From a theory of revolution to the management of a fragile state

Saki Macozoma
We have a common sky. A common firmament encompasses us. What matters it by what kind of learned theory each man looketh for truth? There is no one way that will take us to so mighty a secret. Symadius, on replacing the statue of victory in the Roman forum AD 384

**Introduction**

Debating the South African transition and its prospects to deliver thoroughgoing transformation is not new: it is the continuation of a century-long tradition of analysing the politics and economics of South Africa with a view to finding and forging appropriate responses.

Two broad alliances emerged in South Africa over time: the capital/apartheid axis, and a nationalist/marxist axis represented by the Congress Alliance led by the African National Congress (ANC). Each produced a central thesis that underpinned its ideological perspective. The ideological outlook of the capital/apartheid axis first appeared as jingoism sanitised by a civilising mission, exemplified by Lord Milner and his kindergarten after the South African War. Afrikaners, when their turn came, underpinned their ideological outlook with strident nationalism reinforced by *Herrenvolkism*. At the centre of both these ideological prisms was support for a system of capitalist accumulation that sought to pauperise Africans for the purpose of securing the plentiful cheap labour for which the economy thirsted.

The consolidation of the settler state in 1910 resulted in a government that John Tengo Jabavu had earlier characterised as ‘playing a political baal to the entreaties of the Natives’ and necessitated new political responses on the part of the African population. The burden of developing a theory and praxis of resistance, and later of revolution, lay with the leadership of the African population.

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2 The Congress Alliance had earlier embodiments, such as the relationship fostered by Josiah Gumede, president of the ANC in the late twenties, between the ANC and the Communist Party of South Africa (CPSA). The nationalist/marxist axis was to mature in the early fifties with the evolution of an alliance between the ANC, the Congress of Democrats, the Coloured People’s Congress and the South African Indian Congress. The Congress Alliance found its ultimate political expression in the Freedom Charter.

As resistance grew in response to the legislation of dispossession and greater discrimination, a theory of resistance became necessary. The confluence of resistance strategies between African nationalists and communists began in the late 1920s and culminated in the Congress Alliance in the 1950s. The complex reality of the relationship between national, class and gender oppression and its symbiotic relationship with capitalism had to be explained in political terms. The concept of colonialism of a special type (CST) was developed. From this understanding of the South African problem a theory of revolution – the national democratic revolution (NDR) – evolved over decades of struggle and reflection.

The concept of the national democratic revolution guided the ANC and its allies through the political negotiations of the early 1990s to a settlement that included significant compromises. The critical question at the conclusion of the negotiations was whether a programme for the fundamental transformation of society was possible, given the nature of the negotiated settlement. This question brought the role of the state in the South African transition onto the centre stage of political and ideological debate.

The state, in any case, had assumed a particular significance in South Africa given the country’s socio-political development from a series of independent African polities, through the Afrikaner republics and the consolidation of the settler state by the British, to the evolution of the apartheid state. Each successive group needed the state in order to exercise hegemony. The British needed a coherent, unified state to put a firm grip on the country’s mineral wealth. Afrikaner nationalists needed the state to realise their dream of eradicating the poor white problem and give practical effect to their particular notions of Herrenvolkism and national socialism. African nationalists and their allies, in their turn, needed to capture the state in order to stop and reverse the ravages of apartheid and its twin, racial capitalism.

Debates within the tripartite alliance on the role of the state

The compromises made in the political settlement and the limited role assigned to the state as a result of the impact of globalisation, among other things, posed the first challenge for the tripartite alliance in relation to transformation. Although the ANC had prepared itself for the challenges it would face when it took the reins

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6 The tripartite alliance comprises the ANC, the South African Communist Party (SACP) and the Congress of South African Trade Unions (Cosatu).
DEVELOPMENT UPDATE

of power, the extent of the problems facing the new government was far greater than anticipated. A strategic decision of the ANC government in 1994 was first to stabilise the state in a number of areas before embarking on ambitious transformation projects. These areas included reducing the government deficit, reprioritising government expenditure from consumption to productive applications, and helping ease the South African economy into a competitive global economy, among many others. The project of stabilising the state was balanced by a focus on meeting the basic needs of the majority of the population through the Reconstruction and Development Programme (RDP) and presidential lead projects. An extensive overhaul of the country’s labour laws was also undertaken.

