

## **UPGRADED FROM THE SOUTH AFRICAN APARTHEID PRISON TO THE NEW DEMOCRATIC NEO-LIBERAL GLOBAL PRISON?**

### **THEMBA (There Must Be an Alternative)**

*Derrick Naidoo*

This paper is deliberately steeped in questioning the direction of advocacy and citizen engagement and attempts to look critically at some of our assumptions about democracy. The paper is divided into four parts, starting with recent history, moving back in time, and then forward into the future (this follows the old African proverb: Take one step back to go two steps forward). The sections are as follows:

- South Africa in the nineties;
- The past and the prelude to negotiations;
- The 21st century, the present globalized world and South Africa;
- Building blocks for alternative innovations.

### **South Africa in the Nineties**

#### ***The External Factors***

The 1990s are regarded as the decisive point for South Africa and to a lesser extent the world. The first point to stress is that the collapse of the Soviet Union and of its East European satellites had a major impact on radical developments. Of course, this has not resulted in the prediction of a capitalist paradise in which we can all live happily ever after. Indeed, the built-in contradictions and the endemic crisis of the world capitalist system have been thrown into high relief by the catastrophic events of 1989–1990. In the words of an impeccable liberal source in South Africa:

In 1992, the New World Order's promise of stability and peace was shattered by age-old ethnic conflicts before we even began enjoying it. The hopes of a mega-Europe, where the collapse of socialism would end the divisions of the past and spread the prosperity of the West into the hungry countries of the East, did not last long into the year. The second half was dominated by bitter wars, the specter of neo-fascism and disillusionment with the promise of unbridled capitalism (Harber, 1992).

In short, the dead-end character of the world capitalist system for the vast majority of humanity, its potential for conflict and war, has been confirmed beyond all reasonable doubt. At the end of the 20th century, just as it was at the end of the 19th century, the system is once again caught in the throes of a general crisis. There is enough evidence to show how the West weathered these storms using the Two-Thirds World as a buttress whilst the East collapsed.

The long and deep depression that began in the mid-1970s and that has continued ever since, with only occasional mini-booms in the industrialized countries, has continued to cast its

shadow over the entire world. Unemployment even in the advanced capitalist countries is seldom below 10% of the economically active population, while in the dependent economies of the Two-Thirds World, the situation is catastrophic. War, famine, and disease have reduced the lives of countless millions in the ex-colonial world to a level of misery unknown in human history. In this situation, the most fitting welcome sign for those who still cherish any illusions about “the promise of unbridled capitalism” is that which used to meet weary travelers upon arrival at legendary Samarland: *Abandon hope, all ye who enter here.*

Certainly, this is what the people of Eastern Europe and others in Africa have learned. They have discovered that the real Stalinist socialism of yesterday was only a kind of purgatory compared to the hell of real capitalism today. Indeed, one city in Somalia has actually been called “hell” by journalists.

A contradictory and menacing combination of multinational/transnational enterprise and inter-imperialist rivalry between the three global trading blocs, Europe, North America and East Asia/Japan — which is indeed fraught with the danger of regional and even world war — has become clearly manifest in the aftermath of the Cold War. As far as the Southern African region is concerned, Europe still has the edge over the other two blocs even though both Angola and Namibia are fast being sucked into North America’s sphere of interest. This competition, which is the second point to note, will sooner or later take its toll on the region.

Thirdly, the instability rampant in Eastern Europe and the refusal of its population to embrace the obvious evils of capitalism have meant that the region has not proved to be the investment paradise most analysts expected. This does not, however, mean that billions of dollars are automatically ready to be invested elsewhere. Stability (i.e., predictability) and profitability are the iron conditions of capitalist investment. If these do not exist, capital is “invested” in speculative enterprises, mainly on the stock exchange. This tendency has led to the dangerous ballooning of financial instruments on the world’s bourses (stock exchanges) which are not secured by productive or even by real capital.

The fourth development that will and does influence the shape of things to come in South Africa is the ideological accompaniment of the collapse of real socialism — that is, the hegemonic status of the discourse of democracy and the market. A regular mystification of the notion of democracy has been taking place, so that today the main features of the democratic republic (i.e., multi-parties, regular elections, a bill of rights, and an independent judiciary) are fast being equated with democracy as such. Suddenly political pluralism (a range of ideologically different democratic parties contesting and providing democratic alternatives), the essence of democracy, is equated with multipartism (different capitalist parties contesting elections). This is clearly one of the most dangerous ways of ensuring the dominance of the capitalist system. Real participatory democracy has always been more than a few elections every few years.

Some of the real questions of democracy are about addressing who and how one makes decisions about a host of things:

    Around gender issues?

    Around the social wage?

    Around the needs and priorities of the economy?

Around research priorities?

Around environmental issues, and so on.

A simultaneous movement is taking place at the level of economic theory and ideology. All of a sudden, people who yesterday were vehement critics of “the invisible hand of the market” are now proponents of it. They have been struck blind by the light of their own opportunism. They can see no alternative. Those with more sensibility claim their conversion is merely “tactical,” and so forth. Everyone, worldwide, is now literally surrounded by such people.

