Uneven and combined development, migration and xenophobia in Southern Africa

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1. Introduction

It is a great honour to participate in a discussion with progressive Indian intellectuals, aiming to surface some of the theoretical and political problems that we face in South Africa when migrant labour comes into contact with one of the world's most militant proletariats. In a post-colonial settler state still suffused with racist socio-geographical patterns and still reliant for a great deal of surplus value extraction from migrant workers in mines, factories and plantations, and with neoliberal 'class apartheid' replacing 'racial apartheid', little wonder that South Africa has amongst the world's highest social protest rates. But as we conclude, it is yet more tragic that as one response to structural conditions, extreme forms of violent xenophobia broke out in 2008 and 2010, leaving scores of immigrants dead.

I will, in this paper, first briefly outline roughly a half-century of theoretical developments in political economy that explicitly or implicitly grappled with migration. Then we review the main empirical aspects of labour migration over a century of regional proletarianisation. Next, contemporary economic crisis trends are sketched. And finally, an indication of why social resistance to neoliberalism has taken both 'left' and 'right' turns, the latter in the form of xenophobia. There is, it will be clear, an 'uneven and combined development' of capitalism, and also of anti-capitalism.

2. A half-century of competing political-economic traditions

Study of South African political economy has an extraordinary set of lineages. There remains in political economic research an excellent potential for praxis-based scholarship and for revitalizing what was once a world-leading intellectual tradition, even if there is not a single program in a South African tertiary educational institution that carries the name, 'political economy'.

Taking a longer view of economic and social relations, the various South African traditions of radical political economy were always infused with concern about race, geography and also, increasingly, gender and environment. All came together in studies of superexploitative capital-labour relations that underpinned apartheid. While fierce debates between radicals and liberals (whether Weberian or modernisationists) motivated 1960s-70s political economic studies, these matters go much further back as research problems, as they draw upon longstanding concerns within Marxism about superexploitation.

The origins of British capitalism, after all, were in 'primitive accumulation', the initial capitalist strategy of dispossessing non-capitalist spheres of social life, most famously in land enclosures which forced peasants into the proletarianisation process. But in South Africa the use of political power to dispossess black people of their livelihoods, so as to compel them into wage labour relations, entailed durable extraeconomic, crudely racist methods which were not just a once-off initial condition for primitive accumulation.

For researchers of South African political economy during the late 20th Century, the idea of superexploitation was helpful to explaining an ongoing history of extremely biased accumulation, combining capitalism and non-capitalist sites of work, of life and of nature. This process of 'uneven and combined development' can be identified not solely on the basis of exploitation (surplus value extraction) at the point of production – the essence of capitalism as articulated in Marx's *Das Kapital* – but instead, more broadly, in relations between market and non-market activities. It is here that enhanced 'accumulation by dispossession' (Harvey 2003), between capitalism and non-capitalist systems, is also of great relevance on the world stage today. But to come to these understandings requires us to back-track, to the point in the early 1960s when the debate was properly joined in South Africa.

Was the Colonialism of a Special Type (CST) argument a watershed? It is here we begin to find, in the South African Communist Party's (SACP's) adaptation of Third Internationalism, a systematized understanding of race and class – with implicit gender and environmental considerations. According to Colin Bundy's (1989, 3) account,

> The theory of CST was fully enunciated, and adopted as official policy, in 1962, but its central tenets were arrived at 'by the end of the 1940s', and adumbrated in the Central Committee report to the 1950 Communist Party South Africa conference. That report argued that 'the distinguishing feature of South Africa is that it combines the characteristics of both an imperialist state and a colony within a single, indivisible geographical, political and economic entity'

During the 1960s and early 1970s, varieties of African colonialism and neocolonialism were being explored, e.g. by Samir Amin who developed a typology based upon extraction and plantation systems, relatively undisturbed pre-capitalist tributary relations and settler-colonial systems, by Giovanni Arrighi and John Saul who emphasised local class formation and associated political processes, and by Walter Rodney who mainly described the global range of capitalist extraction techniques. But in a relatively simplistic sense, CST represents an internal version of dependency theory. According to the SACP's (1989) most widely circulated analysis, the

> The South African capitalist state did not emerge as a result of an internal popular anti-feudal revolution. It was imposed from above and from without.

> From its birth through to the present, South African capitalism has depended heavily on the imperialist centres … It was within a colonial setting that the emerging South African capitalist class entrenched and extended the racially exclusive system to increase its opportunities for profit. The racial division of labour, the battery of racist laws and political exclusiveness guaranteed this … In all essential respects, the colonial status of the black majority has remained in place. Therefore we characterise our society as colonialism of a special type.

From this analysis, it was logical for the SACP to defend a vision of a revolution first of national liberation from internal colonialism, followed by the socialist struggle against capitalism. In later years, Joe Slovo would argue that the there is no 'Chinese Wall' separating the stages, and that 'dominant ingredients of later stages must already have begun to mature within the womb of the earlier stage'. From this approach, there are still regular calls from SACP intellectuals to hasten the 'National Democratic Revolution' and for the state to take on a more 'developmental' character (in other words, interventionist in the East Asian sense), without yet identifying – in any fully-formed, theoretically grounded way - what socialist content is appropriate.

Because the CST framework implicitly denied that the underlying dynamic of South African political economy was capitalist, it came under repeated questioning from left intellectuals. New generations of political economists added several other branches of Marxian analysis: Harold Wolpe's articulations of modes of production argument during the early 1970s; neo-Poulantzian 'fractions-of-capital' analysis during the late 1970s; the concept of 'racial capitalism' during the early 1980s; the Social History school of the 1980s; French regulation theory (and 'Racial Fordism') during the late 1980s; and the 'Minerals Energy Complex' from the mid-1990s.

The central concern remained race/class at the points of production and reproduction, with a focus on migrant labour. From 1948 through the 1970s, 3.5 million people were forcibly removed to Bantustans, which struggled to cope with the environmental demands placed on them. As we see in the next section, further flows of labour – many hundreds of thousands of men – were recruited from Lesotho, Botswana, Swaziland, Mozambique, Zimbabwe, Zambia and Malawi.

What Wolpe did not express was how gendered the process became. The migrant 'tribal natives' did not, when they were young, live under a system that required companies to pay their parents enough to cover school fees, or pay taxes for government schools to teach workers' children. When sick or disabled, those workers were often shipped back to their rural homes until ready to work again. When the worker was ready to retire, the employer typically left him a pittance, not a pension that allowed the elderly to survive in dignity. From youth through to illness to old age, the subsidy covering child-rearing, recuperation and old age was provided by rural African women.

The economic functionality of apartheid was, for Wolpe, a logical and necessary outcome of the post-war development of South African capitalism, in part because the system entailed deepening repression so as to ensure reliable labour flows. But there was ample room for contesting Wolpe's chronology and understanding of the dynamics of capitalism (as did not only liberals but also Deborah Posel in 1980), and indeed in a subsequent book, Wolpe (1988) backtracked substantially from the earlier position that apartheid was *necessary* to capitalist development, and instead agreed with critics that central aspects of their mutual evolution were *contingent*.

Meanwhile, Martin Legassick's work on industrialization and the cost of labour reproduction offered a more fertile direction of inquiry. In part this was because of his attention to 'class differentiation and uneven development generated by the domination of the capitalist mode of production', and his sensitivity to class fractions:

> The rapid emergence of the mining industry, generating capitalist forces and relations of production which impinged on every aspect of the Southern African economic system, created a new situation. The domination of the capitalist mode accelerated class differentiation and forms of uneven development. The rise of a hegemonic fraction of capital based on production led to the creation of the South African state in which this fraction dominated the power bloc.

Legassick does not further develop the idea of 'uneven development', as far as I can tell, and it is an easy phrase to drop in. Yet the radicals' problem of chronology was becoming evident: there were, after all, reverse remittance flows from urban to rural areas (contrary to the cheap-labour reproduction thesis) and indeed black wages were increasing in absolute and relative terms. Legassick's (1979, 73-74) corrective was the contention that 'institutions of racial discrimination and/or extra-economic coercion' lowered wages further than what they would have been in the absence of apartheid, and that apartheid exacerbated 'the relative gap in incomes and in wealth between the rich and the poor in the society', but after labour organized more powerfully in 1973, inter-racial inequality began a brief, moderate decline. Answering such charges in 'Race, Industrialization and Social Change in South Africa', Legassick observed that 'the trend of black income (as opposed to wages) over time must take into account the contributions from non-capitalist production in the reserves: does not the decline in this income from non-capitalist production vastly exceed any wage increases?'

This compelled Legassick to begin to question whether capitalism would dissolve or conserve what he termed 'the non-capitalist redistributive mode or production', a durable problem for political economy first raised systematically by Rosa Luxemburg (1913) and one that is still crucial to our understanding of imperialism's dynamics today. Legassick's arguments were recalled by Giovanni Arrighi in a 2009 interview with David Harvey:

> As long as proletarianization was partial, it created conditions in which the African peasants subsidized capital accumulation, because they produced part of their own subsistence; but the more proletarianized the peasantry became, the more these mechanisms began to break down. Fully proletarianized labour could be exploited only if it was paid a full living wage. Thus, instead of making it easier to exploit labour, proletarianization was actually making it more difficult, and often required the regime to become more repressive. Martin Legassick and Harold Wolpe, for example, maintained that South African Apartheid was

> primarily due to the fact that the regime had to become more repressive of the African labour force because it was fully proletarianized, and could no longer subsidize capital accumulation as it had done in the past.

This sounds like an excessively reductionist reading of Legassick on violence, in the spirit that Naomi Klein (2007) was accused of with her book *Shock Doctrine.* But even if the way to understand the relationship between capitalist crisis and state repression/reform *was* ultimately contingent, and even if the African labour force was *not* 'fully proletarianized' insofar as its reproduction was still subsidized in many ways by non-capitalist relations, the argument does drive us forward to the present.

For the meantime, from the mid-1970s, international trends in historical materialism – especially the success of Althusserian and Poulantzian structuralism – began having a larger impact on South African political economy research, via the University of Sussex. There emerged a fascination with which 'fractions of capital' controlled the state at particular moments of political change. Although the various fractions became increasingly blurred by the 1960s as South Africa's big mining finance houses diversified into manufacturing, several leading neo-Marxist researchers identified prior distinctions between capitals in terms of their sector of production (mining, manufacturing or agricultural), their location within the circulation of capital (industrial, financial, commercial, landed), or their 'nationality' (Afrikaner, English-speaking, foreign) (Davies, 1979; Davies, Kaplan, Morris and O'Meara, 1976; Kaplan, 1976).

The historical argument of the fractions of capital school can be summarised as follows. In 1910 the Union of South Africa was founded, and led by a South African Party representing an alliance of foreign-oriented mining capital and more prosperous capitalist agriculture, and also commercial capital and the incipient industrial bourgeoisie. The National Party/Labour Party 'Pact' government followed in 1924, combining the interests of small white landowners, local capitalists (especially in manufacturing) and racist workers. Pact policies also supported agricultural capital. A decade later, in 1934, the United Party was a fusion of the National Party and South African Party, with mining interests increasingly favoured. Mining ties to industrial capital also strengthened at this stage, but agricultural capital eventually deserted the party to support the Herenigde Nasionale Party. The Labour Party and Dominion Party (representing large sugar farmers and petty bourgeoisie) joined a coalition government in 1939. By 1948 a coalition of the Herenigde Nasionale Party and Afrikaner Party won the election on the broad support of capitalist agriculture, non-monopoly industrial and financial capital, the white petty bourgeoisie and white labour. Renamed the Nationalist Party in 1951, it codified the existing set of measures of racial segregation known as apartheid. In the late 1970s Nationalist Party leaders became increasingly ambivalent about their social base in white rural and labour constituencies (who have largely moved to the Conservative Party), while instead supporting reform policies originally advanced by big capital's Progressive Federal Party (now Democratic Alliance) (Davies, O'Meara and Dlamini, 1986).

Before long, however, the Poulantzian analysis itself came under sharp attack, especially by Simon Clarke (1978). For whereas focusing on fractions of capital highlighted questions of power, the costs of this single-minded focus were excessive: the capital accumulation process was downplayed, capital-labour conflicts dismissed, and thus a sense of necessity and contingency in the development of the social and economic formation diminished. (There has been little or no subsequent work in the Poulantzian tradition, although a more sophisticated use of the ideas not as fractions but as *circuits* of capital can be found in van der Pijl, 1984.)