The policy choices made by the ANC were not supported by all in the tripartite alliance. The divergence of views grew, as government elaborated and adopted economic and social policies such as the Growth, Employment and Redistribution (GEAR) strategy and black economic empowerment (BEE). Alliance partners argued that although globalisation limited the policy options available to a state that wanted to adopt a development agenda, there was, nonetheless, space to develop a sovereign agenda. What was needed, the South African Communist Party (SACP) argued, was an interventionist state that would drive a development agenda, in the place of a state that subjected the logic of development to the imperatives of private capital. The expectation of some alliance partners was that the democratic state would have a privileged relationship with the working class resulting in an alteration of the balance of forces in South African society in favour of those willing to challenge the hegemony of global neo-liberalism.

The strategic thrust of the ANC government’s response to globalisation and specific South African challenges was seen by some alliance partners as effectively creating a class-neutral referee state which intervened in the economy only through regulation. The ANC took the view that concrete conditions in South Africa and internationally dictated a more nuanced approach to the project of transforming the economy and society. In 1997 the ANC stated that it wanted to create a society in which ‘many positive elements of the market dovetail with the obligations of citizens one to the other’. Thus the state should not be viewed in narrow ideological terms. A functional approach to the state and its role should be taken, which identifies the core functions

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8 B. Nzimande and J. Cronin, ‘We need transformation, not a balancing act’, African Communist, 146 (1st quarter 1997).
that enable it to deliver a better life to all citizens in the most cost-effective way, the ANC argued.\textsuperscript{11}

These critical debates in the alliance on the role of the state in the transformation of society and the economy had a bearing on the conception of the national democratic revolution. Thus the ‘current conjuncture’ and its impact on the NDR became hotly contested territory. The Congress of South African Trade Unions (Cosatu) put forward the view that ‘the key strategic opponent of the NDR is capital and its allies and their attempt to impose a neo-liberal agenda’.\textsuperscript{12} The ANC posited the four critical tasks of the NDR at the current conjuncture to be:

\begin{itemize}
  \item transformation of the state
  \item improvement of economic performance
  \item implementation of social programmes to build a better life for all
  \item working with allies across the globe to create a more equitable world order.\textsuperscript{13}
\end{itemize}

These debates and responses to difficult tactical choices that have had to be made by the governing alliance in South Africa have influenced the pace and the extent of the transformation project. It is important to revisit them because they have a profound impact on the evolution of the South African state, its emerging character and its relationship with other powerful forces in society, such as capital. This theoretical context, shaped by robust debate, informed and still informs the ANC government’s policy choices.

\section*{The ANC and domestic capital}

An important pillar of ANC political thought, as important as the transfer of political power from the minority to the majority, was the redistribution of economic power and its benefits. This question had to be dealt with even before the ANC came to political power, because it was at the core of the nervousness of the country’s economic leadership. It was also a question of great interest to the international community, given the strategic importance of South Africa’s mineral-military-industrial complex.

As the potential for a negotiated settlement became apparent to strategists from both the apartheid regime and capital, questions began to loom large about what would replace apartheid. Capital was initially reluctant to engage the ANC directly because of its loathing of the ANC’s alliance with the SACP. It also appears that capital was...


of the view that the South African transition could be managed over a long period of
time, and manipulated to result in power-sharing arrangements which would limit the
ability of the ANC and its allies to nationalise the economy or to effect any radical
changes.\textsuperscript{14} Even the political outcome of the transition could be contained by a buffer
c bloc of black moderates who would emerge out of the middle class that capital had
sought to create after the increased resistance following the 1976 revolt.

