

RECONCILIATION AND ECONOMIC REACTION: FLAWS IN SOUTH AFRICA'S ELITE TRANSITION

Patrick Bond

Was South Africa's post-apartheid transition compromised by an intra-elite, so-called economic reconciliation that generally worsened poverty, unemployment and ecological degradation, while exacerbating racial, gender and geographical differences? Did the governments of Nelson Mandela and Thabo Mbeki fail to redistribute the country's wealth? Did the transition extend South Africa's reach into the region at the expense of the interests of other African nations and peoples?

If the answers are broadly affirmative, we may as a result now be witnessing a double-movement reaction to the truncated character of liberation. With intensified commoditization has come a vast upsurge of social unrest, in the manner Karl Polanyi might have predicted.¹ A new popular opposition to the excesses of elite reconciliation began to emerge around 2000.² By late 2005, Safety and Security Minister Charles Nqakula recorded 5,085 protests over the prior year, of which he considered 881 to be "illegal."³

No peace without justice, no reconciliation without redistribution. These themes reflect the problem of the early 21st century world order that David Harvey calls "accumulation by dispossession," i.e., a new stage of voracious penetration of market forces into areas of society and nature that were not previously commodified.⁴ The phenomenon represents an Achilles' heel for writers such as Guillermo Schmitter, Phillippe O'Donnell and their brethren in South African think tanks, universities and centrist non-governmental organizations (NGOs such as the Centre for Development and Enterprise, the South African Institute for International Affairs and the Centre for Policy Studies). Indeed, many crucial middle-income sites of elite-pacted compromise in so-called democratic transitions now appear locked in perpetual conflict: Brazil, Argentina and other Latin American countries; South Korea, Taiwan, the Philippines and Indonesia in Asia; much of Eastern Europe, Central Asia and the Middle East; and Africa, most notably in Nigeria and South Africa. All witnessed the passage from the dictatorships of the 1960s and 1970s to

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the democracies of the 1990s. Yet, these are unstable because neo-liberalism was applied and often imposed upon new governments under conditions of what Barry Gills, Joel Rocamora and Richard Wilson term “low-intensity democracy” or Thandeka Mkandawire calls “choiceless democracy,” namely the inability to change socio-economic parameters because the basic substance of economic and even social policy is considered off-limits by international agencies and capital.⁵

As a result, in South Africa, ongoing economic inequality is the cause of durable conflicts between the state and capital on the one hand and the lower-income and

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oppressed sectors of society on the other. It is hard to conceive of inequality actually worsening in the wake of apartheid, but a major study published in October 2002 by Statistics South Africa, a state agency, showed that in real terms, average black African household income declined 19 percent from

1995 to 2000, while white household income increased by 15 percent. Households with less than \$100 per month income—mainly those of black African, colored (mixed-race) or Asian descent—increased from 20 percent to 28 percent of the population from 1995 to 2000. The poorest half of all South Africans claimed a mere 9.7 percent of national income in 2000, down from 11.4 percent in 1995, while the richest fifth grabbed 65 percent.⁶ Meanwhile, the official measure of unemployment rose from 16 percent in 1995 to 31.5 percent in 2002. Add to that figure frustrated job-seekers and the percentage of unemployed people rises to 43 percent.⁷

Post-apartheid social policy has failed low-income people in many areas, including healthcare, water access and land tenure. Anti-retroviral treatment for HIV/AIDS was denied to millions who needed it, as a result of the ruling party’s denialist stance (not conceding the link between HIV and AIDS) and the pressure from pharmaceutical corporations to refrain from licensing generic replacements for high-profit branded drugs. As discussed below, water and electricity disconnections affected millions and price increases forced dramatic declines in low-income people’s consumption. Rural land tenure in the ten years after liberation was so insecure that one-third more people were displaced than during the decade prior to apartheid’s fall.⁸ The Landless People’s Movement observed that from 1994 to 2004, the African National Congress (ANC) failed to deliver on its promise to redistribute 30 percent of the country’s agricultural land from 60,000 white farmers to more than 19 million poor and landless rural and 7 million poor and landless urban black people within five years. Indeed just over 2.3 percent of the country’s land changed hands through land reform in that period.⁹ Still, there are some commentators who would argue that social democracy is gradually being constructed in South Africa, thanks to the ruling party’s so-called national democratic revolution, and the leading politicians’ purported commitment to a developmental state.