The fifth feature of the new international landscape to note is the de facto delinking of the continent of Africa from the rest of the world economy. The continent accounts for less than 1% of international trade; for practical purposes, it scarcely exists. Of course, its precious metals, its oil and some of its crops continue to be needed (even though in much reduced quantities and at criminally low prices). It is an object of aid and charity as far as “the North” is concerned. The recent tragedies in Somalia and in Mozambique, Angola, Congo have all etched this aspect of the African reality into the consciousness of all humanity through the recurrent scenes of horror and famine projected nightly onto the world’s TV screens.

Paradoxically, the “new South Africa”, this so-called post-apartheid South Africa, appears to the middle-class politicians, business people and academics of the rest of the continent as the light at the end of the tunnel of Afro-pessimism. They expect great things of the reintegration of South Africa into the community of African nations. That is to say, their long-suffering working people, the genuine toilers, will be worse off at the end of the flirtation with the sub-imperialism of South Africa than they are at present. The “light” they are seeing may be no more than the light of the oncoming train!

### ***Southern Africa***

The international developments mentioned above have had a uniformly negative impact on the countries of Southern Africa. Continued destabilization made worse by devastating drought has made the region even less attractive than usual to foreign capital, in spite of some new direct investment in Namibia. In general, unemployment has increased rapidly giving rise to population movements such as have not been seen in the region since the beginning of the 19th century. War, especially in Angola, the Congo, and so on, has led to large refugee populations in all neighboring states. This, together with de Klerk’s move in February 1990, has led to the situation mentioned above where South Africa, and Nelson Mandela in particular, appear to some as Africa’s great white hope.

Droves of business and government people have visited this country in the hope of increasing the volume of trade and enticing South African capital and know-how. Academics from mainly anglophone African countries are desperately seeking temporary placements, sabbaticals or permanent appointments at South African universities, technical and education colleges, thus extending to the rest of the country a practice that has gone on clandestinely in the Bantustans for almost two decades. They do this not only because the pay is incomparably better, but also because here they have a better chance of doing actual research instead of teaching classes of up to 700 students. Moreover, their knowledge and expertise are in demand since South Africa’s

poilecat status can only be perfumed away through this kind of legitimating, and since there is a genuine ignorance in South Africa about the rest of the continent.

Some hope the African industrial and technological machine will transform the region through an economic miracle similar to that which changed the face of post-war Western Europe. All regimes involved are thus committed to regional integration via mechanisms such as the expansion of the South African Customs Union, the Preferential Trade Agreement (PTA), and the new SADC (South African Development Community). This fact has important implications for the working people of Southern Africa. They are going to have to resist the lure of patriotic, populist (“non-class”) politics, by which means these regimes are going to try to conceal the intensification of exploitation and the sub-imperialist character of South African capitalism.

Who can dispute the fact that today 1.1 billion people are underweight and undernourished in sub-Saharan Africa; the fact that in the 1990s 1.2 billion lacked access to clean water and 1.5 billion people have been forced over the years to live in water scarce areas. In 1998 the heavily indebted countries “owed” \$214 billion, an impossible sum for them but equal to 4.5 months military spending! Zambia devoted 40% of its budget to foreign debt and only 7% to education, health, sanitation clean water and nutrition.

Of course, in more recent times the main determining developments are taking place in the sphere of the more narrowly defined economy. Along with the new SADC, there are great expectations for the interim government established in South Africa. The driving force of events in the South confirms our basic analysis of and the main predictions about the strategy of the ruling elites in South Africa. The naive belief of the negotiators in a smooth transfer of power has been shattered in the most brutal possible manner — the most recent acceptance of the strategic perspectives document by the ANC, followed on Joe Slovo’s much-publicized sunset clauses of the nineties. Class collaboration, as opposed to the Verwoerdian racial and ethnic collaboration, is what the leadership of the African National Congress has been trapped into for the future.

The facts of the South African situation can be described quickly and briefly. On the economic front, things have gone from bad to worse. In particular, the scourge of unemployment, the greatest disaster that can befall working people, has never been worse in this country. Even the South African government admits that more than 40% to 50% of the economically active population is out of work. Regional unevenness means that in areas such as the Eastern Cape, the unemployment rate is well above 80% for black youth. Less than 4% of new labor can be absorbed annually — which means, for example, that virtually none of the graduates who managed top marks in 1992 will be able to find work in the formal economy. Some of the luckier ones will be able to go on to technical colleges or universities. Most will end up in one or other crevice of the “informal economy,” which includes anti-social gangsterism, drug trafficking, and so on.

Today, South Africa has become normal in spreading the effects of exploitation across the color line. Whites (more than 2,000 families in the Gauteng alone) are receiving soup-kitchen assistance so that they don’t starve. In other parts of the country, scabbing white workers and

their families gladly share hostel accommodations with black mineworkers in Natal; and unemployed white workers and their families are living in so-called white squatter camps.

There is little hope that things will be getting better any time soon. Unemployment and inflation in South Africa's main trading partners inevitably impact negatively on the local economy, since demand for South African exports is reduced and the price of imports increases steadily, thus fueling further inflation in the national economy. A life-saving transfusion of direct foreign investment and long-term loans is seen as the key to economic growth, together with increased productivity of labor, greater financial and fiscal discipline (i.e. a leaner and meaner public sector), and large-scale privatization of state-run and parastatal enterprises. The Ministers of Finance and of Trade and Industry, together with gurus from the International Monetary Fund (IMF) and World Bank, have concocted a witch's brew of higher personal and indirect taxes and more retrenchments in the public sector. This will put greater pressure on the working class, while creating more scope for the "dynamism" of the private capitalist entrepreneur, and to hell with the unemployed.