At the height of repression in 1987, some of the leading intellectuals who articulated
the position of South African capital were arguing that the polarisation between black
and white South Africans resulting from repression and resistance could lead to a situation
in which the centre might not hold, resulting in chaos,\textsuperscript{15} and that capital would become
the flag in a rope of a tug-of-war between the radical black political
formations and government with serious consequences for some
organisations and individuals.\textsuperscript{16}

Capital was of the view that the Freedom Charter was broadly acceptable in political
terms, but represented 1950s British socialism, which had been overtaken by the
evolution of the world economy, including the dramatic changes that were then taking
place in most socialist economies, particularly Russia's.\textsuperscript{17} As local and international
opposition to apartheid grew, the writing on the wall became ever clearer: South
African capital had to do something. Its actions ranged from micro-level changes to
more ambitious projects, such as developing a scenario that could direct its engagement
with the ANC. There was a commonly held view among business leaders that there
was no major economic thinking in either the apartheid government or the ANC.\textsuperscript{18}

The release of Nelson Mandela and his role in leading the ANC towards a negotiated
settlement had a major impact on the relationship between the ANC and capital.\textsuperscript{19}

\textsuperscript{14} For many of the insights in this section I am indebted to numerous business leaders in South Africa,
including interviews conducted with Michael Spicer, executive director, Anglo American PLC, 23 August
2001; Conrad Strauss, chair, Standard Bank Investment Corporation (Stanbic), 24 August 2001; and

\textsuperscript{15} Leadership, (Johannesburg, Urban Foundation, June 1987), p.4.

\textsuperscript{16} L. Schlemmer, in Leadership, p.8.

\textsuperscript{17} Interview with Conrad Strauss.

\textsuperscript{18} Interview with Michael Spicer.

\textsuperscript{19} Mandela's pronouncements on this issue should be located within the context of evolving ANC policy –
from the 1960s and 1970s (notably the important meetings in Morogoro and Kabwe) through to the
‘Constitutional Principles’ of the late 1980s to interactions between the ANC and business before 1990.
Senior ANC figure, Joel Netshitenzhe, contends that ‘interpretation of the Freedom Charter had been
evolving with changing circumstances’. Along the way, ‘commanding heights’ developed into ‘mixed
economy with an important role for the markets’ and so on (in discussion with the author, 21 July 2003).
Mandela had a keen sense of the political imperative of wresting business from the clutches of the apartheid state. His engagement with South Africa’s business community began at the Carlton Centre in 1990 and signalled a new dialogue between the national liberation movement and domestic capital. The dialogue allowed capital to argue its position on issues such as nationalisation from its own platform, distinct from government. Capital could do so as a concerned and patriotic South African community that accepted the need for change but questioned the efficacy of specific economic policies. Thus, in less than a decade, business moved from being a largely conservative social force that found the political policies of South Africa’s racial oligarchy uncouth but found great resonance with its opposition to communism, to occupying a relatively independent seat at the negotiating table where South Africa’s future was being shaped.

Capital’s pretensions to the role of ‘honest broker’ were partially realised as a result of the exigencies of a complicated negotiation process. Capital did not miss an opportunity to put its concerns before the ANC and the National Party. Their greatest success was the compromise on property rights, which was enshrined successively in the Constitutional principles, the interim Constitution and the final Constitution.

The ANC and its allies could not, in Jabavu’s words, play a political baal to the entreaties of capital on the issue of nationalisation. The collapse of many socialist states in the 1980s and 1990s impacted on the dialogue between them regarding the dominance of the state in the economy as envisaged in the Freedom Charter. The ANC articulated the need for a new growth path for the South African economy, away from the cheap labour and self-sufficiency trajectory that was a result of the isolation of apartheid. It began to examine some of the provisions of the Freedom Charter, such as nationalisation, in the context of the domestic and international challenges, the latter dominated by the rise of globalisation. The ANC articulated its response to these issues in these terms:

> Once again, working class movements in government had, in fact, proved unable to sustain social transformation through state intervention, therefore throwing into doubt the capacity of the state to sustainably and fundamentally alter property relations through state mediated social ownership of the means of production in the context of advanced capitalism.

The political reality that the ANC leadership understood was that there was

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no epoch in which global capitalism has been as triumphant and ascendant as that in which our transition from apartheid to a democratic state is taking place.21

This political reality did not mean, however, that the national democratic revolution could or should find an accommodation with racial capitalism. Moreover, the challenge of meeting the basic needs of the population could not be thrown overboard. The masses of the people, who had borne the brunt of repression in their fight against a system that dehumanised them, needed visible and tangible dividends from the negotiated peace. The RDP and presidential lead projects were to take care of this for the first democratic administration.

