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# Neo-Liberalism & All it's Works Land Services EPZs The S.A. Budget

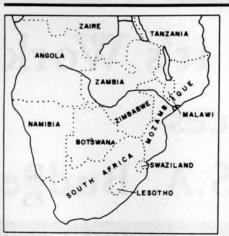


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## Southern Africa

September 1997

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### Southern Africa REPORT

is produced quarterly by a collective of TCLSAC, the Toronto Committee for Links between Southern Africa & Canada

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## **SAR** Collective

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## editorial

# World A cancer of lawlessness afflicts the Rainbow People of God

Crime, violence and the nouvelle cuisine of the new South Africa

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World

## Of Crime and Neo-liberalism

Michael Valpy, once the Toronto Globe and Mail's correspondent in Africa, <sup>†</sup> has written recently in that same newspaper of his return visit to South Africa earlier this year. His central piece, granted a remarkable three full pages at the front of the "Focus" section in the Saturday edition of May 17, was an all too sensationalist presentation of the crime problem that he encountered there - not least in the conversation of middle class friends with whom, as Valpy informs us at some length, he dined. The account was bumptious, misleading

<sup>†</sup> On his previous sojourn in southern Africa see "The Education of Michael Valpy" and "Valpy on Valpy," SAR, 3, no. 5 (1988).

even in its own terms. Thus we find, to take merely one example, the ANC as liberation movement blandly presented as being in some way as responsible for the culture of crime and violence perceived by Valpy as has been the ex-apartheid state or Chief Buthelezi's dreaded Inkatha movement!

Yet such is the saliency, as "Canada's national newspaper," of the Globe and Mail in "informed circles" that, for a week or two, everybody with whom one spoke was suddenly an expert on South Africa ... and what they knew about was Crime. Not "how much crime?" really, not even "why crime?" but rather, as if it defined some kind of almost existential essence of presentday South African society, "Crime" with, precisely, a capital "C." Crime became, in fact, the very heart of the darkness that Valpy seemed content to place at the centre of his portrait of the country.

True, Valpy did make some reference in his mega-article to the stark inequalities of wealth and social condition that are presentday South Africa's chief inheritance from its past as a grimly racist society and as an almost-parodically exploitative capitalist one. In these inequalities lie, self-evidently, the roots of the crime problem that does indeed stalk South Africa today - even if the "culture of violence" which has also been carried over from that past also has a complementary role to play.

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But what to do about these inequalities? Is it merely because members of the SAR editorial collective dine with different folks when we visit South Africa that discussion of such inequalities seems to be more prominent conversational fare than is the C-word fixation encountered by Valpy - and to be by far the more important issue to relay back, front and centre, to Canadian readers? Valpy's own stab at examining such socio-economic issues did appear in another of his articles of course, this time in one buried much further back in the paper and entitled "ANC performs economic balancing act" (Globe and Mail, June 11, 1997). But in the report card format he used there, Valpy was prepared to grant the ANC a remarkably high mark, A-, for its economic policies: "The government is probably as close to economic consensus on macroeconomic policy as is possible. Not everyone likes it, but most can live with it."

Can they? Valpy is aware that the economic agenda he hails so enthusiastically is a profoundly neoliberal one, but seems content to swallow whole "the whispered acknowledgment by the South African business community that the government is on the right track." What has ruled the government in this sphere, Valpy asserts, is "pragmatism, rather than ideology" as if the kind of faith in neoliberalism that seemingly guides the ANC leadership were not "ideology" of the most unalloyed and unproblematized kind. ("On the global side," Valpy adds, deputy president Thabo Mbeki, "was celebrated on a recent visit to the United States - by receiving an award from Hilary Clinton - for opening the South African economy to international investment"!)

Marks for social programmes – housing, education and health care – are much lower on the Valpy report card (and, of course, there is an "E" for "law and order").

## editorial

And yet not for Valpy the possibility that a very different kind of "macroeconomic policy," one based not on supply-side calculations but on the democratically-willed direction of productive activities towards the meeting of such social needs. might be far more worthy of a high mark as development strategy than the current choice. No, he's content with the promise of the "trickle-down effect" as enunciated by Mbeki (identified as "the chief architect" of ANC economic policies), a promise that, in Valpy's words, the government's "policies of running a pro-business economy, privatizing major state corporations and creating public-private partnerships to develop infrastructure megaprojects are the keys to providing the panoply of social programs South Africa desperately needs."

