waterman, 'The Brave New World of Manuel Castells: What on Earth (or in the Ether) is going on?' Book Review of Manuel Castells' *The Information Age: Economy, Society and Culture.. Vol. I: The Rise of the Network Society*. 1996. Vol. II: *The Power of Identity*. 1997. 461pp. Vol. III: *End of Millennium*. Blackwell Publishers: Malden (Mass) and Oxford, 1998, p. 15.

their sporadic nature and fragmentary character, represent a growing resistance linked to a search by the masses for a power that can change conditions so that they can enjoy their lives. The road they suggest is one already traveled by the working class, that of insurrection.⁵¹

Activist identities

Finally we must ask, who are these people? What are their identities? Manuel Castells suggests a method of classifying identities: legitimising, resistance and project identities. Some identities are *legitimising*, that is, they are 'introduced by the dominant institutions to extend and rationalise their domination'. The second type are identities associated with *resistance* to this domination, that is, 'survival on the basis of principles different from... those permeating the institutions of society'. The third type are called *project*, they develop when 'social actors... build a new identity that redefines their position in society and, by so doing, seek the transformation of overall social structure'.⁵²

Although Peter Alexander criticises Castells for his failure to address the question of leadership in social movements, he too finds this typology useful. It should be noted that Castells admits a progression from one type of identity to another: 'identities that start as resistance may induce projects, and may also, along the course of history, become dominant in the institutions of society, thus becoming legitimising identities to rationalise their domination'.⁵³ Leaving aside for the moment Alexander's concern about how exactly this transformation is effected, that is, the question of leadership, it is useful to note some implications of Castells's concept of identity.

Because of this my bias towards the masses as their own liberators and as the social force necessary to change things decisively, as opposed to the view that a consensus be reached by 'all' stakeholders, it will be necessary to look in more details into how the masses actually wage

51. 'Street fighting and barricades are classic features of insurrection and revolution in industrial societies... South Africa saw a great deal of street fighting in 1976' according to A. Brooks and J. Brickhill, *Whirlwind before the Storm*, International Defence and Aid Fund, London, 1980, p.152

52. Manuel Castells, *The Information Age: Economy, Society and Culture – Volume 2: The Power of Identity*, Oxford: Blackwell, 1997, p. 9. Quoted in Peter Alexander, 'Anti-globalisation movements, identity and leadership,' unpublished paper, 2003, p.1.

53. *Ibid.*

their struggles, that is, what it takes for them to do so and what impact this has on their identity and their consciousness. Following Castells we can ask the question: what are the identities adopted by the masses in struggle around these issues in South Africa? Are these legitimising, resistance or project identities?

The former is pro-status quo, the second is anti-status quo, or at least is opposed to some aspects of it, and the latter has a conscious mission to overturn the status quo and replace it with something else, perhaps socialism. The first identity is politically conservative while the gap between the 2nd and 3rd identities appears to approximate the difference between reformism and revolutionism as approaches to social changes.

Where does the workers' movement fall in SA today? To what extent does it identify with the dominant definitions that are compatible with the current neoliberal project? For those sections of the movement in struggle, to what extent are their resistance identities being 'induced' into project identities? Is resistance enough or is it imperative that the movement of resistance be turned into a movement that redefines the position of ordinary working class people in society and seeks to transform the overall social structure? There can be no question that the Free State rioters are resisting, but what ideas inform their resistance? What do they ultimately hope to achieve and how do they share their vision with each other?

It is very interesting to pose this last question in respect of the violent outbursts in Khutsong where the main demand is a refusal to be administratively 'dumped' into North West province. I must confess that when I first heard of this struggle I was pained by such a reformist demand, which clearly would end in defeat. What is the point of being exploited in Gauteng and not in North West? But a closer reading of the situation sensitised by the discourse of identities and its application on the Johannesburg Inner City persuaded me to study this problem of place-based identity further.