Deracialising the economy in a neo-liberal context22

The deracialisation of the economy was a tougher nut to crack. The national liberation movement did not find a need to apply its mind to this in any detail during the liberation struggle, because it was assumed that implementing the principles of the Freedom Charter would take care of it. In the 1990–1994 transition, the deracialisation of the economy had to take place in an international context that favoured capital and its interests and a domestic context where the interim Constitution provided a measure of protection for property rights.23 The ANC had to fight for the inclusion of provisions in the Constitution that would make redress possible for the victims of apartheid.

Deracialising the commanding heights of the economy could not be a spectacular programme of the democratic government in its first term, however desirable this may have been. The ANC government was sailing perilously close to the dangers some important constituencies had been warning against – even before the ANC had assumed power. An interesting example of such warnings emerged from a debate in the late 1980s between Peter Hudson, an academic writing on the Freedom Charter and the theory of national democratic revolution, and the SACP’s Jeremy Cronin. Hudson argued that a broad alliance of classes united in action around the Freedom Charter would have a significant impact on the nature and trajectory of South


22 Two important sources reflect a distilled view on this matter: see African National Congress, 'People’s power in action: Preface to the strategy and tactics of the ANC', (2002), www.anc.org.za/ancdocs/history/conf/conference51/index.html; and the alliance document, 'The state, property relations and social transformation: A discussion paper towards the Alliance Summit', Umrabulo, 5 (3rd quarter 1998). In the former, the ANC’s and the neo-liberal approaches are outlined and the differences clearly expounded.

African capitalism:

Clearly the transfer of state power as envisaged [in the Freedom Charter] would very significantly modify the mode of constitution and composition of the capitalist class as well as the form of capitalism itself in South Africa.24

Cronin agreed with Hudson’s proposition that an alliance of social forces that stood to benefit from the transformation of South Africa’s political and economic landscape could take the struggle forward. But he qualified his faith in this alliance.

[Within this alliance, in order to ensure that the national democratic struggle also creates sufficient conditions for substantial transformation, we need to build the correct balance of forces (physically, organisationally and ideologically).]25

The basic premise from which both Hudson and Cronin proceeded was that the implementation of the Freedom Charter would entail some nationalisation of the means of production, and would thus tilt the balance of power in favour of the working class. They did not regard such an outcome as a sufficient condition for the implementation of a transformation programme that would alter capitalist relations of production in South Africa. The compromises that were made during the negotiation process, coupled with the relative strength and resilience of the international capitalist class (which made implementation of the Freedom Charter’s economic strategies impossible) were thus viewed by many on the left as disastrous, because the counterweight that would have tilted power in favour of the working class was not available. From this perspective, the conditions were being created for the stabilisation and entrenchment of capitalism in South Africa along neo-liberal lines. This, argued the ideological opponents of what was felt to be an accommodationist ANC-dominated state, constituted the principal contradiction within the national democratic revolution: between those who supported a neo-liberal agenda and those who sought the fundamental transformation of capitalism and society along socialist lines.26

The possibility of entrenched neo-liberal capitalism poses a serious challenge to the forces seeking a socialist outcome from the South African transition. These forces

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are obliged not only to analyse this development, but also to find appropriate political and ideological responses to it. Perhaps this explains the stridency of the debate within the tripartite alliance. The perspective of the SACP, shared by some in Cosatu, is that it is attempting to deepen the national democratic revolution ‘on a terrain of capitalist dominated global and national conjuncture.’ In this view, focusing on the deracialisation of the economy without a thoroughgoing transformation of economic power relations will not achieve the objectives of the national democratic revolution. Rather, it will result in the creation of a new elite within the alliance, which will seek to challenge the hegemony of the working class and thereby reinforce capital and its agenda.

Cosatu has expressed the view that it is not possible to resolve the question of national oppression without shifting the balance of class forces in society. The essence of this argument is that the ANC cannot hope to achieve the objective of uprooting the political economy of racism and replacing it with a non-racial democratic order unless the working class and its interests are dominant. If working class hegemony in the alliance is replaced by black bourgeois hegemony, a neo-liberal agenda will be pursued which will favour the interests of this new dominant class, the argument goes.

