

# **“THE POST-APARTHEID TRANSITION IN SOUTH AFRICA: WHAT ROLE, OUTCOMES, AND PROSPECTS FOR THE WORKING CLASS?”**

**PAPER TO BE PRESENTED AT THE 2<sup>ND</sup> INTERNATIONAL CONFERENCE ON MARXISM AND THE CHALLENGES OF THE 21<sup>ST</sup> CENTURY, HAVANA, CUBA, MAY 2004**

**FIONA TREGENNA**

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## **1. INTRODUCTION**

One week before this conference, South Africa will have marked ten years of freedom and democracy. In many ways, the South Africa of today is almost unrecognisable from the situation under Apartheid. But there is much continuity, and immense challenges remain particularly in addressing the class structure.

In this paper I will be offering a brief evaluation of the post-Apartheid transition in South Africa, from the explicit perspective of the working class. I will begin by considering the immediate context of the transition: the challenges and constraints facing the liberation movement in taking state power, and the balance of forces at that point. I will then focus in on the Congress of South African Trade Unions (COSATU), and the strategic approach that it chose to pursue. Thirdly, I will try to assess the gains, setbacks, and missed opportunities of the past decade. Finally, I will offer some thoughts on future prospects, especially on what potential there might be for deeper transformation and movement towards socialism.

## **2. CONDITIONS AT THE TIME OF DEMOCRATISATION**

When the African National Congress (ANC) assumed formal political power in 1994, it inherited a society and economy structured by interwoven class, racial, and gender oppression. Extreme levels of poverty and inequality were manifest. The South African Communist Party (SACP) had in 1962 characterised the South African case as “Colonialism of a Special Type” (CST) – a colonial relationship but with the coloniser and colonised in the same geographic area – and this analysis remained largely accurate.

The society was also highly militarised, with some regions emerging from low-intensity civil warfare. The structures of the state were mostly staffed by conservative and incompetent servants of the previous regime, as well as being balkanised into numerous Bantustan structures. Further, as a product of the transition negotiations, the power of the new government was circumscribed in various respects, such as in its legal ability to move old guard bureaucrats out of state structures.

The nature of the transition from Apartheid was a negotiated one arising from an impasse between the previous regime and the liberation forces, as opposed to a rupture. This imposed greater constraints than might otherwise have been the case. But, as will be argued below, these constraints were not insurmountable. In terms of the balance of power, the democratic movement faced several forces opposed to the transformation of society (albeit in different ways and to different degrees). These included a political rightwing movement that wanted a return to Apartheid; the former security services, both those remaining in the military and those who became free agents; Bantustan bureaucrats who had benefited from the previous regime; and powerful sections of capital who were fearful of what the transition might mean for their security and profitability. Capital was able to back its conservative positions with real threats of disinvestment and capital flight.

On the other hand, the greatest asset of the democratic movement was arguably the high levels of working class consciousness and mobilisation. The ANC, SACP and COSATU were united in the Tripartite Alliance, while each retaining organisational autonomy. They were experiencing massive popularity and rapid growth in membership and strength. More broadly, there was apparent hegemony of (at least the rhetoric of) non-racialism, reconciliation, reconstruction, and nation-building.

What was sometimes poorly understood, or perhaps deliberately obscured, was the extent to which the balance of forces itself is “endogenous”. The balance of forces was sometimes characterised in a crude dichotomy of “objective” and “subjective” conditions, as though there was no organic and fluid relationship between these. This had the effect of limiting the parameters of perceived feasibility. But constraints to thoroughgoing transformation of the economy and society, although real, need not have been cast in stone. Conversely, neither were those aspects of the balance of forces favourable to the working class secured from being undermined. For example, economic policy choices can either open up or further circumscribe the scope for more fundamental change. Similarly, a demobilisation of mass-based popular movements in itself shifts the balance of forces unfavourably, which may further limit the scope for transformation.