DEFENDING THE NATIONAL DEMOCRATIC REVOLUTION

Local celebratory variants of the Schmitter/O'Donnell/Whitehead thesis on transitions from authoritarian rule have finally begun to emerge in published form.¹⁰ An example is from Alan Hirsch's recently published book-length survey of the ANC's consistent economic philosophy:

[A]t the centre is a social democratic approach to social reform—it is the state's job to underwrite the improvement in the quality of life of the poor and to reduce inequalities, but with a firmly entrenched fear of the risks of personal dependency on the state and of the emergence of entitlement attitudes....The ANC's approach is sometimes summarized as elements of a Northern European approach to social development combined with elements of Asian approaches to economic growth, within conservative macroeconomic parameters. This remains the intellectual paradigm within which the ANC operates...[B]ecause the ANC was confident of electoral success for at least 10 to 15 years, reaping the liberation political dividend, it did not feel forced to introduce risky, populist economic or fiscal policies to retain electoral support. Long-term growth prospects are brighter today in South Africa than at any other time in its recent history. The macroeconomy is in good shape and is well managed; new state and civic institutions are growing in authority and competence; developmental strategies have been tested and modified and are now making headway. The country is stable and the government has elicited new levels of trust and confidence...Government and businesses in South Africa have learned to manipulate the levers of growth, and redistributive policies are reinforcing the positive growth trajectory. Where the ceiling is no one really knows.¹¹

It is hard to know what to believe from Hirsch's account, given his role as a former leftist and then presidential-policy advisor. Self-servingly, he remarks, “[T]he political miracle was neither a miracle nor easy, but rather the result of extraordinary leadership.” On the one hand, he insists that for the 1994 to 2002 period, “[L]ong-term and direct foreign investment entered South Africa in significant volumes.” On the other, Hirsch also provides data that show the very *opposite*, namely, until 2001, only the year 1997 witnessed more than a paltry \$1.4 billion foreign investment inflow (the year of state phone company Telkom's partial and ultimately unsuccessful privatization), as compared to an average \$4 billion a year for financial inflows and outflows. As for the \$8 billion that flowed during 2001, Hirsch concedes in an explanatory note, “The high figures in the direct investment columns for 2001 result from a transaction between Anglo American and De Beers, which resulted in Anglo American moving its domicile to London.”¹² In other words, it is only by considering Anglo American as foreign capital that foreign investment has risen. Aside from expansion of temporary auto components and the subsequent purchases of existing enterprises by Barclays and Vodafone, the amount of foreign direct investment in South Africa has been paltry, in turn reflecting the excess idle capacity in most South

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African manufacturing industries due to local oligopolization, product uncompetitiveness and earlier periods of overinvestment.

The ruling party's defenders include not only those like Hirsch who are based in the presidency, cabinet, parliament and ANC. In addition, a respected liberal-left judge, Dennis Davis, attacked a new intelligentsia of upper-income, white govern-

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ment supporters who at best, argue about the need for change rather than transformation, the imperative of trickle-down economics, the irrelevance of class and the need for the construction of a mighty black bourgeoisie and, in some cases, even AIDS denial. He adds to these "cheerleaders," as he terms them, as a group of "careerist" supporters, "many of whom represented the very best of our struggle for a non-racial democracy, [who] have now become consultants to our government and to foreign governments....Not for this group any further engagement in the intellectual life of the country."¹³

The latter may be an unfair allegation (as witnessed especially by Hirsch's effort), because under the banners of nuance and balance, there did arise, in the mid-2000s, a critical mass of state officials and consultants, joined by sympathetic academics and journalists, who openly defended the elite transition, in no small part by distorting the left critique. For example, contributors to a widely read 2003 issue of the journal *Development Update* sought to place themselves "somewhere between the 'miracle' and the 'sell-out'" perspectives on post-apartheid South Africa, as David Everatt and Vincent Maphai averred. The two guest editors of the journal—one a prolific consultant to the public works department, the other the public relations head of South African Breweries—declare themselves and their contributors anxious to avoid "dramatic but intellectually sloppy" perspectives allegedly adopted by left critics of the ANC.¹⁴