With an upsurge in protest beginning when the Durban labour movement emerged in 1973, and with the economic slowdown beginning around 1974, radicals' attention turned away from aspects of stability and control, to instability and crisis. The theory of 'racial capitalism' was invoked to link the political and the economic. At the economic level, Marxist explanations of crisis often fall into three different camps: underconsumption, profit squeeze, and overaccumulation. First, insufficient demand for goods – or underconsumption – was described by John Saul and Stephen Gelb (1981, 1986) as follows:

> From the late 1960s, the growing saturation of the white consumer market limited not only sales but also the ability of the manufacturing industry to benefit from economies of scale. Since an expansion of the black consumer market was not then contemplated, this made more urgent the state's often reiterated, yet difficult to realise, call for an increase in manufacturing exports.

The implications are morally satisfying: give black consumers more income, they'll consume more, and that will spur the economy. At first blush, this sounds logical both as a way to explain economic stagnation and as a possible solution. But does it really get to the root of the way capitalism works? Marx commented that 'It is sheer tautology to say that crises are caused by the scarcity of effective consumption.' Moreover, noted Charles Meth (1991), 'Underconsumption, while always lurking, is not a theory of crisis, nor a permanent hindrance to capital accumulation.' Tellingly, perhaps, by the early 1990s Gelb (1991) came to reject the underconsumption argument, and predicted that if a post-apartheid government simply attempted a general redistribution of income from rich to poor, it 'would lead quickly to supply bottlenecks and higher levels of inflation eroding any real gains. Furthermore, it would simply exacerbate one of the underlying causes of the crisis, which originated on the supply side of the South African economy.' In other words, boosting the purchasing power of low-income blacks might fuel the economy for a very short while, but would do nothing to solve the underlying problems.

A second explanation for the crisis focused on labour. As white privilege became even more extreme during the 1960s – after black political resistance was decimated – African labour came under much more intense pressure. On top of new-found labour militancy beginning in 1973, Saul and Gelb also identified the shortage of skilled labour as a crucial weakness created by the apartheid system's colour bar and bantu education policies. These shortages became acute by the early 1970s. The argument here is that economic crisis is rooted in resistance by (and problems of) workers, which led to a 'squeeze' on corporate profits and a slowdown in growth. This argument is central to the question of the labour movement's post-apartheid wage demands. The danger of this line of argument should be evident. By the late 1980s, Gelb had come to the position that rising wages were a key culprit – an 'originating cause' – of the crisis. The mid 1970s wage demands stemmed from rising inflation (not the other way around) and labour's increased clout in the wake of the 1973 Durban and Johannesburg strikes. Mining industry wages were also possible following the 1971 rise in the gold price. A second round of wage increases in the 1980s coincided with the massive consolidation of trade union organisation.

This explanation for the economic slump is distasteful for many radicals. As Meth (1991) put it, 'There is a slight awkwardness about holding an analytical position which may be used to justify an attack on workers.' While class struggle certainly affects profitability – both on the shopfloor and at the negotiating table over how corporate income is distributed between profits and wages – such struggles cannot be the essential reasons for capitalism falling into a long-term structural crisis. Normally, in fact, wages fall during a crisis. If worker demands are seen to be a cause of economic crisis, there is a simple capitalist solution: 'wage restraint.' Gelb (1991) later argued the 'need to lower costs and improve productivity in the existing productive sectors, especially mining and manufacturing. This will require increased investment in new technologies, and/or lower wages at least in real terms. In other words, capital in these sectors needs to be strengthened, that is, profitability restored.'

In contrast, overaccumulation theory, the third approach to capitalist crisis (Meth 1991, Bond 2005), better explains the need felt during the 1980s for capital to end its support of apartheid, and the need for workers to gain higher wages so as to overcome inherited structural economic bias (against basic needs consumption). But what all such theories required was the confidence to generalise, something that some intellectuals felt increasingly uncomfortable about during the 1980s.

The fractions and racial capitalism perspectives were most harshly criticised by a new school of South African social history which prided itself for looking at society and economy not from the top (state and capital), but from the very lowest levels of the voiceless majority (e.g. van Onselen 1993, 1996). This was directly related to the unsatisfactory character of the various macro-theories that had come before. As Ben Fine and Zav Rustomjee (1996:22) put it,

> Such fashions have subsequently given way to the new social history, which has drawn its inspiration from the work of E.P. Thompson, in which rural struggles have figured prominently as case studies. Here there is considerable antipathy to reductionism, functionalism, structuralism and many other-isms. Instead is offered rich empirical detail and an emphasis on the many-sided making of history in terms both of the different aspects of struggle and participants in it. But there is precious little explicit theory.

Indeed, no matter how rich and interesting the particularities of the social history case studies proved, they added up to very little that was generalisable for the purpose of answering the larger questions of capitalist development (see Morris

1988). The broader theoretical discourse about race and class in South Africa seemed to peak in the 1970s, and with rigorous detailed probing underway in the 1980s in the context of the search for specificity, research into the nature of the mode of production tailed off markedly.

Conveniently, in the late 1980s, the larger questions were again placed on the agenda. It was a time when South Africa's capitalist class demanded, perhaps for the first time, an end to formal apartheid. The reasons for this are closely related to economic stagnation and financial crisis, but what was disconcerting was how dramatically this shook many Marxist theorists who, earlier, so profoundly rejected the liberal thesis that apartheid and capitalism were incompatible. As Gelb (1987) put it, radicals must 'develop a substantial and consistent analysis of capital accumulation which preserves their view of the earlier relationship between apartheid and capitalism, explains the transformation from long run apartheid boom to economic crisis and then analyses the crisis itself.' To that end Gelb introduced 'regulation theory' to dissect the relative stability of South African capitalism from 1948 through the early 1970s. A new wave of international scholarship had just emerged from France under the rubric of regulation, seeking to explain how post-war 'fordist' economies faltered (Jessop 1990).

Capitalism does, of course, manage to generate fairly long periods of growth before its internal contradictions become overwhelming. Describing how capitalism could stabilise itself over a period of several decades was the task that the founder of regulation theory, Michel Aglietta (1976), set for himself in his seminal study of United States economic history. The label for the stability that came of this articulation, in honour of a phrase coined by the Italian Marxist Antonio Gramsci, was 'fordism', signifying the symbiotic relationship between mass production and mass consumption (the product of Henry Ford's assembly line and $5/day wages). As a full-fledged 'regime of accumulation,' fordism relied upon intensive kinds of production in which capital 'deepened', and production became capital-intensive with high productivity. There also emerged under fordism a wide range of social and political institutions. Those that were most important to the US version – which then served to spread the fordist regime throughout the advanced capitalist world – were the Bretton Woods agreement (which stabilised the world financial system under the power of the US dollar); a social contract between big business, big government and big trade unions (which also involved the McCarthyite purge of communists); and a limited but real welfare state (which supported consumption).

South African 'racial fordism,' as Gelb (1987) termed it, captures the post-war combination of formal apartheid with industrialisation based on import-substitution: 'As with fordism in the advanced countries, accumulation in South Africa during this period involved the linking of the extension of mass production with the extension of mass consumption, but in a manner that was restricted on both sides of the equation, as is very familiar.' The expensive imported machinery was paid for by a relatively stable flow of foreign currency provided by mineral exports. Although political turmoil disturbed the economic boom in 1960, growth was relatively secure for at least two decades after apartheid was introduced, and this qualifies as the longest uninterrupted period of prosperity that the country's entire white population had ever had. Even short-term business cycle downturns helped correct imbalances in the system, says Gelb, in a 'reproductive' rather than destructive way.

But white mass consumption only goes so far – an entire industrialised economy with South Africa's aspirations could not build on so small a base. Because 'the size of the internal market is the main barrier to this type of accumulation,' ANC economists Maria Ramos and Fuad Cassim (1989) wrote, 'the fordist model within a domestic economy must be described in terms of the conditions of its interaction with the world economy.' South Africa's location on the periphery of the world economy gives it certain peculiar characteristics, which Ramos and Cassim called 'peripheral fordism.' Thus contrary to Gelb's analysis of racial fordist regulation, the mass production-mass consumption link occurred *between the global and economy and South Africa*, and not primarily within South Africa, although at first, 'peripheral fordism began by producing for a middle class both at home and abroad,' Ramos and Cassim acknowledged. 'To survive, the (international) fordist regime had to relocate to a country where high rates of exploitation existed,' which explains the post-war manufacturing boom in places like South Africa and Brazil. 'But though foreign capital has been crucial in underpinning South Africa's growth, South Africa has been unable to penetrate the world manufacturing market, in particular against the competition of more skilled and better utilisation of labour elsewhere.'

With the crisis in racial fordism largely understood as a breakdown in the institutional apparatus that regulated capitalist instability (witnessed in the form of 1970s strikes and social unrest, the import of international inflation, and the oscillating gold price), the key task for the regulationists - whether relying upon internal or international causality - then became how to stitch together a new set of 'post-fordist' institutions and assist in the process of 'kick-starting' capitalist growth. Wage restraint, productivity quid pro quos, social contracts and even Taiwan-style export-orientation have been advocated by Gelb and progressive economists (many connected to the Economic Trends Group 'Industrial Strategy Project' of Cosatu) who gained inspiration from the post-fordist discourse.

But here the politics of regulation theory emerged into full view. As four social scientists who work in this tradition – Avril Joffe, David Kaplan, Raphael Kaplinsky and David Lewis (1993) - put it in the final paragraph of a key paper, 'What is required is to identify a structured form in which these strategic discussions can be pursued across the spectrum of industrial activity without at the same time becoming swamped in a wider agenda of class conflict.' Controversies over trade union policy – particularly social contracts and shopfloor flexible specialisation – begun to emerge. Meanwhile, as with earlier approaches to neo-Marxist analysis, an historical materialist critique of regulation theory became widespread internationally (Brenner and Glick 1990) and in South Africa (Meth 1991, Callinicos 1992).

What is most remarkable about this search for theoretical explanation of race and class, the trajectory of political economy, the macro-micro relations and gender (O'Meara 1996), among other themes, is that at the point such theory may have been most useful to those engaged in everyday struggle against capitalism during the rise of neoliberalism, it evaporated. The theoretical exercises were, perhaps, so flawed in parts, that it became distinctly unfashionable to theorise about political economy. As

Fine and Rustomjee (1996:21) cautioned, 'The relationship between abstract theory and empirical application is not unique to the study of South Africa. But the virulent form taken by its racism within the bounds of a predominantly capitalist economy has cast considerable doubt on the simple expedient of examining South Africa's development in terms of hypotheses derived from ready-made analytical frameworks.'

Like Regulation Theory, Fine and Rustomjee's approach was institutionalist, identifying the nexus of a 'Minerals-Energy Complex' (MEC) around which accumulation, state, labour relations and other economic phenomena could be understood. Later, we consider the appropriateness and durability of the phrase, but within a decade, Fine (2008) also addressed the post-apartheid political economic nexus in terms of 'financialisation', in part because the ANC's 'macroeconomic policy has been designed to manage the capacity of the South African conglomerates to disinvest'.

In contrast, leading ANC intellectuals - such as Thabo Mbeki (2003) and Joel Netshitenzhe - justified the neoliberal economic policies they inherited and amplified, arguing that South Africa was suffering from 'two economies', and as for those left out, 'Of central and strategic importance is the fact that they are structurally disconnected from our country's 'first world economy'.' Yet there remain many structural *connections* still reminiscent of older labour migration systems, as SACP youth leader David Masondo (2007) observed:

> A combination of unreconstructed vulgar Marxism and modernization theory have provided conceptual basis for contemporary neoliberalism, which is dressed up as the 'first economy' drawing in the 'second economy' to a successful market process… The CST and its National Democratic Revolution (NDR) strategy is also used by some in the ANC to justify the current neoliberal incorporation of the emerging black bourgeoisie into the structure of capital accumulation.

With growing SACP and Cosatu critiques of Two Economies political economy, Netshitenzhe (2006) became aggrieved by 'the ideological bloodletting that sometimes accompanies policy making. It would be better if we could leave all our 'isms' at home when rethinking policy.' The SA Communist Party (2006) replied,

> The point is to reflect critically upon our reality and our engagement with it, in order to unify ourselves around the most effective strategic and programmatic interventions. We need to be practical, but being practical does not mean being merely pragmatic, still less anti-intellectualist. Theory does matter, and we do need to constantly re-visit our 'isms'.