The Minister has been issuing blunt warnings that unless this bitter medicine is swallowed, the "liberation movement" will kill the goose that lays the golden egg in the South African economy. His two sorcerer's apprentices, the much-quoted spokespersons of the ANC economics department who are preparing to govern, sickeningly repeat his prescriptions in the fond belief they can persuade the black working class that "the promise of unbridled capitalism" can be realized. More often than not, they merely confirm they are speaking on behalf of the rising black middle class, the new junior partners of the old white rulers. Their ritual concerns about the "rights" of workers are manifestly hypocritical and merely demonstrate their fear that they may escape from the cage of populist ideology to create mayhem and shatter their cosy dreams.

The social consequences of this hopeless economic situation are plainly visible to all. Rapid urbanization, as the landless and jobless millions flee from certain starvation in the rural areas, has led to sprawling squatter settlements where desperate people are compelled to compete with one another for scarce resources. Basic necessities such as water, housing, energy (firewood, electricity), schools, health care, even latrines and cemeteries, are hopelessly inadequate; where they do exist they are indescribably primitive. Warlords linked to protection rackets, rent lords, drug lords, and other cruder forms of criminality are rife in these areas and in most townships. Traditional social control is disintegrating. The corrupt, bankrupt, racist state cannot and will not reassert even its repressive order because many parts of cities have become no-go areas for its civilian and uniformed functionaries, and because it suits its sinister agenda to promote so-called black-on-black violence.

"The elites' claims about the family and education, about the hallowed co-relation of parent and child, become all the more disgusting by the action of modern industry. All family ties among the real toilers are torn asunder and their children transformed into simple articles of commerce and instruments of labor."

Everywhere there is crisis: in education, health and recreation, and above all in the economic sphere. The representative organizations of the people are unable to offer any real solution. Negotiations for power sharing are held up as the short-term answer. The people are asked to be

patient for awhile and to trust their “leaders” while they work out a deal. As in Eastern Europe, the desperate situation of the people has brought to the surface all lines of cleavage in our society, and these are exploited to the full by the rulers and by the balaclava wearing third forces. Alleged racial, ethnic, language, and even religious differences are highlighted and exaggerated by unscrupulous political manipulators in order to mobilize a “constituency” (i.e., a power base). Deadly weapons of war have been made freely available by the South African regime since the mid-seventies for the purpose of destabilizing all of Southern Africa. The situation is all but beyond the control of the racist state today. The result is the traumatic prevalence of violence in all sectors of our society. One layer of the working class can be easily incited against another, as when so-called hostel dwellers are brought out against so-called residents or when one group of taxi drivers is mobilized against another.

This social chaos, the sordid result of decades of apartheid-capitalist rule in South Africa, is the clearest evidence of a dying culture. Even from a nationalist point of view, it is clear that those in power cannot satisfy the most basic needs of the people. The populist leadership believes that a power-sharing deal between themselves and the ruling elite will create the conditions for a new beginning. They, however, know — and if they don’t they ought to know — that such a deal will do no more than bring into the power bloc the black middle class and the skilled layers of the black working class. The rest, the unskilled and unemployed workers, will as in the past be marginalized as the superfluous Two-Thirds in a One-Third society. We need look no further than certain countries in South America such as Brazil, or in West Africa such as Nigeria, to see what a desperate fate this strategy has in store for the vast majority of our people. It is merely wishful thinking for the leadership of the ANC to believe that what they have not won on the battlefield, they will win in debates around a negotiating table. Nothing can demonstrate more clearly the bankruptcy of nationalism. The willingness on the part of the nationalist leadership to compromise on the basis of the One-Third society signals black nationalism is no longer a creative and innovative force. It is playing itself out. It is walking its last mile. Only the radical energy of the workers movement in alliance with other social forces can take the people’s struggle for freedom and social justice further.

### **The Past and the Prelude to Negotiations**

South Africa’s past is a history of brutal subjugation. In order to paint an accurate picture several major landmark events that shaped the present are listed briefly below:

- the Land Wars start 1656 and culminate in legal robbery through the 1913 Land Act;
- the bloody colonial armed struggle stretches over 300 years and reaches legality in the formation of the Union in 1910;
- the Liberation Struggle continues and results in one massacre after another;
- Bambatta Rebellion, Bulhoek Massacre;
- the Rand Rebellion of 1922;
- the 1960 Sharpeville massacre;
- armed resistance in the 1960s coupled with the Robben Island Saga;

- student resistance of 1976 and 1980;
- constant organized worker resistance; and eventually
- the general uprising of 1984.

The result of the accumulated resistance forced a new strategy to regain a certain measure of political legitimacy in the aftermath of the disaster of 1976–1980. The regime was compelled to scrap Verwoerdian apartheid. Its leaders realized, of course, that through the scaffolding of the laws and practices of apartheid, the house of racial inequality had been built on firm foundations. Of course the efforts of the liberation movement, economic problems, and perhaps to a lesser extent world opinion helped this decision. This meant more than repealing the pro-white, especially pro-Afrikaner, affirmative action laws they and their predecessors had put on the statute books since 1910, and especially since 1948. By doing so, they would accommodate within the continuing, albeit amended, racial capitalist system the rising black middle class and the skilled black working class without in any fundamental way affecting the real power relations.