### **3. COSATU’S STRATEGIC ENGAGEMENT SINCE 1994**

COSATU had never focused narrowly on “shopfloor” issues: since its formation in 1985, it had been deeply involved in many fronts of the broader liberation struggle, and had built close relationships with other organs of the liberation movement. But the political democratisation in South Africa and the assumption of political power by the ANC, marked radically different conditions under which the trade union movement would operate, with new opportunities as well as complex challenges.

Groups which positioned themselves on the “ultra-left” seemed to regard a sell-out as inevitable, or equated any move into government or relationship with the governing party as a betrayal of the working class by the trade unions, instead arguing for a purely oppositional role. On the other side, more conservative elements within the movement hoped for the emasculation of independent working class organisation in favour of a focus on unity under an ANC-led Alliance. They argued that “objective conditions” called for an avoidance of excessive criticism or opposition from within the movement, and necessitated a policy agenda focused on narrow reconstruction and deracialisation.

COSATU was also cognisant of experiences in some other cases the rest of post-colonial Africa and elsewhere, where trade unions reined in their constituencies in the name of some “national interest”. In many of these experiences, goals such as national development were emptied of their class content, allowing for an accumulation trajectory that privileged the emergence of national bourgeoisies above the interests of the working class. Such political subservience also did a disservice to vibrant popular democracy in these cases.

COSATU thus pursued an approach of “transformative trade unionism”: active and independent, but politically engaged; with “shopfloor” issues being taken up in tandem with a broader agenda of transforming the basic structure of the economy and society.

Recognising that power is located not just in the state apparatus but in various nodes, COSATU identified a range of sites of struggle in which to engage in a multi-pronged approach. COSATU

pushed (with varying success, as will be further reflected on later) for the Tripartite Alliance to act as a “political centre”. In addition, there was strategic engagement *inter alia* in the quadripartite negotiating forum Nedlac; bilaterals with capital on certain issues; in Parliament; with government departments; and with the Executive. I will elaborate on COSATU’s engagement when considering the success of this strategy in section 4.2 of this paper.

#### **4. EVALUATION OF THE FIRST DECADE OF DEMOCRACY**

##### **4.1 Gains and Setbacks for the Working Class since 1994**

It is easy to forget the extent of volatility and political violence (spearheaded by agencies and proxy forces of the Apartheid regime) affecting mostly the working class, and the threat posed by the right-wing at that time. In contrast, political stability has now been established in the main; the extreme right-wing has been mostly contained and marginalised; and the security services of the old regime and the military wings of the liberation movement have been integrated.

Significant progress has been made in democratising and reorienting the structures of the state. This includes the establishment of open and functioning democratic governance at the national, provincial and local levels; a broadly progressive constitution; and progress in the transformation of the judiciary. While these types of gains might be dismissed by some as merely “bourgeois democracy”, they are in fact significant qualitative advances, particularly in opening up the space for a more radical project.

Particular gains have been made in the labour market regime, with workers now enjoying immensely greater rights in areas such as leave, limit on working hours, overtime pay, protection from dismissal, protection when striking, promotion of centralised bargaining, health and safety protection, and so on.

In the socio-economic sphere, the state has provided basic services such that many people who previously never had access to services like water or electricity, now do. It is estimated that over 80% of all households now have access to clean water, and over 75% have access to electricity at least for lighting (although as will be discussed below, these gains are in part undermined by disconnections). The government has built one and a half million new houses. Progress has also been made in providing health and education for all.

In my view, the major setback for the working class has been the failure of the ANC government to fundamentally transform the structure of the South African economy. Notwithstanding changes here and there, there is a strong continuity in the accumulation trajectory before and after political democratisation. The majority of people are still excluded from ownership or control of assets. This essentially capitalist accumulation path has not resolved the systemic structural crisis of underdevelopment, nor can it do so.

Within capital a primary, highly concentrated, white-dominated grouping centred on the finance-mining axis has driven an agenda of conservative macroeconomic policies and trade and financial “liberalisation”. A secondary and less concentrated grouping based in manufacturing has not been as powerful, nor has it benefited from these policies to the same extent – in some cases actually being harmed by the rapid opening of the economy, tight monetary policies, and by some aspects of deregulation. Emerging black capital can be characterised in very general terms as politically powerful but economically weak.