And yet, in point of fact, South Africa is rife with debate about the wisdom of this option, not least in those militant trade union circles (and even within the ANC itself) that have perhaps not heard about the "national consensus on macroeconomic policy" Valpy so confidently announces. In the present issue of SAR you will find the voices of authors who also can't so easily "live with" the ANC's chosen strategy. Thus South African economist Oupa Lehulere queries the neo-liberal premises he sees as driving both last year's "Growth, Employment and Redistribution" (GEAR) document - the marketdriven touchstone of the ANC's present macro-economic policy and the current year's budget that GEAR has spawned. In addition, Herbert Jauch and Sandra van Niekirk examine critically two concrete areas of economic policymaking - the apparent fetishization of Export Processing Zones (not merely in South Africa but in other southern African countries as well) and the equally suspect haloing of privatization in the sphere of social services delivery. Finally, the dark side of privatization is also highlighted in the account, by

Steve Greenberg and Samuel Bonti-Ankomah, of a range of menacing developments on the land right across the southern African region.

There is room, to be sure, for further debate about the costs and benefits (and indeed the very feasibility) of alternatives to neo-liberal economic policies in southern Africa; it is just such a debate that we hope to promote further in future volumes of SAR. Still, unemployment rises, not shrinks, in South Africa and popular unease with ANC strategy finds expression in strikes, in a waning of popular enthusiasm and even, dare we suggest it, in a rising crime rate. In such a context we keep being drawn back to Colin Leys' contribution to an earlier number of SAR("The World, Society and the Individual," SAR, 11, no. 3 [1996]). In that original article he forcefully identified the reigning "neo-liberal" consensus as being, yes, a faith principle, as being, pace Valpy, almost pure ideology and an extremely misleading and damaging one to boot.

Now, in the present issue of SAR, Leys finds himself engaged in an exchange with Jonathan Barker regarding his earlier article, the two debating usefully just where effective resistance to that neo-liberal consensus is most likely to be found. But Valpy, so often sensitive in other of his columns to some of the social and economic contradictions of neoliberalism as evidenced here in Mike Harris' Ontario, might want to turn back directly to Leys' original piece. There he would be reminded of the perils, for South Africa but also more generally, inherent in marketdriven globalization and the "subordination of social goals to the interests of private capital." Either that or he should consider - in light of his born-again enthusiasm ("A-" indeed) for the benign and "pragmatic" nature of the ANC's own neo-liberal agenda for South Africa - relocating any further reflections he might have about that country to the "Report on Business" section of Canada's national newspaper.

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# Private Gain, Public Loss? Service Delivery in the New S.A.

#### BY SANDRA VAN NIEK-ERK

Sandra van Niekerk is coordinator of the privatization research project at ILRIG (International Labour Resource and Information Group).

Soon after the national election of 1994 it became clear that the South African government was intent on pursuing a policy of privatization, both of state-owned enterprises and public service. This conforms to the neo-liberal emphasis on liberalising the economy and making it more internationally competitive. Big business has monitored the process closely, and called the government to order with the spectre that anticipated foreign investment will not materialize, should the government be perceived to be faltering in its commitment to privatization.

Considerable media attention has focused on privatizing enterprises at a central government level, but little on what is happening at local government level. Yet for many years privatization has slowly been eroding the traditional role of municipalities as service providers. This is a different form of privatization than that being negotiated through the central government, because it involves contracting out state services rather than selling off state assets. Specific services (like meter reading) can be contracted out, or it can take the form of more extensive public/private partnerships, like water and sewerage infrastructure.

According to Finance Minister Trevor Manuel, public/private partnerships are more than just a mechanism to bring private financing into the public sector, they are the preferred method of development. The private sector is preferred because it is also seen to bring in managerial and technical skills, greater efficiency and more cost effective operations. This preference for public/private partnerships is now being translated into policies.