For the overwhelming majority of the black people, the cosmetic changes to the system would make very little real difference. For many, they would lead to a dramatic worsening of their quality of life unless there was some unplanned economic windfall such as a steep increase in the price of gold.

The socio-economic thrust of this strategy was crystal clear. Their problems resided largely in the political sphere. They could no longer govern with the support of hand picked black collaborators. Since November 1989 at the latest, they were willing to share power with the authentic black nationalist leaders of the liberation movement. But in order to cover their flanks on the right and not lose control in the period of transition, they had to obtain built-in minority vetoes that would guarantee the continuation of the capitalist system, while not taking away from the ill gotten wealth and privilege of the white minority. If they failed in either of these two objectives, the risk they took in initiating the negotiations process could end up in either a working class led social revolution against the capitalist system, or a neo-fascist right-wing counter-revolution against de Klerk's treacherous policy of liberalization.

This is why the negotiation process was characterized by such contradictory developments. Thus we have the unlikely and incredible sight of former dyed-in-the-wool racists such as Pik Botha or Dannie Craven embracing former radicals such as Thabo Mbeki or Steve Tshwete, and appearing to speak the "normal" language of liberal democrats. In fact, the Democratic Party, traditional custodian of this Western cant, has been hard put to defend its corner of the political spectrum against the authoritarian predators from both the right and the left as these have suddenly discovered the (economic) importance of the hallowed values of capitalist democracy.

At the same time, we see clearly orchestrated attempts to weaken the main negotiating partner of the National Party, the ANC, through third-force assassinations of community level and labor leaders, and other ANC stalwarts. More generally, there was a carefully planned strategy to divide one group of black people against the other by enhancing real language, color, religious, regional, cultural, and political differences in the context of extremely scarce resources. Both incredibly crude (vigilantism and third forces, for example) and incredibly sophisticated methods (the World Bank, Goldstone Commission) were used to widen the cracks that the long years of

anti-apartheid struggle had begun to cement. The “success” of the cynical and calculated moves should not be doubted. Our movement has been set back many decades in important respects. Some of the major gains of the 1970s and the 1980s, such as participatory democratic practices, the non-racial ethos, and anti-collaborationist practices, have been virtually erased.

### **The 21st Century, the Present Globalized World and South Africa**

South Africa began its reconstruction and development with a social democratic plan called the RDP in 1994, but this was short-lived because of international forces mobilizing to solve the crisis of capitalism. Questions about profitability, overaccumulation, markets, and labor costs had reached epic proportions. The Washington Consensus (USA, Britain, and Germany) was a brilliant stroke. Simply using a policy of free movement of capital — coupled with privatization, labor flexibility and the removal of barriers to open up markets — was a great success. By 1996 South Africa had fallen prey to this policy as the controversial free market GEAR (Growth, Equity and Redistribution) was introduced. This new winner-take-all system soon became the dominant approach internationally. For the rich, its results were magnificent, but for the poor it became hell.

#### ***The Results after GEAR***

The world's 200 richest people increased their assets from \$440 billion to \$1 trillion between 1994 and 1998. Around 800 million people in contrast were going hungry each day. Ten individuals amassed fortunes of more than \$280 billion. On the other hand, the ILO claimed more than 20 million workers lost their job in 1997/98. One billion workers, one-third of the world's workers, remain unemployed or under employed. The assets of the three richest families now equal the GDP of 48 countries (\$600 billion). Today 1,300 million people live on \$1 a day. Since 1990 the number of poor people increased by 10 million a year in Latin America and South Asia. The effect on the environment of human greed is terrifying to say the least.

The religious movements of the world have been completely out-manoeuvred. Do we have to reread some of the debates of the past? For instance, were Jerome, Augustine and Chrysostom correct in their assertions?:

“A rich person is either an unjust person or the heir of one.”

“God willed that the earth be the common possession of all. But avarice distributed the rights of possession.”

“Tell me how it is you are rich? From whom did you receive your wealth? And he, whom did he receive it from? By climbing this genealogical tree you are able to show the justice of this possession...”

The fleeting glance of what has happened is just an electric shock. Any serious analysis has to deal with issues of fundamental and long-term importance to the development and well-being of working people and of humanity as a whole. Unfortunately time and length force us to only touch upon, rather than to analyze these as they should be. Thus, for example, we do not discuss



questions such as the continuation of nuclear armaments programs, nor do we look at the implications of quantum advances in science such as the human genome project.

At the dawn of the 21st century, however, a clear general position on the phenomenon called globalization is necessary. While we acknowledge there are many new features that characterize the manner in which capitalist production is effected in the world today, the question is: Does “globalization” represent some radically new phase of capitalist development, one which has altered the mode of production (as opposed to the processes of production)? Some may suggest or imply the capitalist mode of production itself has been changed by the “knowledge economy” — that is, production for profit by means of exploiting the labor power of those for whom this is the only commodity they possess, no longer determines how the social product is distributed. To accept this is in effect to surrender to the hegemony of the capitalist position.