Ownership remains concentrated in the hands of a few, although these few are now somewhat deracialised. South Africa is one of the most unequal countries in the world, with the Gini coefficient generally estimated at between 0.61 and 0.63. With rising intra-racial inequality, it is the class question that is increasingly coming to the fore.

The most devastating direct blow to the working class has been job losses. Unemployment now stands at 42% (using the broad definition which includes discouraged job-seekers)<sup>1</sup>. Unemployment rates are significantly higher amongst blacks and women, compared to whites and to men. Together with rising unemployment has been growing casualisation and informalisation, further shrinking the formal working class.

Official statistics show that between 1995 and 2000, the average income of White households rose by 15.3%, while the average income of Black African households fell by 18.8%<sup>2</sup>. This is a devastating indictment of the lack of progress in economic transformation. Further, if one considers the economic advance and enrichment of an African elite, the income of the lower strata of African households would have fallen even more. Even just from the perspective of pursuing a National Democratic Revolution – let alone advancing to socialism – those who should have been the beneficiaries have not gained much, at least according to this measure alone. In my view this outcome demonstrates the inseparability of the class and national questions: given the coincidence of race and class in South Africa, it is not possible to effectively address racial inequality without also transforming class structure.

The immediate explanation for the above statistics probably lies in the growth of unemployment over the period, which has disproportionately affected Black Africans. So gains in other aspects of equity, such as the narrowing of the racial wage gap among the employed, have apparently been outweighed by the loss of income resulting from employment losses. From a policy perspective this illustrates the above point concerning the intertwining of the class and national questions: unless employment retention and creation is prioritised, advances in other areas will be undermined.

This can be further demonstrated by the undermining of the provision of basic goods and services by widespread disconnections (cutoffs). The combination of the policy of charging user fees for these services on the one hand, with the lack of income resulting from rising unemployment on the other, meant that many working class households could not access these services although they had the infrastructure. The introduction of free lifeline services subsidised through progressive block tariffs has begun to remedy the situation to some extent, by partly decommodifying these services and making them more accessible.

Economic policies have on the whole been the least progressive, or most neo-liberal, of policy in all spheres. The adoption of the so-called “Growth, Employment and Redistribution” macroeconomic policy in 1996 yielded instead massive employment losses and sluggish growth. It has been described as a “homegrown structural adjustment package”, including conservative monetary policies, trade and capital control “liberalisation”, and lower government spending. These macroeconomic policies also constrained the ability of the state to effect transformation and meet basic needs in various areas – for example, conservative fiscal policies hampered the rollout of social services, and high interest rates dampened infrastructure and investment. While the overall policies

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<sup>1</sup> Statistics South Africa (2003) Labor Force Survey Statistics South Africa: Pretoria.

<sup>2</sup> Statistics South Africa (2002) Earning and Spending in South Africa: Selected Findings and Comparisons and Comparisons from the Income and Expenditure Surveys of October 1995 and October 2000 Statistics South Africa: Pretoria.

of the ANC government cannot be accurately characterised with the label of neo-liberal, those aspects of policy that have been more conservative have indeed constrained those aspects that are more radical.

In terms of the transformation of gender relations, the picture is uneven. Significant advances have been made at an institutional level – structures have been set up at all levels of government focused on gender issues; legislation has been enacted protecting the rights of women in various spheres; the representation of women in decision-making structures is amongst the highest in the world; and so on. These changes have had some, but fairly limited, effects on the daily lives of working class women. This again points to the centrality of basic economic transformation, or lack of.

So the past decade has indeed seen progress, albeit constrained. Some of these contradictions are further explored in section 4.3 below.

## **4.2 COSATU's Engagement Strategy**

To what extent has COSATU's post-1994 strategy of engagement, outlined in section 3 above, been a successful one for COSATU's membership and the working class more broadly? It has indeed been a trying period, particularly in grappling with the contradictions and tensions in addressing the class and national questions. Some of these tensions have manifested in the functioning of the Tripartite Alliance of COSATU, the SACP and ANC. COSATU has managed to retain political and organisational autonomy while remaining in this political alliance. For example, COSATU has engaged on several national general strikes over government policies or proposals with which it was in disagreement, such as around the proposed partial privatisation of state assets, aspects of labour legislation, and unemployment.