In their analysis of the style of municipal administration in Johannesburg, Graeme Gotz and Abdoumalig Simone argue that when government is concerned with achieving clarity and certainty in its approach to urban governance it is doomed to failure in a context

where displacement erodes the connection between place and identity. That is happening in many African cities where ‘long-valued frameworks of “social and spatial fix” [are] gradually undermined. Displacement is accelerating and progressively eroding the conditions for clarity and certainty’.⁵⁴ The authors argue that the uncertainty wrought by this disjuncture between place and identity can give rise to:

*social and political projects that enhance the sense of belonging. This process of asserting belonging in the face of its felt deficit is often experienced negatively. It manifests most frequently as passionate, even virulent, new struggles over place that center on which kinds of people belong to a particular place, as well as what kinds of places belong to particular people.*⁵⁵

The relevance of this quotation is that it is not enough to see only the issues and problems of local government as behind the dissatisfaction of the people of Khutsong, Matatiele and the other places that expressed unhappiness over provincial demarcations. People’s identities are at stake and are being redefined. People who identify themselves as Gautengese are suddenly told you are actually North Westerners. This, according to Gotz and Simone, will undoubtedly yield resistance. ‘What is not needed is the proliferation of technical standards through which citizens’ capacities can be compared and judged... What is needed is mediation and dialogue among differing experiences, claims, and perspectives – a politics of becoming’.⁵⁶

A failure to negotiate the complexities by providing viable new spaces for social collaboration rather than invoking ‘aggressive or defensive bunker identities’ is, to these authors, dangerous. It can be argued that by forcing whole communities to redefine themselves in relation to government and where they fall within this order the Minister of Local Government Sydney Mufamadi touched a hornet’s nest. The hornets are the failure to deliver services in a satisfactory manner and evenly throughout the provinces and the threatened identities at stake

54. G. Gotz and A. Simone, ‘On Belonging and Becoming in African Cities,’ in R. Tomlinson, RA Geuregard, L. Bremner and X. Mangcu, *Emerging Johannesburg*, p.123.

55. *Ibid.*

56. *Ibid.*, p.135

by this top-down move. This line of thinking will be pursued further in this research and perhaps some commonalities can be found between the postmodernist approach and the Marxist, at least as applied to the question of identity. What can be noted for now is that the perspective of identities requires contextualisation in the social and economic positions occupied by the social actors concerned.

The usefulness of Gotz and Simone's insights is that they help us problematise an approach to popular ideology that emphasises false consciousness and the determinism and teleology which this entails. Perhaps the postmodern technique of regarding argument as a discourse between people whose beliefs are equally valid and equally true, none of them being privileged or justified, is useful in this particular case in that it sensitises us to the legitimacy of the point of view of the Khutsong and Matatiele residents whose aspirations and identities are seen by government leaders as standing in the way of order and progress where every municipality must fall within a certain boundary and if not the sky will fall upon us all.

The Khutsong struggles can be said to be based on identities of 'resistance' (Castells) and of 'belonging' (Gotz and Simone). The latter involves an aggressive assertion of connection with a particular place-bound affiliation in the face of the erosion of historical connections to established social spaces. What are the ideas that informed the Khutsong struggle and are the theoretical categories suggested here of relevance to this experience? Gotz and Simone present 'belonging' as a backward looking response provoked by negative sentiment. Castells approves of resistance as an identity but implies a need to move from resistance to a project identity. This indicates that the Khutsong struggle is not yet, and perhaps cannot ever be one that seeks to transform society as a whole.

Harvey suggests 'a shift to conception of uneven geographical developments' in order to understand how diverse human experiences, influenced by different geographical, historical, and cultural conditions, could be brought together, how:

*To appreciate the tasks to be surmounted and the political potentialities inherent in multiple militant particularist movements of opposition that cry out to be combined.*⁵⁷

57. Harvey, *Spaces of Hope*, p. 82

Harvey's theory is useful in mapping out the different conditions that differentially obtain in the urban and rural contexts of the uprisings. It rests upon the twin notions of 'the production of spatial scale' and the 'production of geographical difference'. On the former Harvey points out that:

*There is nothing 'natural' about political boundaries even if natural features have often played some kind of role in their definition. Territorialisation is, in the end, an outcome of political struggles and decisions made in a context of technological and politico-economic conditions.*⁵⁸

This is relevant to an analysis of the Khutsong struggle and points to an empirical investigation of the political and economic reasons for the decision to 'dump' this community in the North West and which interests will benefit from this. This locates our earlier discussion of identities as a factor in this struggle on firmer Marxist grounds or, which is the same thing, on a materialist analysis of the problem. . It is likely that one of the innovations we can expect from the ANC government, desperate to make the municipalities 'work', is to change the spatial scale of operations e.g. re-demarcate certain municipalities, collapse two or more councils into each other, etc. The Tshwane Metro has already issued a report suggesting 'regionalisation' of its council after a not too successfully five years as a mega-city.⁵⁹

There is power attached to the ability to allocate a whole community to one administrative place and not another:

*The organisation of social relations demands mapping so that people know their place...the power to map the world in one way or another is a crucial tool in political struggles.*⁶⁰

Greg Ruiters suggests that 'governability' is an aspect that neoliberalism has not paid proper attention to so that when the ANC government took power it found that it had to find new ways of 'keeping people in place' since:

58. *Ibid*, p.75

59. *The Mercury*, 21 December 2005.