It is here, in the flailing that has occurred against the tired version of official modernization theory, that we may again need to forcefully deploy the theory of uneven and combined development, especially as the process becomes amplified during times of capitalist crisis, and especially as we find a challenge in the way that labour migration develops, from apartheid to post-apartheid.

3. Historical trends in Southern African labour migration[1]

Southern Africa is probably the world's most extreme site of uneven capitalist development.[2] Inequality within and between the region's countries is severe, with race and gender domination largely undisturbed by the post-colonial experience, with the environment taking enormous strain, and with South Africa - and its 40 million of the region's 102 million citizens - responsible for $130 billion of Southern Africa's $160 billion in 1998 formal-sector economic output.

It is logical to anticipate, as well, an uneven, fragmented evolution of working-class power and political strategy, given the area's different modes of class struggle, levels of consciousness, organisational capacity, militancy, and relations with political parties and other social forces. Yet developments in one country act as major reference points for others. And yet while Southern Africa's rich radical traditions - including once-avowed 'Marxist-Leninist' governments in Mozambique, Zimbabwe and Angola, and mass-movements and powerful unions - owe much to revolutionary socialism and nationalism, this has not so far given rise to an explicit regional class project.

The question that ultimately has to be posed, then, is whether a coherent, cross-border vision can emerge to counteract the unevenness. Will 'globalization' provide an opportunity, through rising international working-class consciousness, in reaction to the multinational corporate agenda? Might the catalyst be a new round of parasitic South African corporate investment in the region? Or will fragmentation prevail, as was already reflected in a late 1990s upsurge in South African working-class xenophobia?

To address these strategic political problems requires concrete, historical investigations linking particular situations to general trends. Certain aspects of working-class experience are, of course, regionally universal or at least comparable, in part reflecting the importance and homogenising effect of cross-border migrant labour. The counterpart of the current regeneration of urban-rural linkages caused by the desperation of many unemployed workers - including more than a million laid off during the 1990s - is the rural-urban drift to rapidly-growing urban slums.

Also common to all these countries are issues of perpetual concern to workers: the HIV/AIDS pandemic; the prevalence of child labour; ongoing farm labour-tenant exploitation; low skills levels and inadequate training; rising privatisation pressures and controversies over other public sector restructuring measures; periodic refugee

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1. This section was coauthored with Darlene Miller and Greg Ruiters, and originally appeared in *Socialist Register 2001.*

2. To establish our boundaries, the Southern African Development Community (SADC) comprises both strong and frail nation-states: Angola, Botswana, the Democratic Republic of the Congo (DRC), Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Seychelles, Swaziland, Tanzania, Zambia and Zimbabwe. The large, well-populated but impoverished island of Madagascar also belongs, geographically, but is generally excluded due to its isolation and Francophone heritage.) For the purposes of this essay, we mainly consider the capital flows, labour movements and regional linkages within the ten most southern, mainland countries (i.e., omitting the DRC, Mauritius, Seychelles, and Tanzania.

inflows and debates over immigration policy; the emerging Export-Processing Zone threat (based on prototypes in Botswana; Lesotho and Swaziland) to occupational safety/health and wages; and mass poverty. These broader social concerns, and other reflections of daily struggle, benefit little from traditional 'corporatist' (big government + big business + big labour) relationships still favoured by some of the region's union leaders.

Yet the concentration and centralisation of Southern African capital - from a geographical anchorage in Johannesburg - is providing the whole region's workers with opportunities to challenge the same employers through cross-border solidarity. A 'free-trade' agreement (dominated by South African multinational corporate interests) is underway, and originally aimed to eliminate interregional barriers to trade and investment in 2006. If it is ever brought to fruition, a gradual homogenisation of regional economic conditions has been predicted. But the deal could just as easily intensify the region's polarising tendencies, given the parallel process of South African capital's expansion and the linkage of the region to Europe and North America through unfavourable free-trade pacts.

A variety of other compelling reasons have also emerged, since the end of apartheid, for action on a regional scale to be taken up more enthusiastically by workers and their allies. Cross-border social and cultural connections have intensified; long-term migration patterns have begun to solidify (since permanent residence was granted to long-term guestworkers by the South African government in 1995); controlling arms, drugs and other illicit traffic needs regional cooperation, as does the management of regional resources (such as water); the artificiality of nation-states sired at Berlin's colonial Africa carve-up conference in 1885 is more readily questioned as post-colonial nationalism fades; and there is wider recognition of the worsening unevenness of development (and related ethnic tensions) between the rich and poor areas of the region.

Our scan of harsh regional realities - and progressive prospects driven not by Washington and its proxies, but instead by popular forces in the region - necessarily begins in the core industrial sites (mainly South Africa's and Zimbabwe's large cities, as well as their now-declining mining regions). There, black workers established the first organisational roots of class power already in the 1920s, often in the face of opposition from higher- skilled white workers and artisans.

The ebb and flow of black working-class power was heightened by impressive industrial unrest during the 1940s, followed by a downturn associated with intensified state repression, the formal establishment of apartheid in 1948, and the banning of trade unions or their leaders in many of the colonial regimes. Later, from the 1950s, working-class power was overlaid by the rise of national political movements. As these movements gained progressively greater access to state power across Southern Africa - and yet soon proved themselves hostile to working-class interests and ambitions - workers had to decide why, whether and how to strive for a post-colonial, post-nationalist and perhaps even post-neoliberal future.

To understand the region and its working class in the 21st century requires considering, however briefly, its formation in the late 19th. There we find durable aspects of class-race-gender-environmental power serving a process of capital accumulation in more than a dozen major urban centres, with capital ultimately flowing to London, New York and Lisbon. Over the course of the past century or so, diverse international and intraregional connections were forged through trade, transport and communications links, customs unions, South African corporations' regional investment strategies, conflict over natural resources (especially water), and labour migration. Early commercial imperialism was codified by the 'Scramble for Africa,' the Berlin conference of 1885 at which national boundaries were demarcated by Britain, Portugal, France, Germany and Belgium.

The region's partial, disarticulated proletarianisation occurred initially through mining and related industries, not only on the Johannesburg reef, but also in patches of Zimbabwe (termed 'Southern Rhodesia' until 1965 and then 'Rhodesia' until 1979) and the copper fields of Zambia ('Northern Rhodesia' until independence in 1964). Of greatest interest, of course, is the fate of indigenous black African people under the compulsion of new wage-labour disciplines.

Yet even earlier, many white workers in and around the Kimberley diamond mines, the Johannesburg gold fields and the railways imported European traditions of trade unionism and mutual aid (e.g. building societies) as early as the 1880s. By the 1910s a brand of imported 'communism' (imbued with racism and sexism) flared brightly prior to the famous 1922 white mineworkers' strike (with the egregious slogan 'Workers of the world, unite for a white South Africa!'). In the wake of effective state repression, a coopted white Labour Party then allied with other disaffected social layers within the South African government, as did a similar group of unionised white artisanal populists in Southern Rhodesia just to the north.

In both rapidly-industrialising places during the 1930s, there emerged from white capital-labour alliances a 'whites-only' welfare state generous with job-creation programmes, pension schemes, health benefits, housing and the like (especially to rural Afrikaners displaced to cities, representing 'the poor white problem'). With the impressive rise of inward-oriented manufacturing and development-finance systems, many white workers evolved into middle-class managerialism. Meanwhile in South Africa, black workers found labour markets increasingly attractive as local growth raised black wages in relation to white wages by an unprecedented (before or since) 50% during the 1930s-40s.

How, in the process, were indigenous African people disenfranchised and (partially) proletarianised? Once the colonial spoils were divided at Berlin, the British government mandated the Cape prime minister Cecil John Rhodes and his British South Africa Company (BSAC) to seize a vast area stretching north from Lesotho. The British military beat back resistance from the region's Africans (most decisively in Southern Rhodesia during the 1890s) and from Afrikaners (in the South African-Anglo-Boer War of 1899- 1902). British settlers thereby gave birth to the socio-political construct of Southern Africa. Using traditional techniques to strip land from indigenous peoples - 'hut taxes,' debt peonage systems and fees for cattle-dipping and grazing, as well as other more direct forms of compulsion - the settlers drew African men from the fields, into the mines and emerging factories.[3]

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3. Similar imperatives were introduced in Portuguese-controlled Mozambique and Angola, and in Namibia (the German-run former South West Africa until South Africa took over after World War I). But such accumulation was mainly based upon extractive (rather than settler-oriented) economics, via

But it took more than geopolitical influence and investment to form a regional working class. Racialised capitalism throughout Southern Africa also came to depend heavily upon extraordinarily 'cheap' migrant labour and various forms of extra-economic coercion. The Johannesburg mining houses soon organised a Chamber of Mines in order to establish recruitment offices in far-flung parts of the region. Northern Rhodesia's copper mines and various Southern Rhodesian enterprises also followed the migrant labour model.

The system's profitability and durability relied initially upon a social subsidy - from household production by the migrant workers' families back home on the land - that allowed wages to be set well below the cost of reproduction of labour power. In short, white capital and white-ruled states in the region spent next to nothing on black education in rural areas, on black workers' and their families' health care, or on black workers' pensions. The subsidy came partly from exhausting the ecology of the 'bantustan' (homeland) labour reserves, where land and water were degraded over time due to overpopulation pressure (millions of people having been forcibly removed from 'white' parts of South Africa and Rhodesia). But the subsidy was mainly provided by the household production of rural women. Without jobs, they were denied pass-books, and without pass-books they were denied access to the white settlers' major cities, even for conjugal visits to their partners working there. To find male workers at home in the rural areas for only a couple of weeks a year was not uncommon.

Migrant labour remains a core element of the surplus extraction process today, but with cash remittances from the cities now balancing the rural-urban subsidy. One indication of how badly South African capital required cheap immigrant workers was the reversal of South African apartheid ruler PW Botha's 1986 decision to expel several hundred thousand Mozambican workers (as part of his regional destabilisation initiative), following pressure from the Chamber of Mines, whose members require 200,000 foreign workers for gold production alone even in the wake of dramatic 1990s downsizing. Nearly half of these workers are from Lesotho, with another third from Mozambique and the balance from Swaziland and Botswana (Torres 1998, McDonald 2000).

Over the course of a century, resistance by black workers to this diabolical system was often violent and decisive, but sporadic. Sometimes, everyday-life survival strategies generated defensive mutual aid societies, such as the 'burial' societies and social clubs (especially based on dancing, and oriented to 'homeboy' networks) which emerged at the turn of the century. Yet militancy was not far away, and under the difficult conditions of the 1920s - inflation, stagnant incomes, tightening racial restrictions and increasing hardship - the Industrial and Commercial Workers of Africa (ICU) flourished as a general-workers' union straddling urban and rural workers across the region, drawing members from as far as Rhodesia and Nyasaland. The ICU called for defiance of the pass laws, negotiated with municipalities over worker grievances, and campaigned for minimum wages. But ultimately the movement failed to match its fiery rhetoric with action. Formed during a 1919-1920 dock-workers' strike, over time the ICU's 250,000 members became demoralised as

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control of plantation labour.

internal strategic differences widened. White communists were expelled in 1926, and due to leadership conservatism - exemplified in the slogan 'hamba kahle' (go carefully) - various provincial branches seceded, until during the early 1930s the ICU faced demise (Roux 1964).

Likewise, the Communist Party of South Africa fell into a deep internal ideological crisis during the 1930s over the race/class debate, and even vibrant new 'red unions' could not sustain strikes. Revolutionary socialists led by Max Gordon (a close associate of Leon Trotsky) were somewhat more successful, grouping six unions with a combined membership of 15,700 into a Joint Committee. But the black political field was left mainly to the African National Congress (ANC), which from its founding in 1912 until the mid-1950s was dominated by petit-bourgeois leaders championing extremely moderate strategies (McKinley 1997).

During the high-growth period of the late 1930s and early 1940s, black worker militancy increased (in 1942, for example, 58 strikes involved over 13,000 workers). Communists helped launch the Congress of Non-European Trade Unions, yet neither they nor the ANC gave effective support to the crucial African mineworkers' strike of 1946. Though nearly 100,000 black miners struck for five days, it ended in bitter defeat, with thirteen of their number killed and 1,000 arrested. The whites-only election of 1948 introduced formal apartheid. During the same year a general strike in Bulawayo and Salisbury also surprised Southern Rhodesia's nationalist and communist movements, but likewise was severely repressed by a powerful white state.