Another way of putting the same point is to repeat the old dictum that the mode of production and the mode of distribution are integrally connected to each other. Consider a domestic illustration of this insight. There is much talk in government and near-government circles about poverty eradication programs. These are supposed to be one of the main ways in which the electoral promises made by the ruling party are to be met. Yet it must be clear to all that only a very thin layer of people can benefit from such programs, should they ever get off the ground. This is not sufficient reason to condemn them, of course. Any improvement in the conditions of life of even a small segment of the people has to be welcomed. However, this is different from suggesting that such programs can resolve the fundamental contradictions of the capitalist mode of production by improving the conditions of life of all the people.

What the proponents of such schemes forget is that where they have worked, mainly in the countries of the North, they have been able to rely on the subsidizing effects of colonial and neo-colonial exploitation. That is to say, the British government, for example, could eradicate abject poverty over a few decades largely because it had a hinterland where exploitation and super profits were taken from the colonial and ex-colonial dependencies of the British Empire. We have no doubt that the exploited workers of southern Africa and of other African countries further north will shudder if they begin to look at such innocent sounding promises in this light. The North/South divide and its impact unfortunately cannot be dealt with in any more detail.

What then is new in globalization? We were fortunate in 2000 in being able to get the views of Manuel Castells, one of the best-known urban sociologists in the world today, and those of his colleague and close associate, Martin Carnoy. Although we do not necessarily have to agree with his political or even his economic conclusions, there is no doubt that his imposing research effort in coming to grips with what he calls the network society and the information age has thrown a beam of light on the subject.

The new economy can be defined as the combination of three inter-related characteristics that cannot function without each other. Firstly, it is an economy in which productivity and competitiveness are based on knowledge and information. Knowledge and information have always been very important, but they are now more important than ever in the sense that new information and communication technologies allow information and knowledge to be processed and distributed throughout the entire realm

of productive activity. So, productivity is generated through knowledge and information, powered by information technology.

Secondly, this new economy is a global economy. A global economy does not mean that the entire world is one single economic system. In fact, in terms of jobs, most jobs are not global; they operate in local, regional and national labor markets at the level of planning. But I would say that most jobs, if not all jobs, are influenced by what happens in this global core of the economy. In more precise terms, the global economy is that particular economy which has the capacity to work as a unit in real time, on a planetary scale. This capacity refers fundamentally to its core activities, not to everything.

This capacity is, thirdly, technological, organizational and institutional. Technological capacity refers to its ability to structure the entire planet through telecommunications and informational systems. It has organizational capacity because the firms and networks working in this economy organize themselves to be active globally, both in terms of the supplies they receive and the markets they look for. It is also based on institutional capacity, which basically means deregulation and liberalization, which opens up the possibility for this economy to operate globally. In that sense governments are the main promoters of globalization by creating the institutions of the new economy throughout the world. After that they lose control.

Castells' (1996, 1997, 1998) massive three-volume work on the network society constitutes the background to this succinct definition. It is no less than an explanatory framework based on wide ranging empirical research, which we cannot ignore even if we do not accept all the conclusions to which it leads Castells himself. From this excerpt, we can identify a series of fundamental issues that arise from the point of view of any alternative project. Of these, the most important are undoubtedly the changing role of the state and the increasing power of the transnational corporations to determine the ups and downs, especially the downs, of domestic economies. We accept that the traditional role of nation states — that is, securing the interests and the rights of their citizens (in reality the hegemony of the elites) — is fast becoming a thing of the past even though the rhetoric of “national sovereignty” is necessarily sustained by political elites throughout the world. The rapid evolution of regional entities such as the European Union, the North American Free Trade Area, ASEAN and, in our own context, the African Union and SADC is a clear indication the core economy is an increasingly globally networked economy, a function of the modus operandi of transnational corporations.

We accept Castells' view that nation states are caught between their mandate to secure the interests of their constituencies and the imperatives deriving from the need to attract foreign capital inflows, and especially direct investment. These uncontrollable inflows of capital necessarily imply a sharing of sovereignty (i.e. power) with other states, and primarily with the Boards of Directors of transnational corporations and of international financial institutions such as the World Bank, the IMF and WTO. At a political level, this contradiction manifests itself in an ambivalent discourse, one that oscillates between versions of communalism or nationalism on the one hand, and various invocations of internationalism or even cosmopolitanism, on the other. Castells (1997) again explains:

Thus, the more states emphasize communalism, the less effective they become as co-agents of a global system of shared power. The more they triumph in the planetary scene, in close partnership with the agents of globalization, the less they represent their national constituencies. End of millennium politics, almost everywhere in the world, is dominated by this fundamental contradiction (p. 308).