In the same journal, another frequent state consultant, Edgar Pieterse, complains that the independent left assumes "the primary causal factor of systemic poverty in South Africa is the government's neoliberal macroeconomic policy—the de facto national development strategy, according to the Left—which itself is embedded in the neoliberal globalization agenda of the West." Reflecting a lack of faith that the ANC can reform itself, the left critics insist (in Pieterse's words) that "associational formations of the poor must become the bedrock of militant social movements that will challenge the hegemony and technologies of the government's agenda." All of this is true, though Pieterse then attacks left analysts for allegedly "flattening everyday life" through "the implicit essentialism of [class] identity." This false reading of a rich, varied, radical literature on the South African transition may be better explained through Pieterse's own self-confessed failure to provide "empirical data

and systematic analysis” of numerous independent left social movements (or even to bother citing others’ data and analysis).¹⁵

The leftist movements confound many who see them as uncivilized society, dating back to the previous upsurge of the late 1980s and early 1990s. Only a few of the numerous reviews of civic resistance during late apartheid offered hope that either the existing or a new generation of groups like urban civic associations would continue fighting neoliberal housing or infrastructure policies.¹⁶ Some observers did of course record the systemic demobilization of the community groups that had played such an important role in the early 1990s.¹⁷ But leading mainstream observers were extremely skeptical that the intense counter-hegemonic role achieved earlier in the decade could (or indeed even should) be restored under conditions of state legitimacy and democracy.¹⁸

Mostly, centrist and center-left commentators have simply disregarded the ongoing advocacy work—including protests—of the former United Democratic Front constituents from 1994 to 1999 and the upsurge of independent leftist social movements since. Part of the problem, as Sean Jacobs convincingly shows, was the way the mass media ignored or distorted arguments by the state’s macroeconomic critics, grassroots opponents of services privatization and by John Pilger, producer of a seminal 1998 film, *Apartheid Did Not Die*.¹⁹ In addition, the elite’s cadre of loyal intellectuals, especially those writing in Everatt and Maphai’s issue of *Development Update*, repeatedly neglected or simply mangled the detailed critiques put forward by independent leftists in sector after sector.

Consider for instance a lengthy 2003 study of South African inequality by well-known economist Stephen Gelb, who in 1996 and 2000/2001 co-authored Pretoria’s main neoliberal macroeconomic strategies. Writing on behalf of Britain’s state aid agency (itself a frequent proponent of privatization on behalf of London capital), Gelb accuses independent left critics of “simplistic and often moralistic readings of political leaders’ behaviour and interests,” and of “ignor[ing] structural features of the society, in particular the nature and distribution of economic and political power in South Africa at the point of transition, and the structural problems—crises—which beset the economy for two decades prior to the transition.”²⁰

For Gelb, the optimal strategy is a myopic social-democratic corporatism that includes wage restraint:

Consensus becomes possible when the leadership identifies the crisis, “names” it for its population, that is, underlines the seriousness of the situation, and points in a credible fashion to a strategic way forward, enabling groups to put aside sectional differences and unite together.

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Credibility here implies giving individuals and groups confidence that they will not be forced to carry an unfair share of the burden, giving each group the belief that the policies will be sustained.²¹

More specifically, Gelb continues, “A social accord or social contract formalizing the obligations of business, labour and government with respect to both growth and stabilization” would “make burden-sharing possible.”