60. Harvey quoted in Greg Ruiters, 'Knowing Your Place: Urban Services and new Modes of Governability in South African Cities,' Paper presented at the Centre for Civil Society, University of KwaZulu Natal, 6 October 2005, p. 1.

Keeping different kinds of people in their assigned places and helping them to know their place is a general ambition of states whether neoliberal or welfare capitalist,' had to find technologies of control to do so.

He suggests that one way the state achieves this in South Africa is through its control over and method of providing basic services. The pre-paid meter, and the free basic services are technologies which serve both a practical and ideological purpose, namely, making sure that people pay for the water and electricity they consume while restricting the poor's consumption and, ideologically educating the masses in the virtues of the market system and the 'egoistic rationality of capitalist commodity culture'.⁶¹

The Khutsong community had water pre-paid meters installed in their homes in 1998 and thus they know their place and 'station in life' when it comes to how much water they can consume. The poor among have to keep their water consumption within the 6 000 liter per month state quota, a drop more will cost them money they can ill afford. Their struggle over provincial demarcation is another lesson in knowing their place for this community.

Socialist leadership

How can Khutsong and other place-based struggles be 'rescued' from the double bind of resistance and belonging? Or should they be? At this point we consider Alexander's critique of Castells for failure to provide an answer to the question of how to move from a resistance to a project identity. Alexander believes that what Castells and others fail to theorise is the role of leadership. 'The creation of a new, project identity – and the mobilisation of social actors to transform society – involves *leadership*'.⁶² Alexander argues that while 'a resistance may arise spontaneously (in principle at least), the development of a project identity is, by definition, a conscious process'.⁶³

For Gotz and Simone, the solution lies in a government that takes into account and operates on the basis of 'becoming', that is,

61. Ruiters, *op. cit.* p.17.

62. Alexander 2003, *op.cit.*

63. *Ibid.*

facilitating ‘the widening of social spaces to a multitude of new translocal connections and associations’. This allows for the exploitation of non-place-bound identities.⁶⁴ The project suggested by Gotz and Simone requires a government willing to change its *modus operandi* on a scale much greater than the specific context of the Johannesburg Inner City upon which they test their theory. The contemporary ANC government is unlikely to do this given the entrenched vested interest it represents and the habitual top-down manner it has developed in drawing up and implementing macro- and micro-economic policies that govern the operation of local government.

With respect to the dispute over provinces, the Matatiele residents found the government officials who met with them extremely understanding and sympathetic but they lost the decision despite the projection of their struggle as peaceful and law-abiding, unlike the violent Khutsong resistance. ‘There is no real purpose in consultation when the views of the people fall on deaf ears,’ a disappointed local Matatiele leader was afterwards quoted as saying.⁶⁵

This takes us back to the question of the leadership necessary, willing and able to transform a resistance struggle into one aiming at the transformation of society. This, for Alexander, is the ‘missing link’ in social movement theorising. Such a leadership needs to be developed and its characteristics are: democratic, generalist and providing different levels of leadership, namely, cosmological, technical and organisational. He adds that there is a need for formal structures for the maintenance of democratic leadership ensuring accountability and provides a means of resolving conflicts, and encouraging activism. Another necessary attribute is to keep a close ear to the ground and the ability to read the mood of the masses. There is also a need for movement education to help activists to act like leaders. All these factors together facilitate the process whereby ‘real people with a vision of an alternative way of organising society must persuade others to support that alternative, and this persuasion requires leadership.’⁶⁶

64. *Op. cit.* p.124

65. *The Mercury*, 21 December 2005.