In the 1940s and 1950s, even the region's poorest white families had graduated from 'poor white' status to being masters of a 'house girl' or 'boy.' But even with over half a million African women servants by the 1940s, all attempts to organise domestic workers failed, even in South Africa. Women were associated in the white media with illegal beer brewing, hawking and prostitution. 'Surplus' women in urban areas were hounded by the state, and whether 'illegal,' deserted, widowed or unmarried, found security only in squatter communities on the periphery of towns. Township social movements like Soweto's Sofasonke and Alexandra's bus-boycotts grew strong and gave rise to successful land invasions thanks to the solidarity and desperation of women activists.

Yet labour and community struggles seldom overlapped during the 1950s and 1960s, for South Africa's shantytown struggles were abandoned or diffused by middle class leaders. However, the ANC became progressively radicalised by the youth wing, led by Nelson Mandela, Oliver Tambo and Walter Sisulu. ANC leaders encouraged workers to join the South African Congress of Trade Unions (SACTU), but moulded the unions to fit the nationalist agenda. Banned along with black liberation movements during the early 1960s, SACTU lost most of its leading activists to ANC underground work, demoralisation or exile. Moreover, the rapid growth of mass production industry changed the relative weight, numerical power and locations of black workers (Fine and Davies 1991). A similar process unfolded in Southern Rhodesia, with numerous bannings of parties interspersed by the rise of important links between trade unions and nationalists, illustrated by railroad union organiser Joshua Nkomo's rapid ascent to the status of 'father of the nation' (Raftopoulos and Phimister,1998).

The deepening of proletarian class formation changed the character of politics, but only once a new round of more general anti-apartheid protest was kickstarted across the region during the 1970s. Between 1950 and 1980, the number of black workers in South Africa's manufacturing sector rose from 360,000 to 1,103,000 and in mining from 450,000 to 768,000. Increasingly strident forms of worker organisation were catalysed by the 1973 dockworker strikes in Durban. By 1976, trade unionism paralleled Steve Biko's Black Consciousness Movement and the student-led revolts that began in Soweto.

At the time of the launch of the Congress of South African Trade Unions (Cosatu) in 1985, some 12,000 black shop stewards represented an advanced guard of self-sacrificing militants, combining action within workplaces, schools, townships and cities. In contrast to the sterile organising of the 1950s, the mid-1980s witnessed trade unions' metamorphosis into nerve centres of informal resistance across the political spectrum.

For example, at the height of PW Botha's 1987-1989 state of emergency, commuter trains in Johannesburg's industrial heartland became transmission belts of political mobilisation and education. Industrial Area Committees sprouted up and workers occupied factories in a rash of sleep-in strikes. Anti-apartheid political mobilisation found new channels of expression (Mayekiso 1996).

The unprecedented growth in Cosatu's membership and power in the 1980s was not an isolated phenomenon. Similar processes were evident across the whole semi-periphery, from Brazil and the Philippines to Poland and South Korea, besides other Southern African countries. Cosatu served as a regional role model and gave direct assistance to unions in Namibia, Zambia, Zimbabwe and Swaziland.

In Namibia, a decade after the severe repression of the 1970s, unionism made a comeback when mass stayaways won support of 70% of workers (in sympathy with school boycotts and opposition to South Africa's role in Namibia). But relations between nationalists and the unions were often tense, as the former feared that too successful a union movement would displace the national liberation movement. Namibian mineworkers leader Ben Ulenga faced bruising encounters with the South West Africa People's Organisation, which summoned him to Europe during a strike at Rossing Uranium mine to tell him that workers had no right to decide when strikes should be called (Leys and Saul 1995).

Across the region during the 1960s-90s, nationalist politics dictated that workers tone down or repress class demands, in the process undermining internal democracy (Saul 1999). During the early 1980s, 'workerists' within the South African labour left - the Federation of South African Trade Unions (Fosatu, later to become Cosatu) - saw their movement not only in terms of trade unionism but also as a potential political alternative to the ANC's 'populism.' According to the Fosatu general secretary, Joe Foster, nationalists

> would destroy the unity of worker organisation. Our concern is with the very essence of politics and that is the relation between the major classes in South Africa, being capital and labour. We should not hesitate to attack those who are impeding the development of a working class movement (cited in Lewis 1986).

Conversely, the ANC writer known as Mzala contended: 'It is actually impossible for South Africa to advance to socialism before the national liberation of the black oppressed nation' (Saul 1988). Under pressure by the mid-1980s, key workerists quietly made peace with nationalists, whose township and rural prestige was immensely greater. Yet throughout the region, powerful tensions between nationalism and socialism remained. When a unified Marxist-Leninist-nationalist project (e.g., Zimbabwe, Mozambique and Angola) graduated from oppositional to state power, the working classes were inevitably disappointed.

Nationalism was not the only political mobilising challenge to working-class politics. The sensibility of Southern African labour transcends the boundaries of factories, fields and mines, merging with broader social movements to spawn a host of popular protest activities. Another challenge faced by workers comes from market ideologues who have regularly blamed labour militancy for stagnation. Yet working-class organisation and political orientation are hardly responsible for the region's structural social, economic and environmental problems. For those, we must recall the very logic of capitalist crisis formation.

The systemic class exploitation and race-gender domination outlined above generated super-profits until the last quarter of the twentieth century. Then a long-term crisis began. During the two decades from 1960 to 1980, black nationalist movements north of South Africa intensified the momentum of liberation, but then presided over a degeneration into debt, dependency and neo-colonial subjugation. Terms of trade moved decisively against (non-petroleum) mineral and agriculture mono-exports and real international interest rates on borrowed money soared during the 1980s. Soon enough, 'globalization' revealed most of the region's manufacturing to be uncompetitive, particularly after 1990.

From such economic crisis and material desperation follow many of the geopolitical dilemmas of the 1980s-90s, including violent regional conflicts (civil war and strife in Angola, the Democratic Republic of the Congo, Lesotho, Mozambique, Namibia, South Africa, Zambia and Zimbabwe, which killed as many as two million people and set nationalist rulers against each other), and growing arms traffic. With a few exceptions - namely Mauritius and Botswana, for very specific, non-reproducible reasons - Southern African economic conditions have been depressed since the mid-1970s, especially since the early 1980s in gold-producing countries (the price of an ounce fell from a high of $850 in 1981 to just above $250 in mid-1999). Dividing the most recent period for which reliable data are available into an immediate post-colonial 'developmental' era (1965-80) followed by generalised 'structural adjustment' (1980-95), even official statistics reveal the decay.

If we add to the ten core Southern African countries high-growth Mauritius and Seychelles on the one hand, but also (declining) Tanzania and the DRC on the other (the two pairs offsetting each other) - we find that the SADC 14-country average annual per capita GDP growth - corrected for currency fluctuations through the 'Purchasing Power Parity' measure[4] was 3.0% from 1965 to 1980 and -0.7% from

4. Without such corrections, the per capita GDP collapse is enormous, leaving Southern Africa with six of the world's sixteen poorest countries: the DRC ($110), Mozambique ($140), Malawi ($210), Tanzania

1980 to 1995. The latter period saw foreign debt servicing double from 5 to 10% of export earnings, with Zambia, Mozambique, Zimbabwe and Malawi paying more than 20% by 1995. The largest economy, South Africa, declined from 3.2% per capita annual GDP growth in the first period to -1.0% in the second.

Southern African economic prospects were perhaps most adversely affected by South Africa's skewed 20th century industrialisation process and more recent experiences of deindustrialisation. South Africa's economy is itself characterised by severe disarticulations. A 'minerals-energy complex' still comprises the core quarter of the economy, encompassing gold, coal, petrochemicals, electricity generation, processed metals products, mining machinery and some other, closely-related manufactured outputs (Fine and Rustomjee 1996). Intermediate capital goods (especially machines that make other machines) remain underdeveloped, while luxury goods are produced locally at close to world standards (if not prices), thanks to high relative levels of (traditionally white) consumer demand based on extreme income inequality, decades of protective tariffs and the presence of major multinational corporate branch plants. Meanwhile, basic needs industries are extremely sparse, as witnessed by the inadequate output of low-cost housing, dangerous and relatively costly transport, and the underproduction of cheap, simple appliances and clothing (which are increasingly imported), at the same time that social services and the social wage have been set at extremely low levels for the majority.

Reflecting the local overaccumulation crisis, South African manufacturing average profit rates fell steadily from 40% during the 1950s to less than 15% during the 1980s, and reinvestment dropped by 2% each year during the 1980s. By the trough of the 1989-93 depression, net fixed capital investment was down to just 1% of GDP, compared with 16% during the 1970s. From 1994-96, fixed investment picked up but then settled back into malaise, and the country consistently recorded bottom-tenth rankings in World Economic Forum competitiveness surveys. Post-apartheid trade liberalisation demolished several key South African industries, including electronics, appliances, footwear, clothing, and textiles (Bond 2005).

The regional situation was even worse. Between 1992 and 1994 alone, Zimbabwe's largest textile company and more than 60 clothing firms collapsed (Zimbabwe Congress of Trade Unions 1996). The country became little more than a re-export platform for (technically 'dumped') South and East Asian textiles and second-hand clothes from European aid agencies. Zambia's clothing and textile industries likewise suffered dramatically during the early 1990s trade liberalisation, with 90% of garment and more than a quarter of weaving jobs lost.

Accompanying and contributing to the structural decline in the regional economy was the simultaneous failure of orthodox structural adjustment policies. Notwithstanding vocal labour protest, South Africa adopted its *Growth, Employment and Redistribution (Gear)* strategy in 1996. But over the period 1996 to 1999, virtually all *Gear*'s targets were missed; to illustrate, formal sector (non-agricultural) net job *losses* from 1996-99 amounted to 500,000 instead of anticipated net employment gains of 950,000 new jobs.

($210), Madagascar ($250) and Angola ($260), according to The World Bank (1999).

Zimbabwe suffered similarly at the hands of a 1991-95 'Economic Structural Adjustment Programme' (ESAP) which, against all evidence to the contrary, the World Bank's (1995) *Project Completion Report* gave the best possible final grade: 'highly satisfactory.' All Zimbabwe's macroeconomic objectives failed (e.g., the share of manufacturing in GDP dropped from a peak of 32% in 1992 to 17% in 1998).

The same was true of virtually every adjustment programme in the region. Dramatic changes in consumption norms followed currency crashes, the lifting of subsidies and price controls, and the destruction of local manufacturing by import liberalisation, reducing even the small middle class, mainly found in the African civil service, to poverty. Officially-set minimum wages dropped far below the starvation line in most countries in the region.

Even if a tiny group of state elites, merchants, financiers, *compradors* allied to international capital, and other 'rentier'-types benefitted from regional economic restructuring, the vulnerable in Southern African societies paid most for the stagnation and decline of the past quarter-century. State services could not keep up, whether in a country as wealthy as South Africa (the site of the world's first-ever heart transplant, but where most rural black people still have no primary health care) or one as poor as Mozambique. Indeed, in the latter country, World Bank conditionality for meagre debt relief in 1998 included a quintupling of user-charges for public health services and 'sharp' increases in water prices. How did organized labour and community organizations of the working class respond? In what condition have these multiple and interlocking economic and social crises left Southern African workers?

For brevity's sake, we focus upon the concentrated sites of commodity production - formal and informal - in which workers come into contact with each other, and with the direct surplus extraction system. Across Africa, organised labour's reactions have in part flowed directly from the crisis conditions noted above (Callaghy and Ravenhill 1993). Yet even in the advanced South African economy, workplace trends incorporating flexibilisation, labour-outsourcing and the subcontracting of union jobs have together made the documentation of class relations very difficult. In general, conflict and consent do not correspond directly and easily with the contours of core and periphery. Permanent workforces are not necessarily more militant or co-opted than contingent workforces, despite these inequalities in material conditions.

The numbers tell at least some of this story. Of around one hundred million people living in the ten core countries of Southern Africa, the potential 'labour force' is estimated at less than one-third (32 million). But more importantly, only about one in every ten people is 'formally' employed. Approximately 40% of these are now organised, however. Although employment in non-agricultural sectors has been declining since the mid-1980s, Southern African trade unions have claimed growing membership over the past decade (contrary to waning unionization rates in most parts of the world).

In some sectors, organising of workers only became legal over the past two decades, so that, for example, domestic and commercial agricultural workers are having some success with nascent unions. Namibia, South Africa, Swaziland and Zimbabwe are recording impressive increases in union membership, although extensive privatization in Zambia has led to a contraction. Continuous organising drives amongst the region's stronger unions maintain membership at high levels, withstanding the effects of even mass retrenchments. These figures show substantial union power.