This is an important strand of political analysis, hostile to class conflict yet also acutely aware of the limits of contemporary capitalism, especially when it comes to redistribution of income or provision of rudimentary socio-economic opportunities. Looking more closely at Gelb’s analysis, there is a poignant honesty to be found, beyond the normative stance that defends status quo corporatist politics. For in venues ranging from local forums to the National Economic Development and Labour Council, this approach has self-evidently failed. Gelb himself admits:

One index of the declining resonance of tripartism has been the dissipating belief that a formal “peak association” agreement will succeed in addressing the investment-employment quandary. In 1998 a “Jobs Summit” was held, and in 2003 a “Growth and Development Summit,” but the joint public announcements of “success” at the meeting itself have not been matched by implementation and results afterward.²²

After reviewing the post-apartheid evidence, Gelb can only concede “the inability (or unwillingness) of government to address the wider context of inequality” and must conclude, “South Africa stagnates, rotting slowly.”²³ These are, broadly, also the contentions of the independent Left, namely, that untenable corporatism and the ruling party’s pro-capitalist bias ensure the worsening of a socio-economic crisis. In short, a political transition based on elite, not popular, reconciliation has not and cannot deliver the goods. This is evident in considering the main site of defense—a growing so-called social wage that allegedly offsets the country’s economic problems.

POVERTY, INEQUALITY AND THE SOCIAL WAGE

While statistics available in official reports from 1994 to 2000 offer strong condemnation of post-apartheid socio-economic trends, those available for the first half of the next decade become more complicated. To be sure, the official unemployment rate peaked in 2001 at 32 percent—but at 42 percent if discouraged job seekers (those who no longer report to surveyors they are actively seeking work, due to the low likelihood of finding any) are included. Subsequently, the government’s September 2006 Labour Force Survey showed a decline in unemployment to 25.6 percent with an additional 12.3 percent of the potential labour pool “discouraged” from even looking for work, i.e., a 38 percent effective unemployment rate.²⁴ This represents a negligible 4 percent improvement over five years for the entire workforce.

As *Business Day* complained, “Claims of major headway in the fight against

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unemployment appear to be grossly overblown.” Thus, during the prior year under review, “more than a quarter of the new jobs created...were the result of a state-funded agrarian reform programme” that left its beneficiaries ghettoized in an informal peasant-type mode. *Business Day’s* reporter continued: “[T]he nature of the jobs being included raises serious questions about claimed progress in achieving government’s goal of halving unemployment and poverty by 2014.”²⁵

Beyond disputes over employment, South Africans are also debating the nature of the state’s social-wage commitment and its impact. Defending government policies, Stellenbosch University Professor Servaas van der Berg controversially recalculated the Gini coefficient (a key measure of income or consumption inequality) by calculating the impact of state spending on the social wage.

Before this exercise, according to the United Nations Development Programme’s 2004 analysis of South Africa, the Gini coefficient had risen from 0.59 to 0.64 from 1994 to 2000, with zero being perfect equality in which all people have the same income, and one being a situation of complete inequality where one person controls all the society’s income.²⁶ In contrast, van der Berg determined that between 1993 and 1997, the full range of social spending—not just income transfers through pensions and child grants, but education, healthcare and other state programs—increased dramatically for the poorest 60 percent of households, especially the poorest 20 percent and the rural poor, and in turn decreased for the 40 percent who were better off. That process, according to van der Berg, generated a 35 percent improvement in the Gini coefficient. Merrifield updated the methodology, arriving at a 41 percent improvement in the Gini for 2000 from the 1994 base year, in the 2003 Government Communication and Information Services (GCIS) publication “Towards a Ten Year Review.”²⁷

Among many problems associated with this approach, van der Berg and Merrifield neglected to measure the impact of non-social spending patterns of the state; many of these were directed into corporate welfare, such as foregone revenues thanks to generous tax cuts to the rich and corporations, a new generation of costly export-incentive subsidy schemes (especially for the motor industry), and vast investments in mega-projects such as Coega or the Lesotho Highlands Water Project whose impacts on poor people are more negative than positive.

Indeed, as a share of total state capital expenditure, the categories of economic infrastructure (roads, bridges, dams, electricity and water supply) and economic services (business enterprises not included above) rose during 1995 to 2002 from 61.3 percent to 67.6 percent (approximately \$2.2 billion in 2002), while social infrastructure (schools, hospitals and administrative services) fell from 38.7 percent to 33.4 percent (\$1.1 billion).²⁹ The implicit rise in the wealth (not just income) of the

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shareholding class, by virtue of corporate asset value increases associated with state spending on economic infrastructure, would surely negate a large part of the 35 percent or 41 percent improvement in the Gini coefficient.