The steady move of the private sector into local government service delivery has not gone unchallenged by workers and their unions. For many years, the COSATU affiliate responsible for organising municipal workers, SAMWU (the South African Municipal Workers Union), has vocally opposed municipal service privatization. SAMWU rejects public/private partnerships (regarding them as a form of privatization) because it is opposed to the very idea of public services being delivered for a profit. Instead, SAMWU promotes public sector service delivery. The other municipal sector trade union, IMATU (the Independent Municipal and Allied Trade Union), which primarily organises white collar workers, has a more equivocal position on public/private partnerships. Yet at times it has come out strongly against privatization as well. With millions requiring access to basic services such as water, sanitation services, electricity and housing, government, labour and communities all recognize the scale of the service delivery problem. Clearly, however, not all agree on what is the most appropriate solution.

#### Public/private partnerships: the best option?

The Department of Constitutional Development, which is responsible for local government, has stated repeatedly that public/private partnerships are but one form of local government restructuring. Rather than exploring these various forms, however, they have indicated their preference for such partnerships as the best option for solving the problems local authorities face. A number of programmes have been initiated to encourage and support municipal public/private partnerships. One such programme, the Municipal Public-Private Partnership Pilot Programme (MPPP), has set aside R50 million (17 million Canadian dollars) to help municipalities enter into public/private partnerships. This, in effect, privatizes the very process of contracting out the municipal services.

The government's orientation towards public/private partnerships must be understood in the broader context of the government's macroeconomy policy, GEAR (Growth Employment and Reconstruction). GEAR advocates reducing state spending, the deficit, and the size of the public sector, but the government also is committed to fulfilling the promise of the RDP (Reconstruction and Development Programme) to extend basic services. Bringing the private sector into a massive programme of service extensions as well as operating and maintaining existing infrastructure and services may allow the government to fulfil the promises of the RDP, without increasing its budget for infrastructure development.

Bringing in the private sector means that the role of the municipality in ensuring everyone has access to basic services, must be separate from actually delivering services. That the government is moving in the direction of separating

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the service authority and service provider can be seen in the discussion document on local government, (released as part of the process of transforming local authorities), the water services bill and other government statements.

#### Nelspruit: privatization laboratory

The Mpumalanga province town of Nelspruit has the most advanced pilot project initiated through the MPPP. Already, a number of national and international consortia have bid on the concession to take over water and sanitation services. The municipality is now evaluating the bids.

Why did Nelspruit jump at the opportunity to contract out its water services to a private consortium? Like other municipalities, since the 1995 municipal elections, Nelspruit has undergone a process of integration – bringing together the areas previously covered by the white local authority of Old Nelspruit and the areas covered by Kangwane, one of the former self-governing territories. While water services (both water supply and sanitation) are adequate in the Old Nelspruit area, the old Kangwane government areas have major problems. Many residences lack access to water and rely on water tanks or communal stand



pipes, water is not always available all day, and low water pressure is an ongoing problem.

Municipal calculations indicated that R300 million (approximately 100 million Canadian dollars) would be needed to extend water services to Kangwane, money which it says it lacks. Municipalities must raise 90% of their income locally, receiving only 10% through intergovernmental grants. The central government (and the Department of Finance in particular) also restricts how much municipalities can borrow. Thus although the central government makes finance for infrastructure development available through its Consolidated Municipal Investment Programme, nonetheless it has exacerbated the financial pressures on municipalities, encouraging them to turn to the private sector to finance service delivery.

#### Expanding the private sector

If Nelspruit does indeed contract out its water services, it will not be the first municipality to do so. The Nelspruit contract will be more extensive, however: the winning consortium will be responsible for raising sufficient investment to extend water services as well as operating, managing and maintaining the water services system.

The Department of Constitutional Affairs has argued that in contracts to date, the private sector takes too little of the risk in service delivery. The local authority bills water users and collects tariffs, and, although full payment of the tariffs is impossible with areas lacking meters and many residents unable to pay their bills, local authorities have to pay the private company the full contract price for the service they deliver. Clearly this was a win-win situation for the private sector, with companies carrying little of the risk and making an easy profit.

Thus the Department of Constitutional Affairs has indicated that the private sector must take on more risk by assuming responsibility for collecting tariffs and committing themselves to an extensive infrastructure development investment programme. Tariffs would then cover the contractor's operating costs and provide a return on its investment. Because the tariffs charged by the private sector must allow it to recover its operating and investment costs, and make a profit, the concession must be lengthy. The Nelspruit concession will be for 30 years.