Working classes are also increasingly adopting political positions in opposition to their governments. As Namibian labour researcher Herbert Jauch (1999) put it, 'With the SADC divided along political lines, trade unions have achieved a higher degree of unity than ruling nationalist parties.' A regional perspective and discourse may, indeed, override a variety of national limitations. Fred Cooper (1996) argues, 'The tension between workers' claims to globally defined entitlements and Africans' assertions of political rights as Africans was, during the 1940s and early 1950s, a creative and empowering one.' In contemporary struggles, though, a regional and more universalist paradigm potentially allows workers to raise demands for higher standards of socio-economic rights more forcefully. In contrast, the trap of nationalist-corporatism, within a pro-competitiveness framework, was a questionable labour strategy, once liberation movements moved sharply right (Basset and Clarke 2000).

Politically, Southern African unions spent some hard years in the post-independence era breaking away from ruling party tutelage and explicit state repression (although Mozambican and Malawian unions are still heavily influenced by their governments). In countries with relatively robust political-party divisions that take place in the electoral sphere (or, as in Angola, on the battleground), the political alliances of trade unions become an issue (e.g., in Botswana, Mozambique, Namibia, South Africa and Zimbabwe). But party politics and union politics are uneasy bedfellows. In Zambia, a trade unionist (Frederick Chiluba) was elected president as leader of a multi-class Movement for Multiparty Democracy in 1991 following 27 years of (Kenneth Kaunda's) nationalist misrule - and then even more forcefully implemented structural adjustment during the 1990s.

In contrast, in Zimbabwe, the ruling ZANU regime (led interminably by the autocratic Robert Mugabe) continued to give lip service to socialism while carrying out unrelenting neoliberal policies during most of the 1990s. Political opposition rallied around left-leaning trade union leaders (Morgan Tsvangirai and Gibson Sibanda), whose Movement for Democratic Change took half the vote in the June 2000 parliamentary elections, albeit only after a dramatic shift to the right - through endorsing neoliberal economic precepts - so as, opportunistically, to attract approximately $2 million in campaign funds from (white) businesses and conservative international allies.

Likewise in Namibia, where rampant control by president Sam Nujoma prevents serious internal party debate, the National Union of Namibian Workers - affiliated to the SouthWest African Peoples Organisation (Swapo) - charged that the ruling party had scant regard for workers: 'if reconciliation is understood as the perpetuation of apartheid and is equated with exploitation, then workers will no longer tolerate this' (Leys and Saul 1995). A post-nationalist political movement - the Congress of Democrats - led by a former trade unionist (Ben Ulenga) became an important opposition force after the 1999 national elections, and several individual unions expressed a desire to end their affiliation with Swapo (Adler 1998). However, several more years of neoliberalism may be required, before union leaders' frustrations overwhelm their nationalist loyalties.

In South Africa, more durable left-leaning politics were generally associated with trade unions, but by the late 1990s debates raged about whether an alliance with the ruling ANC liberation movement (decidedly neoliberal in economic policy terms) was helping workers, or stunting their further mobilisation and development. In practice, however, the union movement increasingly lost its internal vibrancy. Periodic public sector strikes against job cuts and inadequate pay, added to large scale anti-privatisation demonstrations by municipal workers, reflected widespread grassroots antipathy to ANC policies.

But in the absence of alternative political parties or a credible set of options, workers still placed pragmatic value on the Alliance as a means of pressuring the ANC, even if so far, according to Glenn Adler and Eddie Webster (2000), such 'pressure has objectively eroded the position of workers.' In late 1999, Cosatu (1999) leaders condemned the ANC government - specifically, the Minister of Public Administration Geraldine Moleki-Fraser (who was also deputy SA Communist Party chairperson) - for

> trying to isolate and undermine workers demands by posing the dispute as being about 'general' interest versus 'sectoral' ('selfish', 'economist') interests of public sector workers. The 'dirty tricks' campaign [entailed] disinformation, and statements released to the press without consulting with the unions, and conducting the dispute in the media. The actions of the government are not in accord with spirit of the Tripartite Alliance, and indicate a greater concern to appease international capital than to enhance workers rights and speed up delivery.

Cosatu is also a part of the National Economic Development Council, a corporatist arrangement in which business, state and labour jointly formulate policy on labour and economic issues. But nearly two-thirds of workers surveyed during the late 1990s had no knowledge of the Council (Satgar and Jardine 1999). Cosatu became increasingly vulnerable to both bureaucracy and careerism, as leaders successfully sought paths to more lucrative government jobs. On the other hand, this was a process reserved for a few, as many local-level corporatist efforts in the same vein - 'workplace forums' mandated under the post-apartheid Labour Relations Act, so as to edge unions into local co-determination of productivity - failed to take off.

The story did not advance so far elsewhere. In Botswana and especially Swaziland, labour became the basis for progressive political-party and pro-democracy activism which may pose substantial challenges for neocolonial governments, while in Malawi trade unions played a role in unseating a neocolonial dictator (president Hastings Kamazu Banda) during the 1990s but did not replace him with a leader of their own. In Mozambique, nascent unions were by the late 1990s showing a capacity for militancy. Working-class movements in Lesotho (drawing on traditions of mine labour) and Angola (still bedeviled by war) were slow to gather pace.

The point, perhaps, is that a major breakthrough for workers cannot occur in one country, without the rest of the regional working class seeing some possibility of also gaining power in their own respective states, and also simultaneously developing a regional perspective that transcends the artificial boundaries drawn up by colonialists.

However, simply counting union membership and estimating labour influence over local politics is only the beginning. The ability of federations and individual unions to embark upon major strike action is just as vital an indicator of strength. In Zimbabwe, autonomous, shopfloor-based actions outran the ability of national union bureaucrats to control or direct the membership and the corporatist strategy mistakenly pursued during the mid-1990s by the ZCTU quickly became irrelevant. And in South Africa, despite the country's deep economic woes, union militancy increased as the state's attack on public sector workers intensified.

Regionally-coordinated actions and growing class consciousness also reflect progress. In Swaziland, for example, an 11-day general strike in 1996 and further strikes in 1997 led to solidarity in the form of a border blockade organised by sister unions in South Africa and Mozambique, which forced the anachronistic monarchy to concede worker rights. Indeed, new sections of workers across the region are demanding similar rights to those won by South African unions.

International and regional solidarity is probably the only real hope for many of the less-resourced union movements, as well as the relatively dormant Southern African Trade Union Coordinating Council (SATUCC) itself. But given the difficult material conditions faced by regional unions and enormous tactical and strategic differences over international economic policy, it is first vital to enquire whether there exists a basis for a regional working-class consciousness (as opposed to retaining ties with nationalist allies).

Can workers establish a regional class consciousness in coming years? Notwithstanding cross-border solidarities associated with three decades of anti-colonial and nationalist liberation struggles (1960-90), notions of Southern Africa remain for the most part contained within dominant global conceptions of regionalism: namely, a sub-imperial South Africa as the gateway for capital accumulation in Africa as a whole, but organised on a regional scale between Pretoria and the global institutions (using Thabo Mbeki's notion of an 'African Renaissance' as cover). This has required new, post-apartheid institutional processes that take for granted a conception of the Southern African region as a neoliberal site of ever-amplifying uneven development. It remains to be seen whether there can be an alternative, working-class regional vision, and whether class practices may emerge to turn Southern African workers into agents for historical change.

What would a potential working-class regional solidarity have to contend with? At least two main aspects of contemporary politics and economics threaten the universal class interests of Southern African workers. The first is the power of the multinational corporate/banking free-trade/finance agenda. But the apparent power of US-centred neoliberalism is also pock-marked with vulnerabilities, even if the international working class remains confused over whether to try 'fixing' or 'nixing' neoliberalism's core institutions.

Second, elite-nationalists are contemplating an interlocking of South-South interests, with workers left out of the equation. South Africa has opened discussions about trade and investment with a range of countries that variously included Algeria, Brazil, China, Egypt, India, Indonesia, Mexico, Nigeria and South Korea. Many such discussions focused on the prospects for unifying Southern countries when bargaining with the G-7 powers over reform of an international financial and trading system that many workers and social movements were concluding needed to be 'nixed,' not 'fixed.'

But looking beyond occasional statements of Southern African and South-South interstate solidarity, to where capital is actually flowing, we may see a hint of a more realistic regionalism, and also of worker resistance. Sub-Saharan Africa has witnessed a renewed ebb and flow of South African corporate penetration since around 1993. Privatisation and liberalisation of African parastatal firms were critical points of contact, as were banking, services, retail activity and mining firms.

What are the implications? To consider one example hyped loudly and regularly by Pretoria, it now transpires that 'public-private partnerships' in geographically-concentrated ('corridor'-aligned) infrastructure projects between South African investors and the region's states are unprofitable, for the primary reason that affordable state finance is virtually unavailable, given Southern Africa's huge residual liabilities to northern creditors. Thus Erwin castigated the North for its 'criminal, just criminal' lack of substantive debt relief shortly after the 1999 G-8 Summit in Cologne. (That this public outburst against a lower-level US trade official occurred at the primary site of regional elite-pacting, the Davos-based World Economic Forum's Southern Africa conference, was all the more telling.)

Under Erwin, after all, South Africa's Department of Trade and Industry (DTI) had taken practical responsibility for the regional restructuring required for a particularly neoliberal, export-oriented, accumulation process. Behind the DTI strategy is faith that 'Spatial Development Initiatives' (SDIs) will add a rich fabric of 'development' along and within a corridor linking key nodes of accumulation (especially Johannesburg-Maputo) which embody features of 'Export Processing Zones' (EPZs) (Jauch and Keet 1996). The DTI project methodology seeks first to identify potential port/rail/EPZ complexes in an underdeveloped target area that might be of interest to investors, and then help local stakeholders plan and promote infrastructural investments which improve access (Jourdan, Gordhan, Arkwright, and de Beer 1996). After the ANC's first term of office, only two of the fourteen proposed SDIs were operative. But the official consensus around the merits of an SDI strategy - no matter the lack of theoretical basis in economic geography, the environmental destruction, the capital-intensive orientation and the lack of backward-forward linkages to generate other economic activities (e.g. in the case of Coega, as discussed in Bond 2000) - shows how far a regional version of the Washington vision of export-led globalization enjoys hegemony amongst Southern African policy-makers.

Such a regional strategy requires institutional frameworks, such as SADC, an institution initiated by northern donor governments during the 1980s to help combat apartheid, which morphed uneasily - with a major 1999 hiccup due to staff corruption, requiring an entirely new secretariat - into an organisation for free-trade deals under the rubric of regional integration, cooperation and harmonisation. As early as 1989, SADC committed the region to becoming a free-trade area by 2006, but progress was slow, including steps backward when during the mid-1990s Zimbabwe and Zambia imposed tariffs on imported South African manufactures that were threatening entire domestic industries. In August 2000, finally, in the wake of the retirement of ornery Zimbabwean trade minister Nathan Shamuyarira (whose replacement, banker Nkosana Moyo, was classically neoliberal in matters of principle), a free trade deal for Southern Africa was signed by SADC members.

Aside from SADC, other parallel and occasionally competing institutional arrangements for the region (most of which will probably be merged or fade over time) include the Common Market of Eastern and Southern Africa (from which, tellingly, Tanzania and Mozambique resigned due to fear of domination by Egyptian producers), the South African Customs Union (a long-standing free trade deal between SA, Lesotho, Botswana, Swaziland and Namibia) and the Common Monetary Union, while WTO membership will open up other regional and bilateral relationships (e.g., bringing in Angola and Mozambique, which otherwise are not involved in non-SADC free-trade arrangements).

But all such bilateral and multilateral deals are premised, it is clear, upon export-orientation not inward industrialisation, and upon increasingly 'flexible' and competitive labour markets. Southern African labour understands this, implicitly, even if SATUCC and the federations of each country have not yet established an alternative vision. To this end, SATUCC advisor Dot Keet has proposed that to 'deglobalize' from neoliberal, multinational corporate and financial influence, requires not only alliances with those in the North seeking 'innovative alternatives to over-producing/consuming capitalism,' but also a proactive, internally-oriented regionalism (Keet 1999).

The elaboration of such an alternative regional-global strategy is in the interests of poor and working people in Southern Africa, and could also be the basis for a global working-class strategy. Such a strategy would ultimately entail not only regional delinking from neoliberal imperialism (in alliance with Northern social and labour movements which would simultaneously weaken the grip of imperialism), but also relinking along South-South axes. However, such a strategy must first confront some extremely serious contradictions within the local and international labour movements themselves, and in their relations with national governments. This is made all the more difficult – perhaps ultimately impossible – by virtue of the problem of South Africa's economic problems, and the way these work out as contemporary uneven and combined development.