Data integrity and measuring biases aside, an even larger methodological question arises about the merits of adjusting the income inequality index with state social-services subsidies. As Congress of South African Trade Unions (Cosatu) economist Neva Makgetla put it,

[S]uppose a household's monthly income is R1,000 (\$140), or R12,000 (\$1,680) for the year. If the family has four children in school they are getting an extra R12,000 (\$1,680) from the state [the amount of the per capita education budget times four], doubling their income. But does that help us understand the economic difficulties they face in the short run? After all, it won't put food on the table.³⁰

Regardless of whether the van der Berg/Merrifield adjustment combines apples and oranges, as Makgetla argues, the number of recipients of social grants rose from 2.6 million in 1994 to 6.8 million in 2002, with a resulting state-spending increase from \$1.4 billion to \$5 billion.³¹ The figures are impressive, but rife with difficulties once we consider the practicalities of state delivery systems, as pointed out by the Committee of Inquiry into a Comprehensive Social Security System chaired by Vivienne Taylor.³² Thus, according to University of KwaZulu-Natal researchers Nina Hunter, Julian May and Vishnu Padayachee,

The uptake of some of the grants is hampered by complicated administrative processes that may prevent many of the eligible from accessing the grants. In order to access the grants, identity documents and birth certificates in the case of children are amongst the documents required by district level welfare offices. However, many of those living in rural areas do not have these documents.³³

A project not yet attempted would be to dissect each of the social spending line items and determine the biases associated with state policy and budgeting. For example, according to Hunter, May and Padayachee, Pretoria's spending on public education is definitely *not*:

pro-poor, since the share going to the poor and the ultra-poor is substantially smaller than their share of the population. In South Africa education should be free, but in practice schools require school fees, and other costs (such as uniforms, school books and stationery, transport to school), which are making it increasingly more difficult for the poorest to access basic education. A clear strategy from Government is required in this regard, as it is increasingly evident from the delivery of other services, particularly health care, that user fees and transport costs are hampering the access to these services of those most in need.³⁴

If in education and healthcare the problem of user-fees reduces the benefits of state spending for very poor people, the same is even more true in direct consum-

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ables such as water, electricity and telephone access. By the early 2000s, rising water and electricity prices together accounted for 30 percent of the income of those earning less than \$75 per month.³⁵

Consider the most notable example, Durban, South Africa's wealthiest municipality. In 1997 the monthly consumption of water by the one-third of the city's residents with the lowest income was 22 kiloliters per household per month (kl/hh/month). Shortly afterwards, a "Free Basic Water" strategy was adopted for the first 6 kl/hh/month, but steep increases in price for the next blocks of water were imposed. By 2003, the price of the average liter of water consumed by the lowest-income third of billed residents had doubled in price, notwithstanding the small initial free allotment. According to Reg Bailey, the official in charge of Durban's water tariffs, the price increase resulted in a diminishment of average consumption by low-income consumers by more than one-third, to 15 kl/hh/month, during the same period. (The price elasticity for water was, hence, a disturbing -0.55—an extremely large impact for what should be a basic need, hence relatively impervious to price change.) In contrast, for middle-income and high-income consumers, the price rise was a bit higher, but the corresponding decline in average consumption was much less (the price elasticities, respectively, were -0.14 and -0.10).³⁶ In sum, although they provided the pilot case of Free Basic Water, Bailey and his colleagues established a system in the late 1990s and early 2000s that led to much greater inequality. Mass disconnections to those who could not pay also characterized the Durban water system.³⁷ Nationally, in one recent year (2003), 275,000 households suffered disconnections of their water supply due to non-payment, the government's leading water bureaucrat conceded.³⁸

To return to van der Berg's research, perhaps the most powerful recent critique has come from Charles Meth, who documented the van der Berg team's tendency to systematically overcount those who have been lifted from poverty through increased social grants—especially the ZAR 100 (\$12.85) per-month pension.³⁹ Van der Berg used an annual household survey from the South African Advertising Research Foundation and estimated a decline in poverty from 18.5 million to 15.4 million from 2000 to 2004 when in fact—as Meth argues—the poverty count (measured at below \$45 per person monthly income) was in reality between 18 and 20 million people in 2004. (Part of the problem stems from a simple arithmetic error on van der Berg's part.)⁴⁰