One could phrase it slightly differently in the present context by saying that nation states are increasingly tending to become agents, if not actual instruments, of the international, rather than merely of the national “bourgeoisie.” That this is indeed the case can be seen clearly if one takes into account the full context from which the above quotation is taken:

[In] the 1990s, nation states have been transformed from sovereign subjects into strategic actors playing their interests, and the interests they are supposed to represent, in a global system of interaction, in a condition of systemically shared severity. They marshal considerable influence, but they barely hold power by themselves, in isolation from supranational macro-forces and sub-national micro-processes. Furthermore, when acting strategically in the international arena, they are submitted to tremendous internal stress. On the one hand, to foster productivity and competitiveness of their economies they must ally themselves closely with global economic interests and abide by global rules favorable to capital flows, while their societies are being asked to wait patiently for the trickle down benefits of corporate ingenuity. Also, to be a good citizen of a multilateral world order nation states have to co-operate with each other, accept the pecking order of geopolitics, and contribute dutifully to subdue renegade nations and agents of potential disorder, regardless of the actual feelings of their usually parochial citizens. Yet, on the other hand, nation states survive beyond historical inertia because of the defensive communalism of nations and people in their territories, hang more onto their last refuge not to be pulled away by the whirlwind of global flows.” (Castells, 1997)

This brilliant work suggests answers to many of the paradoxes that seem to characterize the South African government’s recent policies and activities, ranging from the abandonment of the RDP in favor of GEAR; to South Africa’s policy towards the European Union and towards Southern Africa, including interventions in Congo, Zimbabwe, Burundi and elsewhere. Even the tension in the relationship between central and provincial levels of government arising from the constitutional provision for co-operative governance and concurrent competencies resonates in this paragraph.

More relevantly, Castells’ insight demonstrates the limits inherent in the government’s strategy. He and the rest of the rulers of the South are bound by the parameters set by the economic balance of power between the North and the South and the definite limits set by themselves, intuitively and more often consciously. The question is, to what extent are they prepared to support and especially to initiate national and international mass action against the cannibalistic effects of the forces of globalization? Any policy that is deemed by finance capital and by the international institutional agents of capital, the World Bank, IMF and the WTO, to be too radical, is bound to be penalized by investment strikes which, in turn, will have immediate negative economic impacts, especially job losses. The ministers and ideologues in the cabinet and legislature who represented South Africa at Seattle, Prague and WTO and World Bank

meetings in 2000, were extremely embarrassed at having to defend these institutions and their policies to other South Africans representing Jubilee 2000 and anti-debt groups, who were protesting against the neo-liberal policies of these international institutions.

### ***Some Responses to Globalization under GEAR***

Even if we give the present government the benefit of the doubt with respect to its commitment to alleviating poverty, redistributing resources by fiscal and other constitutional means and, generally, promoting a populist strategy, we have to state very clearly there is simply no hope within the next few generations of realizing even the modest goals of GEAR, not to mention the optimistic dreams of the RDP.

Another question which arises for us in this connection is the idea put forward by theorists such as Canadian Michel Chossudovsky that one of the projects of progressives ought to be the winning back of the sovereignty of the nation state. Although one needs to study the reasoning behind this strategic recommendation more carefully, at first sight it seems to be an exceptionally risky notion. It is the kind of suggestion that undoubtedly will have a lot of populist appeal, but we hardly need to warn about the dangers of strengthening nationalist elites that lurk in this kind of thinking.

Finally, it is important to make crystal clear that “globalization” is the war cry of neo-liberal economics. All those barbaric features of this new orthodoxy are integral to the ideology of globalization, as opposed to the new production processes themselves. The liberalization of trade and financial markets (but not of the movement of underskilled labor), the lean or minimalist state, privatization, rightsizing, individualization or atomization of labor, jobless growth, and the dismantling of the welfare state are all included in the litany of capitalist barbarism in the 21st century. Some of the specific consequences of the adoption of the neo-liberal macroeconomic option by the government after 1996 are dealt with in a subsequent section.

For the moment, one should be aware of labor’s responses. To cite one of Zwelinzima Vavi’s latest realizations concerning the effects of globalization on the trade union movement worldwide, the General Secretary of COSATU (Congress of South African Trade Unions) is reported as having said that:

“To understand globalization and its effect on collective bargaining, the trade union movement would have to undertake a thorough analysis of the phenomenon ... Globalization has initiated changes such as the increasing use of technology to replace workers and the outsourcing of core functions which have had a profound change on the conduct of collective bargaining and organizing ... The net result of these changes is to weaken union bargaining power by separating and cutting through union membership ... The challenge lay in how to respond to these changes,” he said. The answer was to be found in COSATU’s decision to establish super unions or cartels. The mergers of unions and the redemarcation of COSATU unions “is not an academic debate, but a question of the survival of the trade union movement,” Vavi said (Louw, 2001).

What Vavi is saying here is being said and acted upon by union officials in all major industrialized countries of the North and the South. The measure of their defensive positions can be gauged from the fact that Vavi went on to suggest that for the survival of the union movement, it is now necessary to consider ways and means of organizing workers in the so-called informal sector.

The second relevant effect of globalization we want to highlight is the many different ways the victims of globalization attempt to resist these processes. The most obvious resistance is manifest in the international, regional, and national social movements (of the jobless, landless, homeless, abused, and generally oppressed masses) that have sprung up in the last decade or so. Some of these movements are continuations in a slightly different guise from earlier waves of mobilization against the depredations of the capitalist system of production, most prominently the green and the anti-nuclear movements. The capitalist threat to our survival as a species through the unplanned and irresponsible devastation of nature has assumed Frankenstein-like dimensions. Today we are experiencing a new generation of diseases and pandemics such as Ebola and AIDS; the resurgence of diseases such as TB, malaria and cholera which scientists thought they had brought under control; and the interruption of the food chain through the feeding of meat or meat products to herbivorous animals which apparently lies behind such phenomena as BSE.