4. Accumulation crisis and amplified uneven and combined development

The crucial question for the period since the 1970s race-class debate, we have seen, is how to interpret the problems that led white capital in Johannesburg and Cape Town to abandon the apartheid political class in Pretoria, especially after mid-August 1985. In his article 'Flaws in South Africa's 'first' economy' (drawn from *Towards Socialist Democracy*), Legassick (2007) cites a deeper process than merely PW Botha's Rubicon Speech:

> the exhaustion of the strategy of import-substitution, because of the limits of the racially-structured market, and *crisis* began to develop in the South African economy. Economic growth, which had averaged 6% a year in the 1960s, slowed to average 1.9% from 1973 to 1984, 1.5% for the remainder of 1980s, and fell by

> 1.1 per cent in the early 1990s. Fixed investment fell by 18,6% in 1986 and stayed negative from 1990 to 1993. Plant capacity utilisation fell to 78% in 1993. Unemployment rose – from about 12% in 1970 to 25% in the early 1990s. That the crisis was fundamentally economic – a crisis of profitability - and not merely political – fear of mass revolt - is shown by the fact that even *before* the Soweto uprising foreign capital was flowing outwards.

There is an enormous amount more in this rich, 26,000-word article, fusing theory and statistics to make a clear case that crisis is the best way to understand SA political economy, even in the midst of the 5%/year 'growth' spurt.

He begins by considering whether the crisis that ended apartheid ever really passed. Return to the early 1990s when neoliberalism as an overarching philosophy was adopted by the late apartheid regime. The period was marked by several policy shifts away from 1980s-era sanctions-induced dirigisme carried out by 'verligte' (enlightened) Afrikaner 'econocrats' in Pretoria, once the influence of 'securocrats' faded and the power of white English-speaking business rose during the 1990-94 negotiations. That period included South Africa's longest depression (1989-93). Finally in late 1993, the last touches were put on what might be termed the 'elite transition' to democracy (Bond 2005).

The transition assisted 'elite' (white and black) accumulation, as long-standing African National Congress promises to nationalize the banks, mines and monopoly capital were dropped; Nelson Mandela agreed to repay $25 billion of inherited apartheid-era foreign debt; the central bank was granted formal independence in an interim constitution; South Africa joined the General Agreement on Tariffs and Trade on disadvantageous terms; and the International Monetary Fund provided a $850 million loan with standard Washington Consensus conditionality. Soon after the first free and fair democratic elections, won overwhelmingly by the ANC, privatization began in earnest; financial liberalization took the form of relaxed exchange controls; and interest rates were raised to a record high (often double-digit after inflation is discounted). By 1996 a neoliberal macroeconomic policy was formally adopted and from 1998-2001, the ANC government granted permission to South Africa's biggest companies to move their financial headquarters and primary stock market listings to London (Bond 2005).

But returning to Legassick's long-term perspective, it was here that the extremely uneven forms of development – for in South Africa they have been as extreme as anywhere on earth – could have been better specified (by all of us working in the field, to be sure). Drawing on the 1905-06 origins of uneven development theory, Legassick took a rare wrong turn:

> Trotsky's theory of permanent revolution asserts that late-developing capitalist societies are subject to combined and uneven economic development, and cannot 'catch up' with the first-developing capitalist societies.

This was the trap into which *dependencia* fell, as suggested by the rise of East Asia, so it would have been far preferable to view uneven development as a see-saw of accumulation (Smith 1984) rather than a top-down process of permanent North-

South economic advantage. If uneven development can be rescued from dependency theory (as did Ernest Mandel in 1961 in *Marxist Economic Theory* and David Harvey in his *Limits to Capital* in 1982), then it is in the theoretical restoration of the capitalist-noncapitalist relationship – the 'combined' - that Legassick found Trotsky helpful:

> In addition he argued that in late developing capitalist societies all the burdens of the past are not solved by capitalism, but become attached to capitalism and worsened by it. In South Africa since colonial occupation, race has been the main form of division and oppression in society, and in the twentieth century it has been used to promote the profitability of capitalism. The extent of South Africa's 'national capitalist' development was made possible by the intensification of national oppression, and the worsening of the land question.

In addition to race, the broader set of combined relations between capital and noncapitalist activities – Luxemburg's 'natural economy' of mutual aid, families (with obvious gender implications), communities, social processes not yet commodified, and we'd also add nature itself – provide another way to consider how not only 'burdens of the past' but also strong indigenous customs and environmental integrity are used and abused by capital as it expands.

While this area is fertile for future radical scholarship, the central point to make today is that this process of unevenness and combination becomes amplified in times of economic crisis. It's here that the work of Legassick in the 2000s added to our broader sense of South African political economy. His article, 'Flaws in South Africa's first economy' (Legassick 2007), is probably the single strongest short statement of post-apartheid political-economic contradictions.

But an update may also be useful, given how much the period since 1994 relied upon parasitical forms of 'growth' which came undone starting in 2009. South Africa hosted the world's largest property and financial bubbles, for example, for two reasons: residual exchange controls which limit institutional investors to 15% offshore investments and which still restrict offshore wealth transfers by local elites; and a false sense of confidence in macroeconomic management. The oft-repeated notion is that under Finance Minister Trevor Manuel, 'macroeconomic stability' was achieved. Yet no emerging market had as many currency crashes (15% in nominal terms) over that period: SA's were in early 1996, mid-1998, late 2001, late 2006 and late 2008.

By early 2009, *The Economist* magazine (25 February 2009) ranked South Africa as the most 'risky' of seventeen emerging markets. A key reason was that corporate/white power had generated an enormous balance of payments deficit thanks to outflows of profits/dividends to London/Melbourne financial headquarters. To cover the current account deficit, a vast new borrowing spree began, with foreign debt rising from $25 billion in 1994 to nearly $80 billion by late 2008. Moreover, consumer credit had drawn in East Asian imports at a rate greater than SA exports even during the 2002-08 commodity price bubble. If there was a factor most responsible for the 5% GDP growth recorded during most of the 2000s, by all accounts, it was consumer credit expansion, with household debt to disposable income ratios soaring from 50% to 80% from 2005-08, while at the same time overall bank lending rose from 100% to 135% of GDP.

Credit overexposure began to become an albatross, however, with non-performing loans rising from 2007 by 80% on credit cards and 100% on bonds compared to the year before, and full credit defaults as a ratio of bank net interest income rising from 30% at the outset of 2008 to 55% by year's end (SARB 2009). The South African financial-speculative bubble has not fully burst, because after the late 2004 peak year-on-year 30% increase in the most cited House Price Index (Amalgamated Banks of South Africa 2009), five years later there were steady declines in the year-on-year average house price at more than 10% each month during 2009 (there is insufficient data available on the distributional impact of a worsening real estate crisis).

Moreover, although the decline in corporate tax revenue drove the budget deficit to a near-record 7.6% of GDP estimated for 2009 and a bit less for 2010, South Africa was not pursuing a classical Keynesian strategy. The state was simply carrying through massive construction projects contracted earlier. Anticipated increases in state spending based upon ruling party promises – especially for job creation (500,000 new jobs were promised but in reality 2009 would see a million job losses) and the launch of a National Health Insurance (NHI) – were deferred by the new finance minister, Pravin Gordhan, in his 2009 and 2010 budget speeches. The October 2010 budget speech did provide for the possibility of NHI, but it was craftily worded so as to represent merely an increase in funding to raise state healthcare capacity, with no genuine commitment to NHI yet evident from the Treasury. The post-apartheid share of social spending in the total budget only rose from around 50% during the mid-1990s to 57% in 2009 in any case, boosted only by social grant transfer payments.

The huge bubble in commodities - petroleum, minerals, cash crops, land - disguised how much countries like South Africa stood exposed, and indeed the early 2000s witnessed increasing optimism that the late 1990s emerging markets currency crises could be overcome within the context of the system. Moreover, even before the resources boom, by 2001 the rate of profit for large South African capital was restored from an earlier downturn from the 1970s-90s, to ninth highest amongst the world's major national economies (far ahead of the US and China) (Citron and Walton 2002). But high corporate profits were not a harbinger of sustainable economic development in South Africa, as a result of persistent deep-rooted contradictions (Bond 2009, Republic of South Africa Department of Trade and Industry 2009, Legassick 2009, Loewald 2009):

- as noted, with respect to stability, the value of the rand in fact crashed (against a basket of trading currencies) five times, the worst record of any major economy, which in turn reflects how vulnerable SA became to international financial markets thanks to steady exchange control liberalisation (26 separate loosenings of currency controls) starting in 1995;
- SA witnessed GDP growth during the 2000s, but this does not take into account the depletion of non-renewable resources - if this factor plus

pollution were considered, SA would have a net negative per person rate of national wealth accumulation (of at least US$ 2 per year), according to even the World Bank (2006, 66);

- SA's economy became much more oriented to profit-taking from financial markets than production of real products, in part because of extremely high real interest rates, especially from 1995-2002 and 2006-09;
- the two most successful major sectors from 1994-2004 were communications (12.2 per cent growth per year) and finance (7.6 per cent) while labour-intensive sectors such as textiles, footwear and gold mining shrunk by 1-5 per cent per year, and overall, manufacturing as a percentage of GDP also declined;
- the Gini coefficient measuring inequality rose during the post-apartheid period, with the Institute for Democracy in South Africa (2009 citing Statistics South Africa) measuring the increase from 0.56 in 1995 to 0.73 in 2006, while Bhorat, van der Westhuizen and Jacobs (2009, 80) calculated a rise from 0.64 to 0.69, and the SA Presidency (2008, 96) conceded an increase from 0.67 to 0.70 over nearly the same period;
- black households lost 1.8% of their income from 1995-2005, while white households gained 40.5% (Bhorat et al 2009, 8);
- unemployment doubled to a rate of around 40% at peak (if those who have given up looking for work are counted, around 25% otherwise) - but state figures underestimate the problem, given that the official definition of employment includes such work as 'begging' and 'hunting wild animals for food' and 'growing own food';
- overall, the problem of 'capital strike' - large-scale firms' failure to invest - continues, as gross fixed capital formation hovered around 15-17 per cent from 1994-2004, hardly enough to cover wear-and-tear on equipment;
- businesses did invest their SA profits, but not mainly in SA: dating from the time of political and economic liberalisation, most of the largest Johannesburg Stock Exchange firms - Anglo American, DeBeers, Old Mutual, Investec, SA Breweries, Liberty Life, Gencor (now the core of BHP Billiton), Didata, Mondi and others - shifted their funding flows and even their primary share listings to overseas stock markets mainly in 2000-01;
- the outflow of profits and dividends due these firms is one of two crucial reasons SA's current account deficit has soared to amongst the highest in the world (in mid-2008 exceeded only by New Zealand) and is hence a major danger in the event of currency instability, as was Thailand's (around 5 per cent) in mid-1997;
- the other cause of the current account deficit is the negative trade balance during most of the recent period, which can be blamed upon a vast inflow of imports after trade liberalisation, which export growth could not keep up with;
- another reason for capital strike is SA's sustained overproduction problem in existing (highly-monopolised) industry, as manufacturing capacity utilisation fell substantially from the 1970s to the early 2000s; and

- corporate profits avoided reinvestment in plant, equipment and factories, and instead sought returns from speculative real estate and the Johannesburg Stock Exchange: there was a 50 per cent increase in share prices during the first half of the 2000s, and the property boom was unprecedented.

With this sort of fragile economic growth, subject to extreme capital flight, it is no surprise that in the second week of October 2008, the Johannesburg stock market crashed 10 per cent (on the worst day, shares worth US$35 billion went up in smoke) and the currency declined by 9 per cent, while the second week witnessed a further 10 per cent crash.

By way of reaction, the SA Reserve Bank came under heavy pressure to reduce interest rates - by 5% from late 2008 through mid-2009 - and the real prime rate fell to the 2% range, down from a peak of 15% a decade earlier. But it didn't work, as manufacturing, mining and retail continued to crash. Although as late as February 2009, Manuel claimed such moves would prevent a recession, he was proven badly wrong in May when government data showed a 6.4% quarterly GDP decline, the worst since 1984 during anti-apartheid protests, the gold price's plummet and the tightening of sanctions.