The ANC concedes that capital took advantage of the weaknesses of the new democratic state caused by both political compromises and institutional limitations. Capital used the gap provided by the project of making South Africa’s industrial base more competitive in a global world by transforming the organisation of work to maintain high levels of exploitation. The ANC responded by enacting legislation that sought to protect workers and entrench the rights they had fought for over decades.

The critical issue, though, was that the ANC had to transform the state itself to have the capacity to embark on transformation on a large scale. The transformed state could, in conjunction with a mobilised civil society, then help achieve the strategic objective of the national democratic revolution: creating a united, non-racial, non-sexist and democratic society.

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The ability of the state to determine the direction of economic or social development in the era of capitalist globalisation is fundamentally determined by its institutional capacity to intervene strategically.31

In this view, creating the correct balance of forces for launching sustainable transformation implies that a democratic state supported by a mobilised civil society replaces the apartheid state and its tentacles. That state must then drive an agenda that includes improved economic performance, the implementation of programmes for social betterment, and working with allies across the globe to create a new world order that will improve the prospects for an economic revival on the continent of Africa.

This view will remain hotly contested in the alliance. Fundamentally, its opponents see it as a retreat from the provisions of the Freedom Charter and as having the potential to deliver the working class to domination by capital. The only way to avoid such a historic betrayal of the working class, it is argued, is for the working class to maintain its hegemony over the revolutionary alliance and not surrender it to the beneficiaries of a deracialised capitalist economy.

Black capital in the transition: The ambiguities of dependence32

Black men in business were once encouraged to prosper in the Cape Colony.33 Their fate was sealed by the instant need for plentiful cheap labour that the discovery of diamonds and gold created. With opportunities evaporating and racism on the rise, these pioneers of black business gravitated towards the resistance movements that predated the ANC. In these movements they found ministers of religion, lawyers and law agents, prosperous farmers, and teachers, who had already understood that colonial society was to them ‘a one-teated cow’, with milk only for its white members.34

Thus, black business became an integral part of the liberation movement. The gradual economic exclusion that became total with the advent of apartheid drove this group into the centre of the liberation movement. This history made it possible for this group to be accepted as part of the motive forces of the national democratic revolution. Clearly it stood to gain from the overthrow of the apartheid state and its replacement with a democratic one. The ANC made its position clear in a meeting of the tripartite alliance officials in December 1999 when it argued that ‘the immediate interests of the rising black bourgeoisie and the middle strata objectively coincide with that of the majority’.35

Even in the discourse of the ANC, which had taken on a socialist orientation over the decades of struggle, something had changed by now. ‘Black men in business’ had become ‘black businessmen’ and then mutated into ‘a rising black bourgeoisie’ that was distinct from the middle strata. The SACP also understood and accepted that ‘a small but significant group of black people, some from the ranks of the National Liberation Movement, occupy important positions within the broad South African capitalist class’.36 It continued by noting that the ‘SACP would be foolish to lament’ and moralise on this, but that it presents a new challenge.37

What had happened in the new South Africa that had led to the mutation of what was a group of business-oriented individuals into a petit bourgeoisie worthy of discussion at a meeting of alliance officials? The change was long in gestation.

Over the years the National African Chamber of Commerce (Nafcoc), under the leadership of Sam Motsuenyane, had begun to look at systemic issues that hindered the development of black business. At its June 1986 conference, the leadership of Nafcoc had expressed the view that,

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\text{It is time to say ‘businessmen need to experience free enterprise and not merely hear about it or feel its spirit by association. Businessmen should not only be the catalysts of change but agents of change themselves’}.38
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Nafcoc had already moved some distance in making itself both an organisation of business interests and an agent of change. This came out in Motsuenyane’s presidential address at the conference, in which he said that a climate conducive to investment was dependent on the release of Nelson Mandela, the unbanning of political

37 South African Communist Party, ‘Strategic role of the SACP’, p.43.
organisations, and negotiations with credible black leaders.39 These were identical to the demands that the ANC, the internal opposition, and the international community were making of the apartheid regime if a negotiated settlement was to be a viable option. Motsuenyane further revealed that Nafcoc and the ANC had agreed that future policy might have to include

positive discrimination or affirmative action to be sanctioned in the short term to enable blacks to bridge the economic backlog, which centuries of discriminatory policies have given rise to.40

Motsuenyane was laying the basis for what was later called ‘black economic empowerment’ (BEE).