Operating strictly on a money for service basis, the private company will not hesitate to cut off residents unable to pay their water bill. Many will be unable to afford even the most basic charge, since an estimated 62% earn less than R800 per month. Their water will be cut off, which has serious health, economic and social implications. The only way to ensure that everyone has access to water and sanitation services will be for the government to subsidise the provision of basic services considerably. This suggests that the financial benefits of public/private partnerships may be considerably less than is claimed.

#### International lessons

Governments in many countries, encouraged by transnationals, the IMF and the World Bank, have contracted out public services - from water concessions in Manila in the Philippines, to Build Operate Transfer (BOT) programmes in Malavsia and Public Finance Initiatives (PFI) in Britain. The South African government talks about the need to use international experience to develop guidelines for private sector participation in municipal service delivery, to develop a regulatory framework tight enough to prevent the problems experienced elsewhere. In this way the South African government has tried to project public/private partnerships as a neutral, technical solution to service delivery problems, provided it is sufficiently monitored.

The experience of workers and communities in other countries shows the problems with public/private partnerships, however. Jobs are lost, working conditions are eroded and union rights are threatened when services are contracted out. Communities have suffered a decline in the quality of services and rising prices, while they can no longer hold their elected representatives to account for service delivery. Monitoring will not eliminate these - the company will simply withdraw if the regulatory framework becomes too onerous.

Private sector companies do not hide the fact that they will deliver water and sanitation services only to the extent that it is profitable. Where millions of people lack access to services or the money to pay for them, it is no wonder that public/private partnerships face opposition.

#### SAMWU opposed

"We are against privatization because contractors will always be there to make a profit. If they cannot make a profit, they will be gone." Nelspruit water worker

SAMWU has consistently opposed privatization, including contracting out services. It acknowledges the many and serious problems South African municipalities face, and accepts that local government must be restructured. For SAMWU, however, restructuring means "turning around" service delivery: reorganising the workplace and the way services are delivered. building strong accountability between municipalities and the communities they represent, and finding alternatives to local government financing. The crux of SAMWU's opposition is their objection to public service delivery becoming a profitmaking activity. They argue that privatization cannot be separated from its neo-liberal roots - it is a policy designed to benefit capital, not workers and communities. They also reject portrayals of public/private

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partnerships as simply a technical issue. Both the ideological assumptions and the practical implications of privatization must be challenged, they argue.

SAMWU also rejects the idea of separating the service authority from the service provider. Proper accountability between the community and their elected representatives will only be built if municipalities are responsible for ensuring that everyone has access to services and for delivering those services. Private sector delivery undermines this accountability and turns communities into individual, atomised customers. In contrast, "public sector delivery prioritizes meeting the needs of communities and strengthening democratic lines of accountability between communities and municipalities above other considerations.

SAMWU has initiated pilot projects to develop plans for equitable, effective, efficient and affordable public sector service delivery. They argue that the municipality, daunted by the size of the problem, has been too quick to turn service delivery over to the private sector, instead of investigating other ways to extend services. A key element of the SAMWU proposal involves a participatory process for front line municipal workers (not just shopstewards) to identify obstacles to effective service delivery and develop plans to overcome those problems. Their proposal emphasises effective public sector delivery and the right of access to basic services for all. To ensure this they demand that everyone be given 50 litres free water per day, after which a progressive tariff system kicks in.

The SAMWU proposal challenges the government's motivations for privatization and the implementation of such policies. They argue that there is nothing inherently inefficient about the public sector that prevents it from being cost-effective, or denies it the capacity to use new technology. While they recognize that the private sector's financial advantages make it appear to be an attractive service provider, they have identified a number of other sources of financing which need to be investigated. These alternatives include re-prioritizing budgets, crosssubsidising services from the rich to the poor, and a Local Government Solidarity Fund. For public sector delivery to be successful though, both central and local governments must be willing to put resources into developing plans for it.

#### Mobilising support

In Nelspruit, SAMWU has mobilised support for its position by engaging local political structures. To date, it has garnered the support of COSATU, SACP (South African Communist Party) and SANCO (South African National Civics Organization) in the region. By meeting with ANC provincial structures and the Nelspruit ANC councillors, SAMWU obtained a commitment that the final decision on contracting out the water services will be delayed until SAMWU's proposal has received further consideration.