Evidence of the weakness of South Africa's economy is especially poignant in the sector that was the fastest growing during the false boom: construction. From 2003-2009, the economy's two main growth engines were construction and finance. The 2009 crash was, indeed, mitigated by the construction industry, which grew 9.4% in early 2009 thanks to infrastructural investments of rather dubious medium-term merits: 2010 World Cup stadiums (hugely overbudget and, as the left predicted, not able to cover operating costs after the soccer matches), an elite rapid train service for Johannesburg-Pretoria (costing a prohibitive amount for workers), the persistently failing (albeit generously subsidized) industrial complex at Coega, the world's fourth-largest coal-fired electricity generator (Medupi, with Kusile to follow), mega-dams, and expansions to airports, ports, roads and pipelines. But these big projects aside, the number of building plans registered in 2008 was already 40% lower than in 2007, and the overall property market continued downhill from there.

We quite obviously are seeing such extreme unevenness that a full theorization dealing with this phenomenon will be the subject of much future radical analysis, it is easy to predict. The most recent major statement of these themes – a chapter entitled 'The Crisis in South Africa, Neoliberalism, Financialization and Uneven and Combined Development' – in the *Socialist Register 2011,* just launched, is not fully satisfactory, however. The authors – Samantha Ashman, Ben Fine and Susan Newman (2010) – rely for their analytical groundings on Fine and Rustomjee's (1996) book-length treatment of mining, energy and associated industries as a distinct power bloc:

> Global accumulation and its shifts and restructuring are necessarily mediated by the structure of particular economies and forms of class rule. We characterize the system of accumulation in South Africa as a 'Minerals-Energy Complex'

(MEC) where accumulation has been and remains dominated by and dependent upon a cluster of industries, heavily promoted by the state, around mining and energy - raw and semi-processed mineral products, gold, diamond, platinum and steel, coal, iron and aluminium. In the context of South African production, financialization has produced a particular combination of short-term capital inflows (accompanied by rising consumer debt largely spent on luxury items) and a massive long-term outflow of capital as major 'domestic' corporations have chosen offshore listing and to internationalize their operations while concentrating within South Africa on core profitable MEC sectors. The result, even before the impact of the current crisis, was a jobless form of growth and the persistence of mass poverty for the majority alongside rising living standards for a small minority, including new black elites.

What worries me about a 'system of accumulation' as a way to comprehend uneven and combined development analysis, is an overemphasis on institutional durability of mining, energy and related sectors. In fact, the MEC concept will have to deal with several challenges in the contemporary period:

- the danger that all such intermediate-level analysis overestimates the *institutional form* of accumulation (similar to other mistaken mid-range intermediate concepts, such as Rudolf Hilferding's *Finanz Kapital,* Paul Sweezy's and Tony Cliffe's attention to the military-industrial complex and 'permanent arms economy', and even Hardt/Negri's 'Empire'), and in turn distracts us from the deeper-rooted tendencies to capitalist crisis from which uneven and combined development are then so explicitly amplified;
- a better route to considering the current conjuncture of South Africa's long-term overaccumulation crisis is probably the 'Resource Curse';
- the MEC's largest corporate institutions deconglomeritised from 1994 onwards, unbundling and moving out of South Africa as fast as they could, to London, Melbourne and New York;
- there are race/ecology matters to factor in, such as rise of BEE and the huge ecodisasters (water on Rand, climate, cheap energy lock-ins), with their potential liabilities for MEC firms; and
- the 2002-08 boom of mining left South African mining/GDP in decline, perhaps because of extreme capital flight arranged by the major mining houses, a point Fine and his colleagues regularly return to when analyzing South Africa.

In the decade after 2000, roughly sixty books by or about the South African independent left were produced (see Appendix). But no overarching theoretical approach – e.g. uneven and combined development - has been chosen to bring the strands together. In search of unity amongst the various left analysts of South African political economy, another factor which is crucial to work through is political strategy, something I will defer to another occasion. This is not the space to specify 'solutions' to uneven and combined capitalist development (only socialism qualifies), or even which Keynesian-capitalist reforms would permit accumulation to resume in a sustained manner. There is, however, a precedent worth mentioning: the 1930s era of selective 'deglobalisation', during which South Africa's growth per capita was the highest in its modern history. At that time, import-substitution industrialisation occurred in South Africa (as well as Latin America) along its most balanced trajectory, with much of our manufacturing industry established during the 1930s, as well as national assets such as Eskom and Iscor. The years of high growth were not reserved for whites, and indeed the rate of increase of black wages to white wages occurred at their fastest ever during this period.

In other words, a somewhat less uneven form of capitalist development could be promoted, and there are many examples – especially the Treatment Action Campaign's deglobalisation of pharmaceutical capital's intellectual property rights and the Anti-Privatisation Forum's repulsion of Johannesburg's Parisian water privatisers, both by purusing decommodification and 'commoning' strategies and tactics – that suggest South African social movements also have this kind of experiential and political sensibility. The National Union of Metalworkers of South Africa also call for disruptions to the world economy's transmission of uneven development, via exchange controls and lower interest rates, amongst other ideas.

That leads us, finally, to the matter of how to fight worsened combined capitalist-noncapitalist relations, in which the former loots the latter, destroys whatever mutual aid and social solidarity might offer resistance, and strengthens the conservative elements (such as patriarchy) that are useful for continuing precapitalist oppression. It is here that the most extreme challenge arises: when migrant labour conditions in times of sustained capitalist crisis (even mid-2008 when the macroeconomic conditions appeared rosy) generate worker-on-worker violence, in the form of xenophobia.

5. Xenophobia and anti-xenophobia in 2008 and 2010[5]

The May-June 2008 xenophobic violence - 62 people including 21 South Africans dead, 670 wounded, dozens of women raped, at least 100,000 people displaced, and property worth of millions of rand looted (Misago, Landau and Monson 2009, 7-12) – was followed by a period of latent hostility to immigrants, some of which manifested in attacks during 'service delivery protests' in small cities across the country, as well as an explicit January 2009 attack on a United Nations place of safety in Durban, and dozens more incidents (mostly in the Western Cape and Gauteng) immediately after the World Cup ended in July 2010.

In addressing xenophobia, two narratives have emerged. One approach is to *deny* xenophobia as a structural outcome of inequality and instead consider the billion people who engage in migratory labour in the world today as willing volunteers who enter labour markets with little impact upon local conditions. Hence, as United Nations Development Programme administrator Helen Clark (2009, v) puts it, '...fears about migrants taking the jobs or lowering the wages of

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5. This section was coauthored with Baruti Amisi, Nokuthula Cele and Trevor Ngwane, and will appear in *Politikon* in 2011.

local people, placing an unwelcome burden on local services, or costing the taxpayer money, are generally exaggerated.' The then president of South Africa, Thabo Mbeki, reacted to a report of xenophobic tendencies brought to his attention through the African Peer Review Mechanism - 'xenophobia against other Africans is currently on the rise and must be nipped in the bud' - in December 2007: 'He said the report's assessment that xenophobic tendencies prevailed was "simply not true"' (Sapa 2007). Similar to his stubbornness on HIV/AIDS, Zimbabwe and the impact of his government's neoliberal public policies, Mbeki repeated the denial in October 2010:

> So I am saying that if there was xenophobia, I would expect it to be expressed against people who might stand out as being different from me and also, given our history, these are the people that oppressed us. But you don't have any evidence of racism among our people... But so long as the message to the rest of the continent that these attacks took place as a manifestation of xenophobia - that message came from us. It is us who said that. But why did we say it?... Let us get to the root causes (of) this thing and communicate it to the rest of the continent, which I am certain... would confirm the statement that our people are not in the grip of xenophobia (Ncana 2010).

Similarly, wrote African National Congress (ANC) spokesperson Jackson Mthembu as the World Cup wound down, 'The reported xenophobic attacks by South Africans on foreign nationals, particularly from the African continent, after the conclusion of the 2010 Fifa World Cup in South Africa, is baseless and without any rational' and ANC National Chairperson Baleka Mbethe remarked, 'These reports are irrational have no basis whatsoever'. In Durban, police officers who arrested one author for distributing an anti-xenophobia leaflet before the World Cup's Ghana-Uruguay match – it was termed 'ambush marketing' – confirmed in a taped conversation that City Manager Mike Sutcliffe had explicitly ordered, 'No distribution of pamphlets, especially which mention xenophobia.' The reasoning, according to a police superintendent, was that 'You are reminding [people] of xenophobia. Even myself I had forgot about that thing, but now you write it down' (Bond 2010).

The second approach is to not deny but rather to *expect* structural roots of xenophobia to emerge under conditions of economic stress. As David Harvey (1989, 13-14) put it, 'The response is for each and every stratum in society to use whatever powers of domination it can command (money, political influence, even violence) to try to seal itself off (or seal off others judged undesirable) in fragments of space within which processes of reproduction of social distinctions can be jealously protected.' If Harvey is correct as a general proposition, and if the South African economy has generated some of the world's most severe stresses since the end of formal racial apartheid in 1994, with a rising Gini coefficient and far higher unemployment (Bond 2005), what this means is that we require a *durable* epistemology to uncover both 'contingent' (momentary, conjunctural) and the 'necessary' (theoretically-derived) processes within South African political economy that help us understand xenophobia so as to transcend it.

These structural forces do not excuse or cancel agency. It is crucial to point out that xenophobic rhetoric and attacks are grounded in a politics that can be traced to leadership decisions (or vacuums) in both the apartheid and post-apartheid eras. After all, politicians have long attempted divide-and-rule rhetorical strategies, and in South Africa, the history of organised, top-down xenophobia includes the appeal of Prime Minister Jan Smuts to Parliament in the 1930s:

> We will prevent aliens from entering this land in such quantities as would alter the texture of our civilization. We intend to determine ourselves, the composition of our people... South Africa runs the danger of being flooded by undesirable elements of all kinds... owing to the extent of the borders of our country, it is easy for aliens to enter from Angola, from Bechuana-land and from Southern Rhodesia or from Lourenco Marques... We know that there are a great number of aliens in this country who are not legally here (cited in Peberdy and Crush, 1998).

In the same spirit, the first post-apartheid Home Affairs Minister, Mangosuthu Buthelezi, made the following claim (without supporting documents) to the National Parliament in 1997:

> With an illegal population estimated at between 2.5 million and 5 million, it is obvious that the socio-economic resources of the country, which are under severe strain as it is, are further being burdened by the presence of illegal aliens... [citizens should] aid the Department and the South African Police Services in the detection, prosecution and removal of illegal aliens from the country... the cooperation of the community is required in the proper execution of the Department's functions (cited in Crush, 2008, 17-18).

Migration researchers Jean Pierre Misago, Loren Landau and Tamlyn Monon (2009, 7-12) contend that violence against [black] immigrants to South Africa has been a permanent attribute cross the apartheid and post-apartheid divide, where otherness/outsiderness, stereotypes, and structural exclusion prevent immigrants from exercising 'political rights and rights to residence in the cities'. Durban geographer Brij Maharaj (2004, 2-3) argues that the 'historical influx of migrants to South Africa has created a high proportion of rightless non-citizens, despite their length of residence which sometimes spans generations'.

The combination of immigrant *rightlessness* and structural exclusion, amidst a perceived invasion of immigrants, resulted in organised social activism against individuals perceived as dangerous to the socio-cultural and moral fabric, and as threatening the economic opportunities of poor South Africans, within a system set up by wealthy South Africans to *super*exploit migrant labour from both South Africa and the wider region. Hence we require a framework to incorporate not only the flows of labour, the reproduction of labour in housing (especially during an unprecedented real estate bubble coinciding with a worsening housing shortage), the nature of extremely competitive retail trade in community reproduction, gender power delineations, and regional geopolitics, but also the consciousness that arises from these socio-economic relations, and the ways civil society organisations both contest the xenophobic reactions and in many cases fail to locate or address the root causes in structural oppressions.

Xenophobia is a result of structural and human crises that have adversely affected low-income communities. If analysed properly, these should also provide clues for long-term, bottom-up antidotes. These crises are the result of interlocking, overlapping market and state failures, including:

- extremely high unemployment which exacerbates traditional and new migrancy patterns;
- a tight housing market with residential stratification, exacerbating service delivery problems (water/sanitation, electricity and other municipal services);
- extreme retail business competition;
- world-leading crime rates;
- Home Affairs Department corruption;
- patriarchal processes and cultural conflicts; and
- severe regional geopolitical stresses, particularly in relation to Zimbabwe and the Great Lakes region of Central Africa.