Seattle may have marked the turning point in the sense that after Seattle, the hegemonic notion that “there is no alternative” (to the neo-liberal formulae for growth and development) is no longer as pervasive as it had been before that grand coalition of anti-globalization forces. This new wave of anti-globalization action at the international level has to be studied, especially its anti-capitalist and radical potential. There is a difference, on the one hand, between the justifiable outrage of genuine liberals and social democrats at the brutalities and suicidal short-sightedness of the gospel according to Milton Friedman, Ronald Reagan and Margaret Thatcher, and a principled and systematic rejection of the capitalist mode of production and of the system of economy it has brought into being on the other. We should not fall into the trap of equating these two responses to globalization. At the same time, it would be ill conceived to abstain from participation in the internationalist resistance movement(s). But there is another, less obvious, form of resistance to the brutalizing effects of globalization. We refer to that domain of action, which is loosely termed *identity politics*.

Castells, as well as other theorists, has pointed out that as the nation state begins to surrender some of its sovereign power and becomes increasingly an agent of the international capitalist class, people in the affected sectors and countries begin to construct or reconstruct social and personal identities which they believe will shield them from these effects. To put it differently, they search for comfort zones where they are sheltered from the turbulence and turmoil of a rapidly changing technical, technological, economic, social, and cultural environment. This intuitive action is the source of both the struggle and actions of the social movements referred to above, and of such phenomena as religious fundamentalism and sub-national ethnic and racial minority movements. In other words, the resurgence of ethnic conflict in so many parts of the world is one of the unavoidable consequences of the social pressures set up by the new technology and the network society. As long as we bring this insight into the framework of class

relations that trigger and power these reactions in each given situation, it is a very useful and illuminating approach to the analysis of the kind of conflicts which are wreaking such unimaginable havoc in regions such as Eastern Europe; the Middle East, especially Palestine; Central and Western (and increasingly also southern) Africa; Southeast Asia; and some of the countries of South America. Even this list is not exhaustive

In the new South Africa, where we have examples of all these responses, we shall have to consider what we can support as being in the interest of the people generally, and the alternative in particular. It is not enough to condemn manifestations of Islamic or Christian fundamentalism or the absurdities of the “rediscovery” of the many Khoi and San identities (“ethnicities”) by ethnic entrepreneurs whose saving grace is that they are so obviously mere philistines. Granted there is nothing wrong in principle with national or sub-national identities provided they do not become obstructions to the emancipation of the working class. It is an exceptionally difficult terrain involving as it does, some of the most emotive and sensitive areas of human self-consciousness. The prevailing policy and practice of our government of blithely inventing or supporting the invention of so-called cultural, religious and linguistic “communities” could inevitably open the Pandora’s box of ethnic conflict in southern Africa — unless the internationalist forces begin to put forward alternative modalities for the construction of social identities (i.e., unless we can effect the paradigm shift that is required to render identity immune to manipulation).

### ***GEAR and the Populist Project***

Against this background, it remains for us to draw attention to a few of the more important implications of this analysis for the political terrain in South Africa itself. Suffice it to say that the decision to go into GEAR in 1996 was a decisive moment for the organization, and for the tripartite alliance it was a calculated move by the local and the international imperialist forces to tie the ANC government into the neo-liberal hegemonic project. All attempts by the genuine and nostalgic militants within the Congress Alliance to reverse GEAR have come up against the immovable opposition of the leadership from Mandela downwards. Even more significantly, the present “flexibility” has not yet led to the break-up of the Alliance.

Many today have become apologists for the most ruthless of capitalist systems. Politically, as we have stressed in the past, the main objective of the leadership is to maintain the coherence of the South African (capitalist) state, which they have inherited from their apartheid predecessors. This is so because they genuinely fear the consequences of a civil war in the region, a war in which there is no guarantee that in the short term, the forces of national liberation would be victorious. Examples such as Palestine, Bosnia and Northern Ireland are like red lights warning them about the dangers, as they see them. After the political settlement of 1993–1994, they have even less reason to follow any “adventurous” policies. In short, the ANC leadership has made its peace with the nominally deracialized, capitalist system in South Africa. The populist overcoat, which covers the reality of black middle class empowerment, is a necessary garment for a leadership that knows its constituency will not wait endlessly on delivery. Populist slogans, such as the talk about “two nations” and the “African Renaissance” can keep the people (i.e. working

people) hoping for a long time but, as we are seeing in Zimbabwe today, there is a limit to their capacity to be deluded.

Unfortunately only a small minority of individuals and some of the more militant groups associated with various parties can be said to have retained their commitment to radical social transformation. In South Africa, we are already accustomed to the fact of so-called progressive ministers in the cabinet, driving all the most reprehensible aspects of the neo-liberal macro-economic policy, such as privatization and “rightsizing” in spite of its anti-working class objectives and effects.

Already there are signs, for example in reduced election turnouts, among many other things, that their days of political theatre are numbered. The loyalty of the COSATU officials and leadership to the Alliance is completely understandable. People do not normally defect from their organizations just because they disagree on tactics or even on matters of short-term strategy. However, when there are such clear signs that one’s ally is no longer capable of moving in the direction in which one is heading, then there is only one explanation for such “loyalty.”