DEFENDING REGIONAL HEGEMONY

Mistakes made in counting the poor, or claiming they are much better off than they are in reality, are to be expected and did not intimidate civil society activists from vigorous campaigning across a variety of social policy battlefields, including the demand for a Basic Income Grant, as noted below. But South African progressive

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civil society is also regionalist and internationalist in outlook and must rebut similar politics of justification by academics who dominate the field of international relations. In part because of an uncritical perspective on the merits of post-apartheid reconciliation with the international community, dangerous illusions have emerged regarding South Africa's standing on the continental and global stages. Manuel Castells posited "the incorporation of Africa into global capitalism under new, more favourable conditions via the South African connection."⁴¹ For Chris Alden and Garth le Pere, Pretoria "aims to play a key role in reshaping current international norms, institutions and process to further global justice for Africa and the

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South."⁴² Maxi Schoeman finds (undocumented) "evidence of a seemingly increasingly confident South Africa taking up a leadership position in and on behalf of the global South, but always with particular emphasis on the needs of Africa," especially in relation to trade and debt negotiations.⁴³ As for Mbeki's ambiguous Africa strategy, John Daniel, Varusha Naidoo and Sanusha Naidu argued that "a distinction needs to be drawn between the behavior of South Africa's corporates and its government. [N]on-hegemonic cooperation has, in fact, been the option embraced by the post-apartheid South African state."⁴⁴

Key media commentators' analysis of international relations are similarly positive, including three of the primary English-speaking reporters, Jonathan Katznellenbogen in *Business Day*, Peter Fabricius in *The Star*, and Jean-Jacques Cornish in the *Mail & Guardian*. When the latter paper's editorialists provided their annual "report card" in 2003, for example, they marked Mbeki at a "C" level, but warmly praised his international activities:

South Africa always has a reserved seat at the head table at powerful multilateral organizations and associations and Africa is now a high agenda item at the summits of the Group of Eight (G8) major economies. If Mbeki were to be rated on his performance on the international stage, he would pass with flying colours.⁴⁵

There is no question that the head table welcomed Mbeki. The mainstay of South African foreign policy, the New Partnership for Africa's Development (NEPAD), was celebrated by Washington, London, Berlin and the Bretton Woods institutions, with the U.S. State Department's main Africa official, Walter Kansteiner, declaring it "philosophically spot-on."⁴⁶

Not mentioned by the *Mail & Guardian*, on the other hand, was that NEPAD is widely derided by African intellectuals and activists as the re-legitimization of the Washington Consensus, with only lip service to democracy and human rights.⁴⁷ Given Mbeki's destructive role in Zimbabwe, and Nigerian president Olusegun

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Obasanjo's deeply flawed 2003 reelection and unsuccessful 2006 attempt to attain an unconstitutional third term, the two main NEPAD leaders apparently did not take good governance seriously beyond platitudes designed for G8 meetings.⁴⁸ In turn, the G8 governments needed NEPAD, partly because it reinforced their capacity to manipulate African countries through the aid mechanism. The recipients' bad behavior was demotivating G8 taxpayers and led to charges of African "donor fatigue," which NEPAD would help rectify, if only at the level of rhetoric. Concretely, nothing much would need to change, aside from South Africa's emerging function as the donors' main sub-imperial gatekeeper.⁴⁹ On Zimbabwe, for example, U.S. President George W. Bush named Mbeki his "point man" in July 2003.