COSATU has developed great policy capacity, which has been critical in this period of intense policy formulation. It has been able to engage with and influence policies through from the initial thinking to the implementation stage, making detailed and rigorous critiques and advancing concrete alternative proposals. This engagement has been in virtually all policy areas: macroeconomics, transport, housing, education, telecommunications, land and agriculture, health, foreign affairs, and so on.

In my view COSATU has managed to avoid the danger of this engagement becoming an elitist or technocratic process. Measures that have been taken to ensure the maintenance of internal democracy, participation and worker control have included the key role of elected officials; the centrality of resolutions and positions taken by COSATU members at congresses; attention to political education and training; the close working relationship with sectoral affiliates on particular issues; and the role of shopstewards and internal media both in reporting down to membership and communicating views of membership upwards. Further, policy engagement and mass action have been seen as complementary rather than distinct strategies. For example, strikes and demonstrations being strategically combined with detailed alternative economic proposals in the contestation of macroeconomic policy. There is a saying in COSATU that "you cannot win at the negotiating table what you have not already won on the street".

The Alliance itself has certainly not played as central a role in governance as COSATU would have wanted. Too often it has functioned as more of a deadlock-breaking or fire-fighting machine, or unity around contentious issues has been limited to broad agreement that leave the real disagreements unresolved. Nevertheless, many of the critical and influential debates in South Africa today – such as around economic policy – are more likely to be found within the Tripartite Alliance,

rather than for example between the ANC and opposition parties. Further, it should be noted that there is a high degree of overlapping membership and shared loyalties within the Alliance.

A structural imbalance within the Alliance is that, at the end of the day, it is the ANC to whom elected representatives are accountable and it is the ANC that ultimately takes and implements decisions on matters of public policy. Were there to be more direct lines of mandate and accountability of elected representatives to the SACP and/or COSATU, there could be more scope for using the power and structures of the state for more radical transformation towards socialism.

In addition to the Tripartite Alliance, COSATU has forged relationships with other progressive organs of civil society, often radicalising them in the process. The relationship with emerging issue-based and politically heterogeneous “social movements” has been uneven. There has sometimes been broad agreement on objectives but differences on strategy and tactics. In my view there is actually scope for greater co-operation between COSATU and some of these movements on particular issues.

### **4.3 Tensions and Contradictions in the Political and Accumulation Trajectory**

Any transition would invariably embody some contradictions, as there will always be opposing (class and other) forces, manifestations of uneven development, and so on. But some of the particular contradictions that I will discuss below are specific to the nature of the South African transition. And arguably, some of these may actually open up possibilities for fluidity and more radical change.

Firstly (no significance should be attached to the ordering of these), there are contradictions within dominant discourses as well as between these discourses and material realities. One aspect of this<sup>3</sup> is an “inclusive” national discourse of reconciliation, prosperity, “good governance”, “efficiency”; geared in part towards securing the buy-in of white elites in particular who control access to the bulk of the means of production; combined with state-led measures to distribute the gains of these to as many strata of society as possible. But these gains and their distribution are uneven, which also requires discursive rationalisation, expressed in an emphasis on the legacy of Apartheid, and an aggressive critique of persisting poverty and inequality and especially of the blatantly racial nature of this. Which in turn is depicted by some as somehow undermining the aforementioned type of discourse. For example, the President’s characterisation of South Africa as two nations, one rich and one poor, jarred with a popular description of the country as a happy “rainbow nation”, and was widely criticised by being vested interests as being “divisive”, as though South Africa was not already divided along class and racial lines.

The ANC and government still seem to feel the need to articulate policies with reference to the ANC’s historically revolutionary character. Political positions or economic policies are generally framed so as to demonstrate continuity with positions that the ANC has held for decades, or perhaps as implementation strategies for these positions. Where there is blatant discontinuity, this tends to be rationalised in terms of changed objective conditions, particularly at the global level. The apparent need to show continuity with more progressive positions, even if just at the rhetorical level, can open space for more radical interventions as part of a leftist project. The challenge of course is to ensure that reference to the more revolutionary past of the ANC can be linked to a deepening and radicalising of the transformation, rather than just being rhetorically deployed to legitimise positions that fundamentally depart from that past.