Beyond these two significant social phenomena, we need only mention some of the issues that make it difficult to mobilize for change: massive unemployment (effectively above 50% even without those eking out an existence in the “informal sector”); cut-throat competition; the dismantling of the dubious benefits of the welfare state; the related rise in criminal activities, including Mafia-style, third force activities calculated to undermine and destabilize the democratic regime; and last, but not least, the precipitous decline in the quality of life of all people through the blight of violence, the abuse of children and women, and the AIDS pandemic. All of these are the direct result of the policy of GEAR which itself is no more than a refinement of the macroeconomic policy of the latter years of F. W. de Klerk’s regime.

One of the most naive assumptions of the leadership of the black nationalist movement in South Africa was the notion that the economic surplus which, under apartheid, was used to enrich, pamper and cushion the lives of those classified white at the time would become available for redistribution to black people generally, and to the black middle class in particular. Besides ongoing capital flight and disinvestments, which will only be turned around if the Mbeki government can demonstrate it is willing “to bite the bullet” (i.e. apply the neo-liberal macroeconomic formula relentlessly at the expense of the working people) the new regime discovered that the surplus could only be spread very thinly across the black surface of the poor. The venality and greed of the middle class, trumpeted as “entrepreneurial initiative,” cut this cake down to vanishing point. This is the reason why ANC spokespersons have begun toning down the exaggerated promises of 1993–1994 (who still remembers “Jobs for All,” “Houses for All,” the “redistribution of land to those who live and work on the land,” etc.?). They have even begun to jeopardize their much-vaunted miracle of reconciliation by accusing white South Africans of not appreciating the generosity of the liberation movement in not altering the fundamental economic relations of the society, i.e. agreeing to let them enjoy their advantages gained through colonialism and racism.

### **Building Blocks for Alternative Innovations**

The stark reality is that short of a revolutionary overthrow of the state, we in South Africa are set on a path similar to that of Western Europe in the second half of the 19th century. In other words, we can expect no more than incremental improvements in the lives of the poor in times of boom. However, given the realities of the North–South inequalities, it is more likely that we shall continue to stagnate in the 50–50, or even the 60–40 kind of syndrome, which has characterized similarly situated countries such as Brazil, India, Nigeria and others. That is the situation in which the first half of the equation is superfluous; the human beings represented by it are surplus, unnecessary for the circuits of capital accumulation.

The cruel realities of post-apartheid South Africa have given rise to important developments. In the short to medium term, the first of these is the gradual rise of the workers' co-operative movement. As radicals, we are interested in this development because self-management, which lies at the heart of all co-operatives, is integral to any real alternative economic dispensation. Besides questions of organization and training, we have to pay attention to the inevitable pull, which capitalist orientated co-operatives will exercise on this movement. We have to study carefully the experience of other movements and countries in this regard and we have to consider what kinds of alliances will buttress the radical or progressive line in the movement. It is also important to consider whether and how the emergence of the co-operative ethos may provide us with more tactical flexibility in our struggle against privatization. If workers are unable to see how they can defend nationalization, not to mention socialization of services and utilities against the onslaught of the privateers, it may well be an option to look at co-operativization as a stepping-stone to workers' control. Developments in the co-operative movement detract from our activities in other organizations of the working people wherever these are engaged in militant and principled action against the capitalist class and its political agents.

In this connection, the emergence of the Anti-Privatization Front (APF) in all major cities of the country and COSATU's campaign is one of the most significant developments since the transition began. It is the first time in the history of the country that something like a "pure" class movement has come into being without reference to race, color, or any other marker of difference between working people. It is the direct response of workers in all areas of the economy to the depredations of GEAR and globalization, and it reaches deep into the communities themselves. In Cape Town, as elsewhere, the APF has necessarily had to address issues that are not immediately related to the privatization of municipal services. Of these, the eviction of rent defaulters and the cutting off of water and electricity supplies to those who are unable to pay the charges, are the main ones. But, there is a long list of related issues, such as inability on the part of workers, employed and unemployed, to pay school and day hospital fees. There can be no doubt that this is the main arena of struggle.

The initial housing movement led by the Homeless People's Federation is an exciting development and needs to be popularized and lessons shared. The land movement is gaining momentum and potentially is a force for transformation. The launching of a national PTSA (Parent/Teacher/Student Association) structure with the re-emergence of COSAS (Congress of South African Students) will add urgency and substance to the struggles in the education arena.



The labor movement as an organized force will no doubt be one of the decisive factors in building the genuine alternative. The words of Amilcar Cabral, a slain radical, seem appropriate to end on:

Those who know a little more  
Must share with those who know a little less  
Learn from the old  
Learn from the young  
Learn from books  
Learn from action  
But always learn.

### **Bibliography**

- Alexander, N. (1993). *The national situation*. Unpublished manuscript.
- Castells, M. (1996). *The rise of the network society* (Vol. 1). Cambridge, MA: Blackwell.
- Castells, M. (1997). *The power of identity*. (Vol. 2). Malden, MA: Blackwell.
- Castells, M. (1998). *End of millennium* (Vol. 3). Malden, MA: Blackwell.
- Harber, A. (1992, December 23-29). The year old ghosts refused to stay silent. *Weekly Mail*
- Louw, I. (2001, April 11). Unions get to grips with globalization. *Business Day*