A variety of indicators suggest a mixed story with regard to socio-economic, political and environmental change, especially during the early 2000s when democracy and the 'developmental state' strategy were being consolidated. On the one hand, various indicators suggested sustained growth and political optimism lay ahead, as predictable macroeconomic policy and rising world commodity prices maintained confidence in post-liberation state management. An 'economic boom' was regularly proclaimed by observers such as the *Financial Times* (Russell, 2007a, 2007b; MacNamara, Russell and Wallis 2007), thanks to 'macroeconomic stability', GDP growth uninterrupted for more than a decade after 1998, and a substantial rise in exports.

Yet at the same time, South Africa began suffering not only economic problems (Bond 2005), but also a dramatic increase in social unrest - with many thousands of protests per annum (Nqakula 2007) - that presaged a deterioration of the integrity of several central liberal political institutions. It was soon evident that 'service delivery protests' could as easily be directed against fellow community residents – especially if they hailed from outside South Africa – as against the genuine sources of their problems. Along with rising domestic violence and the AIDS pandemic, the xenophobia wave was perhaps the worst case of the tearing South African social fabric. But there were, in contrast, other more optimistic signs of social grievances channelled through policy advocacy, public concientisation, international alliance-building and even the court system.

These signs correspond to what Karl Polanyi (1956, 76) termed a 'double movement' in which, initially during the 19th century in Europe, 'the extension of the market organisation in respect to genuine commodities was accompanied by its restriction' as people defended their land, labour and other resources from excessive commodification. Certain areas were illustrative of great potential, such as the Treatment Action Campaign's 1998-2008 street pressure and legal strategy of acquiring anti-retroviral drugs for HIV+ people; and Soweto activists' protests which helped drive the controversial water privatiser Suez Lyonnaise des Eaux out of Johannesburg and whose Johannesburg High Court victory in April 2008 began undoing its commercialised water policies.

Whether campaign-oriented or simply momentarily explosive in character, civil society activism was by all accounts a contributing factor in the 2007-08 transfer of power within the ANC, from the man favoured by local and global corporations and the prosperous classes (Mbeki) to the candidate of trade unions, the youth, organised ANC women and the SA Communist Party (Jacob Zuma). This latter group represented a 'centre-left', comprising the Congress of SA Trade Unions (Cosatu), SA Communist Party, SA National Civic Organisation, some churches and NGOs, ANC Youth League and ANC Women's League. South Africa's 'independent left', in contrast, is comprised of social and community movements, NGO critics, feminists, internationalists, environmentalists, some in the faith community, and others alienated by the 'neoliberal' (market-oriented) economic policies, cronyism, corruption and patriarchal nationalism that represent durable ideologies within the ruling party, including the Zuma camp. They are part of a 'social justice' tradition that arose across the world over the past decade and achieved prominence in contesting globalisation's adverse impacts.

This context of structural crises and the uneven development of civil society meant no rest before, during and after the xenophobic attacks of May-June 2008. The challenge for progressive organisations across South Africa at that moment was to adequately direct social unrest and grievances into effective avenues. The state's failure to assess the threat to immigrants has been the subject of extensive discussion, including ridicule at Mbeki's denialism as well as the hypothesis by then intelligence minister, Ronnie Kasrils, that a 'Third Force' comparable to early 1990s state divide-and-rule strategies was in play. There had been plenty of warning, such as multiple reports of especially Somali murders in Western and Eastern Cape townships, as well as police brutality and abuse at the Lindela repatriation centre outsourced by Home Affairs. More generally, a 'FutureFact' (*Mail&Guardian* 2008) survey asked South Africans if they agreed with this statement: 'Most of the problems in South Africa are caused by illegal immigrants or foreigners.' In 2006, '67% percent agreed, a substantial increase on a few years ago, when the figure was 47%. And it is reflected among all population sectors of the country. FutureFact also put this statement to respondents: 'Immigrants are a threat to jobs for South Africans and should not be allowed into South Africa' - with which 69% agreed.'

When the violence began in mid-May, the immediate reaction from the state, academics and NGOs was the call for more civic 'education', usually about human rights, the plight of refugees, or the role that neighbouring societies played in hosting South African exiles during apartheid. But beyond platitudes, civic education would not be sufficient to address genuine grievances. In a report that reflected latent policy xenophobia, the Human Sciences Research Council (2008) found that 'Settlements that have recently experienced the expression of "xenophobic" violence have also been the site of violent and other forms of protest around other issues, most notably service delivery.'

Behind some of this tension is the recent expansion of the migrant labour system. In 1994, the choice was made *not* to rid South Africa's economy of migrancy, which could have been accomplished by improving wages, maintaining much higher employment, turning single-sex migrant hostels into decent family homes, establishing a rural development programme that would lower migration pressure, and compelling the extension of formal employment benefits (health insurance, housing, pensions) to black workers and their families, as is the case with higher-income white workers. Today, hostels remain but with the doubling of the unemployment rate, the buildings are often full of unemployed men, and these were the source of many xenophobic attacks.

Moreover, even if South Africa's racially-defined geographical areas known as bantustans – Zululand, Bophuthatswana, Venda, Transkei, Ciskei, QwaQwa, etc - have disappeared from apartheid-era Swiss-cheese maps, the economic logic of drawing inexpensive labour from distant sites is even more extreme, now that it no longer is stigmatised by apartheid connotations. Instead of hailing from KwaZulu or Venda or Bophuthatswana or Transkei, the most desperate migrant workers in SA's major cities are from Zimbabwe, Malawi, Mozambique and Zambia, countries partially deindustrialised by South African business expansion up-continent. In one frank admission of self-interest regarding these workers, First National Bank chief economist Cees Bruggemann told *Business Report,* 'They keep the cost of labour down... Their income gets spent here because they do not send the money back to their countries' (Comins 2008). If many immigrants don't send back remittances (because their wages are low and the cost of living has soared), that in turn reminds us of how apartheid drew cheap labour from Bantustans: for many years women were coerced into supplying unpaid services - child-rearing, healthcare and eldercare for retirees - so as to reproduce fit male workers for the mines, factories and plantations.

And in turn, the need for civil society to think beyond the immediate grievances and find international solidaristic relationships – as did the SA Transport and Allied Workers Union when they refused the April 2008 offloading (from a Chinese ship) of three million bullets destined for Zimbabwe police and army guns – could not be greater. On 24 May, 2008 Johannesburg civil society mobilised several thousand people – local supporters and immigrants alike – to march through Hillbrow in solidarity with immigrants. Various other initiatives in townships across South Africa showed that communities could welcome immigrants back, and live in harmony. The provision of resources by churches, NGOs and concerned citizens was impressive, even while the state backtracked from responsibilities.

Most importantly, the response of civil society did not address the root causes of xenophobia. Within a year, most of those repatriated returned to South Africa. Worldwide economic crisis, job losses, and rising prices made the situation even more precarious. The sentiments that bred the mid-2008 attacks are still present and although there has been no mass violence on the scale of that social catastrophe, the period immediately after the 2010 World Cup suggested the high potential for renewed disaster.

Many of the structural constraints are beyond local community capacity in any case because of the politics of scale. Changing regional geopolitical policies – such as South Africa's exploitation of Zimbabwe, the DRC and Swaziland – is a tall order, as is insulating South Africa from ongoing world economic volatility. Another example of a structural challenge well beyond civil society's control is the sensibility that foreign nationals receive SA citizenship fraudulently after bribing Department of Home Affairs officials. (Such fraudulently acquired citizenship resulted in foreign nationals getting access to child support grants, permits to work permanently in SA, access to free medical treatment in state hospitals and acquisition of free houses.) It is perceived that some foreigners go to the extent of bribing Home Affairs officials and Marriage officers that conduct illegal marriages with SA women without their consent so as to acquire citizenship. Another local cultural perception is that foreign men take wives and partners away from South African men, because they are willing to pay school fees for children that they are not even biological parents to. Hence some of the causes of xenophobic attacks mentioned to researchers include jealousy. Other structural, long-term problems noted by researchers include alleged crime and drug dealing.

In sum, we have identified a series of shortcomings associated with the partial responses to xenophobia by civil society organisations in South Africa, and major long-term structural problems that local organisations are unable to address – and that we are only at the initial stage of identifying and documenting. These latter include unemployment, poverty, competition for few resources that the government is providing, poor services provided by the municipality to local people, preferential treatment of foreigners by employers who perceive them as a source of unorganized and cheap labour, and fraudulent marriages that assisted foreign nationals to get SA citizenship.

By all accounts, there is severe competition for jobs, houses and social grants reported by some participants. Others disputed any form of competition as foreign nationals do work which South African nationals are refusing to do, such as operating as car guards and running cheap salon businesses in the streets. These are opportunities that foreign nationals created and local people are still reluctant to explore. Foreign nationals are willing to settle for lower-paying jobs whereas SA nationals demand a living wage when they choose jobs, a factor associated with the low cost of reproduction of labour power in the sites from which they came. In such settings, the traditional practice of superexploitation of women – who raise workers when they are young, who look after sick workers and who look after workers when they retire, thereby allowing employers to hire these workers more cheaply than those with local families, school fees, health insurance premiums, pensions, etc – is also a critical factor.

There are at least eight concrete conclusions. First, civil society's response to xenophobic violence did not go beyond relief which consists of providing food, temporary accommodation, lobbying and advocacy. It did not address South Africa's extremely high unemployment, tight housing market with residential stratification, extreme retail business competition, world-leading crime rates, Home Affairs Department corruption, patriarchy and cultural conflicts, and severe regional geopolitical stresses. It is therefore possible to witness the repeat of a large scale xenophobic violence in the future.

Second, the xenophobic violence is rooted in interlocking, overlapping, market and state failure beyond the ability of civil society organisations which are equipped for limited local advocacy, service delivery, and sometimes local solidarity. Third, the xenophobic violence was associated with denialism of structural inequality and of capitalist urbanisation's social-segregating orientation.

Fourth, reintegration of non-South Africans in the affected areas was spontaneous without the contribution of the United Nations and national/provincial/municipal government. Fifth, reintegration was also tolerated where non-South Africans rent accommodation (at high prices) from South Africans in various sites. Sixth, civil society solidarity with immigrants did occur and shows that South African and non-South African communities can live in harmony – if there is a conducive environment in which people's concerns can be freely expressed. Seventh, immigrants have been always welcomed for their cheap labour in mining, factories, and plantations. Yet, both pre and post-1994 South African governments were reluctant to provide non-South Africans a genuine set of rights for living in hostile cities.

Eighth, the local Bantustan and same-sex hostels long served as 'reserves' for local cheap labour, and have since been replaced by regional labour supplies (especially Zimbabwe), overcrowded townships and shack settlements, and poorly maintained inner-city areas. These much broader spaces are now breeding grounds for socio-economic discontent, socio-cultural frustrations, persistent anti-foreigner rhetoric, and xenophobic violence.

Considering the underlying and immediate causes of the crisis, civil society organisations' short-term responses to the crisis were only partial. It is to the long-term problems of a durable, structural nature that our recommendations can be best addressed. Without a long-term solution, the lack of coordination and leadership exhibited in civil society will continue. Hence we recommend:

- A unifying local/ national/regional approach to rising (and durably high) unemployment, based upon a 'right to work' and sufficient public work resources, directed to projects needed by poor people and the communities;
- A dramatic shift of state investment resources into housing/services, for both capital/infrastructure and ongoing operating/maintenance subsidies;
- A rising level of disposable income for low-income people – e.g. through a Basic Income Grant - to accommodate the intensified desperation in the informal sector;
- A commitment to dramatic increases in publicly-subsidised employment and to channelling investment resources into low-income areas, so as to mitigate the economic desperation that so often generates crime;
- Changes to SA state regulations that liberalise border restrictions (e.g. the Zimbabwean temporary work visa), and a very strong stance against such corruption, plus a dramatic increase in staff to accommodate the Department's rising clientele base;
- A much greater SA state commitment to fighting patriarchy and to the promotion of cultural diversity and the 'melting pot' of regional citizenries within SA;
- A shift of SA foreign policy – driven by regional solidaristic initiatives in civil society - away from strategies associated with subimperial ruling-class

nurturing for geopolitical purposes (e.g. Zimbabwe, Swaziland and the DRC) and with minerals extraction, which together exacerbate political-economic and geopolitical tensions in Southern and Central Africa.

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APPENDIX: Books by or about South Africa's contemporary independent left (English language since 2000)

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R.Pithouse (ed), Asinimali (Trenton, Africa World Press, 2006).
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