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<sup>3</sup> This point draws on Marais, H. South Africa: The Limits to Change: The political economy of transition UCT Press and Zed Books Cape Town: 2001, p235.

Another contradiction is that for decades and even longer, the basis of the capitalist accumulation path has been in the superexploitation of an African working class, with the surplus being accumulated and consumed by a minority. As discussed elsewhere in the paper, although this trajectory is not unchanged, the class structure as well as the distribution of income and wealth is similar. In some respects capitalist accumulation is being undermined by the very structures and patterns that it has entrenched. Some of the ideologues of capital have identified the greatest threats to the sustainability of accumulation as being factors like crime, poverty, and HIV/AIDS, which are manifestations of a narrow-based accumulation path. The lack of depth of domestic market is also a constraint on capitalist profitability, although this is partly being compensated for by an aggressive expansion into the rest of the continent.

Another tension arises in the constraints on the pursuit of a national development path in the age of imperialist globalisation pushing a neo-liberal agenda. The macroeconomic policies adopted by the South African government seem to embody a hope that if “international markets” are sufficiently impressed with the country’s “sound” and disciplined policies, rewards of foreign investment will flow. Yet this has not materialised. By opening itself up to trade and capital flows, a country such as South Africa may render itself more vulnerable and less able to maneuver. Further, there is a contradiction in the objective of building a “patriotic bourgeoisie” in the age of globalisation. Any national bourgeoisie or section thereof that does actually try to act “patriotically” may be doomed to fail. While the rise of neo-liberal globalisation may constrain strong national developmental states, it also makes them all the more important.

In a related point, there are tensions implicit in the project of building a black bourgeoisie, and how this fits into the NDR. Some tendencies within the Alliance have argued that the deracialisation of capital and the emergence of a black bourgeoisie should be an objective of the NDR in its own right, albeit a secondary one to the primary objective of the advancement of the Black African working class. Another perspective, closer to that of COSATU, is that a black bourgeoisie may emerge as a by-product of the NDR, but is not a central objective per se. In some aspects there is a conformity of interests between this nascent bourgeoisie and the black working class, and these interests are all taken forward in the addressing of the national question. But in other ways these interests diverge and can even be directly opposed: for example, black capitalist owners vs. their black workers, or public revenue and expenditure policies.

Some analyses of South Africa try to reduce everything to class terms, both analytically and in terms of what political strategy would be appropriate. Yet the persistence of the national question cannot be undermined. Racism in its various implicit and explicit manifestations continues to structure life in South Africa. Sometimes this is expressed in an extreme and violent form – such as the recent incident where a white farmer fed a black farmworker to a lion, and other everyday incidents of physical violence, humiliation, and discrimination – as well as in more insidious and pervasive forms.

## **5. CONCLUSION: PROSPECTS**

Finally, I will be discussing the outlook for the future and prospects for radicalising the transition in South Africa. In this respect it would be germane to examine the current balance of forces. In the third democratic elections about three weeks ago, the ANC was returned to power with 70% of the vote (with a voter turnout of 77%). This is its highest margin of victory in any election so far. We can impute that only a tiny fraction of the African working class that voted, voted for anybody but the ANC (with the exception of a significant portion in one particular province of the country where the ethnically based Inkatha Freedom Party has a constituency). Socialists who base themselves in

the working class, or who would like to do so, simply cannot ignore this overwhelming popularity of the ANC amongst working class people, a popularity that has actually grown in the years since liberation.

Capital continues to wield high political and economic power. The huge reserve army further boosts the political and economic power of capital. Further, “globalisation” has arguably enhanced the political and economic leverage of capital, notably by increasing its mobility. As discussed earlier, this balance of forces is also partly endogenous, and policies such as capital control liberalisation have actually enhanced the power of capital and further tied the hands of the state, allowing capital to blackmail the government and society with threats of disinvestment or labour-displacement.