Black economic empowerment

The BEE concept surfaced in public for the first time at the second conference of the Foundation for African Business and Consumer Services in May 1991.41 It took time to take root in either the discourse of the tripartite alliance or the broader South African political lexicon. One explanation is that black business organisations were unable to generate sufficient surplus to dedicate to the advocacy of their interests.42 Black business organisations had to deal with the apartheid-induced challenges their members and customers were facing on a day-to-day basis. Their broader positions and immediate concerns were thus subsumed in the discourse of the national question.

Two forces of opposition shaped the development of the BEE concept in practice: on the one hand the influence of socialist elements within the alliance, and on the other the interests of white capital and its allies. The slow development of the BEE concept was exacerbated by the ANC’s ambivalence about it, even while it was attempting to deracialise the economy. Initially BEE was defined and shaped by white capitalist interests in an attempt to deflect the new government from focussing on whole-scale deracialisation projects.43 Capital attempted to find a relatively painless way of

39 S. Motsuenyane, p.9.
40 S. Motsuenyane, p.18.
42 This was a cry of black business at a meeting between the ANC and black business at Mopane Lodge, Kruger National Park, 29 October 1993, as the author recalls from his notes and recollections.
43 By 1999 Business Map was still reporting that coherent government policy was absent: ‘Business Map is watching Government intervention with trepidation. Interventions of this kind always open up space for tokenism, patronage, corruption and poor performance’. (J. Cargill (ed.), Empowerment 1999: A moving experience, Johannesburg, Business Map, 2000, p.9).
including black people in the economy. It was based on financial engineering, which in turn owed its success to the stock exchange boom.

The trend pioneered by capital was to change when a number of former political activists joined the empowerment movement.\(^{44}\) The political consequences of the empowerment movement were examined for the first time from the perspective of those who were its beneficiaries, which culminated in the setting up of the Black Economic Empowerment Commission (BEECOM) at the suggestion of the Black Management Forum in 1997.\(^{45}\) The need to locate BEE within the historical process of the South African transition had arisen. Five years of experimentation with empowerment had also raised issues that needed some attention:

- BEE was too narrow and too focused on ownership and control
- it was premised on acquisition and seemed to exclude organic growth of wealth
- there were some instances of major deviation from business principles
- it was reliant on government as a prime motivator and benefactor.\(^{46}\)

The BEECOM tackled these and many other criticisms and shortcomings. Its report\(^ {47}\) provoked significant debate. The SACP commented that the neo-liberal paradigm had been adjusted to accommodate black accumulation.\(^ {48}\) It reminded its constituency that capital accumulation is not neutral and that the working class had to be alert as to which class forces were being weakened in the process and which were being strengthened.\(^ {49}\) Government took time to consider its response. Its discussion document pointed out that experience had shown that disempowered communities could not take advantage of BEE unless significant changes in the underlying structural conditions of their surroundings were made.\(^ {50}\) It proposed targeted, transparent and sustained action that would have four main elements:

\(^{44}\) The most spectacular was Cyril Ramaphosa’s joining Nail in April 1996. For press reports see Sunday Times, 14 April 1996, Sunday Independent, 14 April 1996, Sowetan, 15 April 1996, and Financial Times, 15 April 1996. President Mandela was reported by the Sunday Times to back Ramaphosa’s move ‘to close the gap between white and black business’.

\(^{45}\) The idea of defining black economic empowerment had been raised in The Network chaired by the author in 1997. Its initial work, co-ordinated by Sello Rasethaba and Wendy Luhabe, was incorporated into the BEECOM.