66. Alexander 2003, *op. cit.* p.21.

We therefore need to carefully review what is meant by the term ‘spontaneous uprising’ as it is frequently used to describe the mass actions in the Free State, Eastern Cape, and other areas. The dialectic between spontaneous and conscious struggle has the benefit of thorough debates in the Marxist tradition. The most famous of these is the debate between Vladimir Lenin and Rosa Luxemburg. The main insight emanating from this debate, and that between other Marxists, is that spontaneous struggle is a result of resistance to the conditions imposed by capitalism upon the working class. This resistance can take many forms such as collective or individual, visible or hidden, violent or peaceful, etc.

But what distinguishes spontaneous struggle from conscious struggle is that the former seeks to rectify immediate problems and confines itself to these while the latter seeks to address the same problems but tied to a project for the total change of society. We are again back to Castells’s identity typologies. This matter is traditionally expressed as the difference between reformism and revolutionism in Marxist debates. Spontaneous struggles are crucial in that they are a response to concrete problems that can easily involve hundreds and thousands of ordinary working class people. However, because there are so many attacks on workers living under capitalism and also that the capitalists will use all sorts of strategies to undermine anti-capitalist resistance, spontaneous struggles are not enough to defend the working class and can prove counter-productive if they are simply repeated without any hope or project to effect long-lasting change that favours the working class.

For Marxists this means all struggles over bread and butter issues by the masses must be supported with the proviso that they be tied to a revolutionary project – a ‘project’ in Castells’ sense. A lot of misunderstanding of this issue has led to good activists and scholars discarding or wrongly applying the dialectic of spontaneity and revolutionary organisation to the detriment of the workers’ struggle. Some leftists wrongly denounce or look down upon spontaneous struggles including strikes on the ground, arguing that these are reformist. Recently some have played down the importance of the strike wave in South Africa that saw the mines, airports, municipalities and at least one

retail chain store disrupted because of strike action on the grounds that these were legal 'procedural' strikes and therefore were reformist rather than revolutionary. The same leftists then proceed to counter-pose the spontaneous uprisings in the Free State as examples of revolutionary struggles that must be supported.

A careful reading of the Marxist classics and an understanding of practical struggles as these relate to spontaneity versus conscious organisation tells us that most if not all mass action by the working class has the potential of being transformed into revolutionary anti-capitalist pro-socialist attacks on the system. The art and craft of Marxist praxis is exactly how to achieve this. Therefore Marxists need to embrace all spontaneous mass activity.

This is sometimes elevated to the level of principle because of the Marxist belief in the self-activity of the working class and spontaneous resistance reflects this. So, Marxists must support the strikes and the Free State riots and connect the respective workers in struggle to each other and, most importantly, with Karl Marx's revolutionary ideas. But in doing this we have to avoid what Lenin called 'tail endism', that is, the mechanical aping of what the masses are doing - thus condemning yourself, and the struggles in question, to perpetually fighting capitalism on its own terrain.

History has demonstrated conclusively how the capitalists will yield and compromise to the working class when under pressure but are quick to transfer the problem to other sections of the working class in the same country or abroad, and as soon as the victorious working class puts down its guard, the capitalists get busy clawing back the gains they conceded. An example is that of the welfare state system which never benefited workers in the South leaving the workers in the North vulnerable as the capitalists turned on them with attacks and proceeded to dismantle the welfare state, their historic victory. This means that any gains made by the working class have to be incessantly defended. This happens in the midst of the working class warding off other attacks by the bosses.

Must I struggle again and again and again, just to stand still in the same mess? Must I go from the march about anti-retrovirals to the march about electricity to the march about jobs to the march against

evictions? And back again the next day, to demand that the victories of one march actually be protected and implemented – to win the victories again and again and again? Is it always going to be about struggling to stand still in this same intolerable life of oppression and exploitation? Is it always going to be about shuffling pain and oppression and exploitation? And the concretisations of every day life mean the grand question of power. Is there any power that can change this? Can these things ever be different?

This is an impassioned plea, from the point of view of ordinary workers, for a transformative project rather than fighting for incremental reforms divorced from a vision of building an alternative society. We have to show then how small is the vision of incremental reforms, how vulnerable these are to developments in the global village, how exclusive they are of the poorest of the poor, how much of what is intolerable under capitalism remains after the reforms. We can do this by critiques of capitalism and attacks against its proponents and defenders. Mbeki deserves whatever attacks are made against him.

But we need more. We need a vision of something really different. It was such a vision which gave millions the strength. We called it then by the name of socialism. ★