Notwithstanding this power, the dominant fractions are also vulnerable by virtue of their basis in colonialist and Apartheid accumulation, and their lack of a secure and organic relationship with the new political elite. They are also threatened by the broader social manifestations of this path of accumulation and underdevelopment, such as AIDS, crime, and limited domestic demand. We have not yet seen the emergence or consolidation of a coherent and organic historic bloc of the forces of capital and reaction. This would seem to open more space for building working class hegemony.

The recognition that the balance of forces are at least partially endogenous and can be shifted in favour of the working class through agency, needs to be combined with a greater orientation towards issues of class and laying the basis for socialism, even in the current period. “Socialism is the Future: Build it now!” – a slogan of the SACP – eloquently expresses this thinking. Firstly, it expresses the transcendence of a stage-ist paradigm – while socialism is the future, this does not mean that socialists should only pursue the NDR at this point and then move on to building socialism later. Secondly, it combines a belief that we will indeed advance to socialism, with an appreciation of the importance of agency in bringing this about.

While at a conceptual level the movement has transcended a stage-ist approach, in practice and especially at the level of governance there seems to have been an emphasis on the bourgeois democratic and national democratic “moments”. This is not only in the relative neglecting of, but even in some respects at the expense of, an integrated approach to building socialism or at least preparing the ground for this. Historically, the NDR was conceptualised within the movement as the path to socialism, but as discussed elsewhere some forces are seeking to re-present it as a merely a bourgeois democratic revolution. The above slogan of the SACP actually articulates a continuity with the revolutionary tradition of the ANC.

No accumulation path is a neutral one in class terms. The trajectory that South Africa seems to be on might be strengthening classes (or sections of classes) with vested interests in blocking any movement towards socialism. These groups can potentially deploy their growing political and economic power to contain the transition to being a relatively narrow deracialisation project, focused on the deracialisation of capital, with political democracy and with some mitigation of extreme poverty.

This is however not an inevitable outcome in my view. To disengage from the Alliance and from engagement with the various sites of power, might be tantamount to handing over the transition to the above forces. South Africa is arguably one of the countries with strong prospects of advancing towards socialism. Perhaps the participation of COSATU in the Alliance however needs to take a more “functionalist” form than in the past. Continued strengthening of the relationship between COSATU and the SACP would form the basis for the advancement of a more coherent working class agenda.



More broadly, I would argue for stronger emphasis on building the foundations of socialism even in a conjuncture where the emphasis might be on the resolution of the national question, and even (or perhaps especially) where not all forces within the movement are united on the need to advance to socialism. Building blocs for socialism in the current phase, could include rolling back the market by decommodifying goods and services (especially basic) that are currently allocated through market mechanisms; extending the role of the state in ownership, production, distribution, regulation, and so forth; building non-capitalist and anti-capitalist forms of production and distribution such as co-operatives; extending worker control in capitalist workplaces; implementing measures to discipline capital and limit its room to maneuver and its exit options; increasing national and regional self-sufficiency as well as economic relations with progressive and leftist countries; radicalising education, media, culture, and other ideological terrains, and so on.

Of critical importance for the success of any of these building blocks, as well as for moving beyond these to socialism and communism, is the strengthening of organs of people's power. Effective working class agency is essential to fight for, defend, and transcend these gains. This suggests even more emphasis on recruitment, ideological training, building relationships between organisations (including those outside of the Tripartite Alliance), creating space for bottom-up initiatives, and servicing of union members and addressing their daily shopfloor problems in a way that links to broader struggles.

South Africa's was a revolutionary struggle, and although it did result in the ending of Apartheid and many important social, political, and economic changes, the mode of production has not yet been changed in a revolutionary manner. To simplistically label the transition as a failure or a "sell-out" is not only analytically incorrect but also politically disempowering. Despite missed opportunities for a more radical transformation in the last decade, structures, positions, and debates are still much more fluid in South Africa than in most other countries. No definitive conclusion has yet been written to the ongoing transition, the challenge for socialists is to continue to actively engage so that the conclusion is indeed a socialist one.

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