\(^{47}\) Black Economic Empowerment Commission, A national integrated black economic empowerment strategy, (Skotaville, Johannesburg, 2001).


an enhanced enabling environment
programmes for new products and innovation
partnership with the private sector
the establishment of an advisory council.51

Since the negotiation and implementation of empowerment charters in the liquid fuels and mining industries (during 2002), and the support lent by President Thabo Mbeki and the ANC to that process, government has moved from tentatively supporting BEE to integrating it into its policy framework.

The debate about the political consequences of the advent of a black bourgeoisie continues,52 the most critical issue being how to engage a group that could become an important force in society. This question is most immediate for the SACP and other socialist formations, who want to secure space for a transition to socialism today. The danger these forces want to avoid is articulated by the SACP as ‘the consolidation of a new bourgeois order, based upon persisting class, race and gender inequality, but presided over by a new non-racial ruling bloc’.53 The views of the SACP are based on a particular conception of class relations that fails to take full account of the nuances introduced by changes in capitalist societies. Left political writers such as Wright have introduced the concept of ‘contradictory locations within class relations’54 in order to account for such changes. Wright argues that

the concept of contradictory locations within class relations, however, does not refer to the problems of pigeon-holing people with an abstract typology, rather it refers to objective contradictions among real processes of class relations.55

51 South Africa’s economic transformation.
52 For a critique of how working class leadership is responding to the issue of the rise of the black bourgeoisie, see Malikane.
53 South African Communist Party, ‘A socialist approach to consolidation and deepening of the NDR’, African Communist, 149 (2nd quarter 1998). In addition, an important consideration raised by Joel Netshitenzhe is whether the efforts being undertaken are aimed at ensuring co-option of the black ‘elite’ into the courtyard of privilege, or whether we seek to reshape the courtyard and reconfigure it to reflect a cultural setting within which capitalism should take shape in South Africa.
55 E.O. Wright, p.62.
According to this view there are class fragments that, for a variety of reasons, occupy contradictory locations around the boundaries of the proletariat and the bourgeoisie. The real question then is whether socialist forces in South Africa will be able to bring these contradictory locations accurately into their analysis and praxis. The long-term political impact of these forces may depend on their ability to understand these class fragments, their location in relation to the proletariat and the bourgeoisie and the interests they decide to pursue.

One way of avoiding the calamity of being overwhelmed by a new bourgeoisie is that the working class provides leadership to the emerging bourgeoisie by engaging with it. The dependence of this new bourgeoisie on the largesse of the state can be used as a point of leverage. Malikane, on the other hand, argues that although the national democratic revolution dictates that the working class should be at the centre of the agenda of the democratic state, it cannot be indifferent to the advances and setbacks of the black bourgeoisie, and has to guard against monopoly capital gaining control.

It is inevitable that black economic empowerment in South Africa today will be compared and equated with similar Afrikaner nationalist processes of the 1940s. The alliance of class forces created in the 1940s by the Afrikaner petit bourgeoisie, which put the National Party in power in 1948, is a parallel that begs comparison. Although the interests of the Afrikaner petit bourgeoisie were to diverge from those of the other elements of the multi-class Afrikaner alliance called the ‘volk’ (nation), at least they had committed themselves to eradicating abject poverty among their people. As a consequence they created a middle class, from which an extensive bourgeois class developed.

The black bourgeois class, in contrast, is emerging as a result of an urgent need to deracialise the economy, rather than organically. It is emerging at the same time as the restructuring of the South African economy for reasons of efficiency and competitiveness. This restructuring is creating massive unemployment and poverty. This has resulted in the development of a notion that this small group of people is accumulating wealth at the expense of working people. Its position is made more precarious by its inability to comprehend its interests and take corrective action where those interests are threatened by factors such as abject poverty in the country or the political weakness of the ANC, its benefactor.