At the same time, Mbeki was successfully repulsing local opposition from human rights and arms-control groups to purchase \$6 billion worth of sophisticated weaponry. This weaponry came from European corporations, replete with sufficient bribery by French, Swedish and German contractors to: bring down Mbeki's Deputy President Jacob Zuma; throw his own role into question; put a leading ANC parliamentarian, Tony Yengeni, into jail; and force the firing of other top officials in various departments.⁵⁰

Many on the continent are nervous of Pretoria's geopolitical interventions, including central African arrangements that quickly facilitated Johannesburg's penetration of the Democratic Republic of the Congo (DRC). Notwithstanding the UN Security Council's accusation that a dozen South African companies illegally "looted" the DRC during the 1990s turmoil, Mbeki did nothing to penalize these firms. In mid-2002, the South African cabinet provided "a bridge loan to the DRC of Special Drawing Rights (SDR) for \$75 million...[to] 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."⁵¹ The earlier generation of IMF loans to Mobutu Sese Seko codified apartheid South Africa's strong alliance with the corrupt dictator of 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 \$10 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."⁵² Within eighteen months, Mbeki forged a \$10 billion deal with Kabila for trade and investment, and gained access to \$4 billion worth of World Bank tenders for South African companies.

Pretoria's oil deals with odious regimes in Sudan and Equatorial Guinea raised

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questions because South African beneficiaries were closely associated with the ruling party, which led John Daniel and Jessica Lutchman to comment, “The ANC government has abandoned any regard to those ethical and human rights principles which it once proclaimed would form the basis of its foreign policy.”⁵³

Anti-imperialist rhetoric occasionally distorted the picture, but underlying relations with the North were sufficiently strong so that in early 2003, concurrent with Nelson Mandela’s outburst against the Bush administration that “All that [Bush] wants is Iraqi oil...[Bush], who cannot think properly, is now wanting to plunge the world into a holocaust”—the ANC government permitted three Iraq-bound warships to dock and refuel in Durban; the state-owned weapons manufacturer, Denel, sold \$160 million worth of artillery propellants and 326 hand-held laser range finders to the British army and 125 laser-guidance sights to the U. S. Marines.⁵⁴ In mid-2003, the Bush administration extended a ban on military assistance to thirty-five countries—including South Africa—which all agreed to cooperate with the International Criminal Court against potential U.S. war criminals in the future. In spite of this, Washington’s ambassador to the Republic of South Africa, Cameron Hume, quickly announced that several bilateral military deals would go ahead in any case. According to Peter McIntosh of *African Armed Forces*, the United States “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 Defence Force has] available for peacekeeping in Africa.”⁵⁵ The two countries’ military relations were fully “normalized” by July 2004, in the words of SA Deputy Minister Aziz Pahad.⁵⁶

CONCLUSION: VIEWS FROM CRITICAL CIVIL SOCIETY

There is of course resistance to the ANC’s reconciliation with domestic capital and international security forces since the early 1990s. In a first wave of protests, the former United Democratic Front constituent organizations, which included trade unions, grassroots civic associations, advocacy NGOs, churches, women’s and youth groups were able to make minor adjustments in policies and programs, although many were reduced to project-level implementation. To be sure, defeat was experienced on major advocacy campaigns such as macroeconomic policy, social spending, AIDS, arms deals and foreign policy (ranging from apartheid debt and reparations to relations with multilateral financial and trade agencies to Pretoria’s support for repressive regimes in Zimbabwe and Burma).

As a result, a set of new social movements emerged, beginning in the early part of the decade, mostly outside the ANC government’s alliance with the country’s trade unions and communists.⁵⁷ Organizations from the left repeatedly challenging power included social movement and community-activist coalitions such as the Johannesburg Anti-Privatization Forum—the network of Durban urban residents

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stretching from the Abahlali base Mjondolo shacks to South Durban working-class communities and beyond—and the Western Cape Anti-Evictions Campaign, as well as a variety of sectoral-specific groups.⁵⁸ There are also militant sections of the trade union movement, especially municipal workers. However, it is only when labor's main umbrella organization, the Congress of South African Trade Unions (COSATU)—as well as the South African Communist Party (SACP) and Treatment Action Campaign—break their alliance with the neoliberal ANC that a serious electoral and non-electoral left can consolidate, according to most analysts. The return of Jacob Zuma to the political stage after the state failed to convict him in two 2006 trials (on charges of corruption and rape) will delay that process because for many trade unionists and communists, Zuma represents the possibility of resurgent influence in the ANC, especially as he appears likely to become the ruling party's president (in December 2007) and possibly the country's leader (in the 2009 election).