56 C. Malikane, p.77
57 That this ultimately resulted in a broeder-twiss (feud between brothers) with the verkramptes (conservatives) in the North rebelling against what they called the ‘geldmag’ (money power) from the South is a lesson that should not be forgotten. D. O’Meara, Volkskapitalisme: Class, capital and ideology in the development of Afrikaner nationalism 1934–48, (Cambridge University Press, 1983).
Another critical difference between the Afrikaner elite then and the black elite today is that the former made sure that the state had the capacity to deliver to the volk the public goods ordinary people needed to pull themselves out of poverty. They made sure that their people got quality education, health care, agricultural extension services, and welfare and other services wherever they were in the country and in the society. In this way they were able to provide opportunities for their people to improve their standard of living. This entailed ensuring efficient delivery systems for these services in every city, town, village, hamlet, farm or homestead.

The inability of the emerging black bourgeoisie in South Africa to understand the strategic importance of the efficient delivery of public goods in all parts of the country is its greatest weakness. This weakness is exacerbated by a lack of class coherence and the consequent absence of an agreed political agenda.

Conclusion

The character of the South African state will be determined, ultimately, not by contestation between the national liberation movement and capital, but by the outcome of debates on the nature and role of the state within the tripartite alliance. This does not mean that capital and other social forces will have no impact on the evolving character of the state. The position that capital takes on national priorities such as poverty eradication and investment for growth will also impact on the character of the South African state.

The main difference between the ANC and its allies is that the ANC is seeking to increase the institutional capacity of the state so that it can be used to transform both South Africa and the continent. The ANC believes that such institutional capacity can be enhanced by the co-operation of patriotic elements of the bourgeoisie. The alliance partners, on the other hand, believe that the primary function of the state must be to tilt power in favour of the working class, because it alone has the desire to radically transform all aspects of society. This is the debate that will largely shape the character of the South African state.

Domestic capital engages tangentially in this discussion. Its input is confined to aspects of economic policy. Many companies have demobilised their socio-political analytical capacities, which previously helped them engage the apartheid state. Capital seems happy to let its international allies articulate its views on a number of matters. It is interesting that capital is espousing an internationalist perspective, whilst the forces of socialism, which traditionally embraced internationalism, are committed to a policy of insulation from ‘the roller-coaster of the global economy’ by deepening national
sovereignty. Strategically, domestic capital has opted to reinforce certain government policies, such as attempts to create jobs through the promotion of tourism. It does not agree with all government policies, although it accepts that most of them are taking the country in what it perceived to be the right direction. The relationship between government and leaders of big business is affected by issues such as government policies on Zimbabwe, HIV/AIDS and crime, and recent changes in the mining sector. In engaging the President, leaders of big business have sought to present as non-racial a face as possible in order to avoid racial stereotyping. Many business leaders feel, however, that their engagement with the President and his ministers has been made less productive by their inclination to conduct discussions in overly polite tones for fear of being perceived as unpatriotic and defensive. Very few business leaders really appreciate the political cost of the economic path that government has chosen, and as a result they fail to act in ways that could help government defend this course.

One of the unintended consequences of contestation over the emerging character of the South African state is the primacy that politics has assumed over efficiency and effectiveness. Incredible energy is put into getting the politics right – but less energy is applied to making the state efficient and effective. Thus, the state that is evolving is uneven in its impact on people’s lives. Such a state, whether it is a referee among interest groups and classes or more interventionist, is not likely to meet the challenges that face our country and continent.

The paradigm that has carried the tripartite alliance through difficult times and very different conjunctures, including the negotiated settlement, is under strain from a triumphant (and often triumphalist) global capitalist order. The project of transforming apartheid society is taking place within the strictures of global capitalism and its power to reward and punish countries that do not make themselves attractive to capital inflows. Transformation is thus not as spectacular as some would want it to be. Strident voices question the logic of accommodating the demands of domestic and international capital in a context where the economy is shedding jobs. The policy choices that face a new democracy with serious socio-economic challenges of daunting proportions are likely to generate a lot of heat in and among different constituencies, in the short term. If these policy choices are not made boldly, and the country is caught in political paralysis, a great opportunity to create a better life for millions of South Africans will be lost. If this generation were to lose the opportunity to improve the lives of the long-suffering people of South Africa because its leaders took their eyes off the prize of economic growth and equitable distribution of wealth, it will be the biggest tragedy of the twenty-first century.

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59 Interview with Conrad Strauss.
FROM A THEORY OF REVOLUTION TO THE MANAGEMENT OF A FRAGILE STATE

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