In the meantime, divisive conflicts have emerged within South Africa's independent left movements (nearly destroying the Landless and Jubilee movements). Disputes continue over how to relate to the SACP and COSATU, with some groups entering selective alliances, particularly in the wake of increasingly vitriolic criticism of Mbeki by the SACP (Bonapartist) and COSATU (dictatorial).⁵⁹ The question carries into debates over whether (and when) to form a left political party, which divided the Anti-Privatization Forum in recent municipal elections.⁶⁰ In addition, there remain traditional South African problems with internecine rivalries among small political parties and factions.

The ANC's turn from liberation to liberalism has generated a resistance that is arguing concretely on issues and making small but important steps towards a future that reflects, rather than rejects, long-held ideals of non-racialism, non-sexism and economic justice. While the major break with neoliberalism that characterizes politics in some Latin American countries is still many years away, the failure of reconciliation to reach into the economy assures that the pressure for such a break will only intensify. 

NOTES

¹ This has occurred regularly throughout history, as “the extension of the market organisation in respect to genuine commodities was accompanied by its restriction”; see Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon, 1957), 76.

² For evidence, see William Mervin Gumede, *Thabo Mbeki and the Struggle for the Soul of the ANC* (Johannesburg: Zebra, 2005); John Saul, *The Next Liberation Struggle* (New York: Monthly Review Press, 2005); Patrick Bond, *Elite Transition: From Apartheid to Neoliberalism in South Africa* (London: Pluto Press, and Pietermaritzburg, South Africa: University of KwaZulu-Natal Press, 2000); Franco Barchiesi and Tom Bramble, eds., *Rethinking the Labour Movement in the “New South Africa”* (London: Macmillan, 2003); Simon Kimani N'dungu, ed., *The Right to Dissent: Freedom of Expression, Assembly and Demonstration in South Africa* (Johannesburg: Freedom of Expression Institute, 2003); Neville Alexander, *An Ordinary Country* (Pietermaritzburg, South Africa: University of KwaZulu-Natal Press, 2002); Sean Jacobs and Richard Calland, eds., *Thabo Mbeki's World* (London: Zed Books, and Pietermaritzburg, South Africa: University of KwaZulu-Natal Press, 2002); Gillian Hart, *Disabling*

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³ Freedom of Expression Institute, "FXI's Anti-Censorship Programme Releases Sixth Progress Report" (internet press release, Freedom of Expression Institute), <http://www.fx.org.za>.

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⁶ Statistics South Africa, "Earning and Spending in South Africa" (Pretoria: Statistics South Africa, 2002). As reviewed below, a debate has begun over whether the extension of state welfare payments—a small pension and even smaller child support grant—has really lifted millions out of poverty, but is inconclusive due to inadequate data.

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⁸ Social Surveys, Nkuzi Development Association, *National Evictions Survey* (Johannesburg and Pholokwane: Nkuzi Development Association, 2005), 7.

⁹ Landless Peoples Movement, "Press Statement" (Johannesburg, 8 January 2004).

¹⁰ Guillermo O'Donnell, Phillip C. Schmitter, and Lawrence Whitehead, *Transitions from Authoritarian Rule* (Baltimore: Johns Hopkins University Press, 1986).

¹¹ Alan Hirsch, *Season of Hope* (Pietermaritzburg, South Africa: University of KwaZulu-Natal Press, 2006), 6-7.

¹² Hirsch, 87.

¹³ Dennis Davis, "Beyond Cheering and Pie-Throwing," *Mail & Guardian*, 30 January 2004.

¹⁴ David Everatt and Vincent Maphai, "Introduction," *Development Update* 3, no. 2 (2003): 5.

¹⁵ Edgar Pieterse, "Rhythms, Patterning and Articulations of Social Formations in South Africa," *Development Update* 3, no. 2 (2003): 103, 104, 114.

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- ²⁷ Policy Co-ordination and Advisory Services, *Towards a Ten-Year Review* (Pretoria: Government Communications and Information Service, 2003), 90.
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