SAMWU's pilot projects are part of a broader campaign against privatization. Notwithstanding COSATU's acceptance that restructuring state assets should "consider all forms of ownership - nationalization, privatization where necessary, joint venture, opening up new entities and partnerships between the state and private sector", it has committed its support to the SAMWU campaign. A resolution to "campaign against the current moves which aim to privatize the provision of basic services such as water and electricity" was taken at a policy conference this May.

SAMWU also has received some support for its campaign at the National Labour Relations Forum For Local Government (NLRFLG) which brings together organised labour (SAMWU and IMATU) and organised employers (SALGA – South African Local Government Association). A June 1997 resolution supported local government service delivery as the preferred form. While SALGA could not commit to stopping its members from continuing with privatization processes already underway, the NLR-FLG agreed to a process to develop plans for public sector delivery of services.

#### Conclusion

The move towards public/private partnerships must be understood as one of the features of globalization - which includes: an overriding belief in the effectiveness of the unfettered market, emphasising the need for both countries and cities to be internationally competitive, with decentralised service delivery and liberalised economies. In this context, public/private partnerships have become an accepted form of service delivery: international capital and their governments portray them as neutral development tools. However, they must be viewed as a form of privatization, and as partnerships which promote the interests of capital, especially transnational companies, rather than workers and communities. These market-based economic activities do not offer "free choice" to communities with little money.

In rejecting the governments argument that public/private partnerships are necessary to help meet the developmental needs of South Africa, and in mobilising a campaign against privatization, SAMWU has delayed their implementation and forced the issue of public sector delivery onto the agenda. Perhaps the most important aspect of the SAMWU campaign is that it counters the argument that there is no alternative to privatization. SAMWU cannot battle privatization alone, however. The possibility of effectively shifting local government service delivery rests on the extent to which they are able to mobilise sufficient support - both from the labour movement as a whole and from the affected communities.

# Giving South Africans the GEARs The '97 Budget

#### BY OUPA LEHULERE

Oupa Lehulere works as a labour educator for the union support organization, Khanya College, in Johannesburg

In March 1997 the Minister of Finance, Trevor Manuel, delivered his maiden budget to parliament. As the press reported, this was felt by Manuel and the ANC government to represent a milestone. For it was the first budget since the 1994 elections actually to be delivered by an ANC minister: as part of appeasing the financial markets and monopoly capital, Manuel's predecessors were tried and tested representatives of the old order - one had also been finance minister in the dying days of National Party government and the other was a retired banker.

The delivery of the budget by Minister Manuel was also significant for other reasons, however. While - according to one of the country's leading dailies - big business and many politicians welcomed Manuel's "people's budget," outside the parliament Cosatu, student organizations and some NGOs demonstrated against a budget which they argued failed to meet the electoral promises in the Reconstruction and Development Programme (RDP). The juxtaposition of cheers from big business and protests from the organized working class helped underscore a key feature of Minister Manuel's budget: the fact that it represented a further consolidation of the drift into neo-liberal economic policies that was first systematically presented in the government's macroeconomic strategy document, "Growth, Employment and Redistribution" (GEAR).

Thus, after years of quietly drifting into neo-liberal policies the ANC had finally ran the gauntlet and, with the June, 1996, publication of GEAR, openly embraced neoliberalism. In GEAR, the ANC stated the main objectives of its economic strategy as:

•to promote private sector-led economic development;

•to prioritize a conservative fiscal policy and debt repayment;

privatize state assets;

•integrate South Africa into the world economy;

•promote export-led growth and "international competitiveness";

- •promote flexible labour markets;
- •liberalize exchange controls;

•fight inflation.

Now, in Minister Manuel's budget, this standard menu from the world's leading finance houses was to be dished out with a consistency and fervour that has come to surprise even South Africa's ruling classes. Indeed, a more detailed specification of the context and characteristics of the budget easily explains the cheers with which it was greeted by the financial markets.

#### Gearing down in a downswing

As is customary for a Minister to do, Manuel began by sketching out the state of the economy as background to his budget. His overall assessment was that he was delivering a budget in a situation of cyclical downswing. Against a relatively poor growth of 3.1% in 1995/96, the Minister expected the economy to slow down even further, to 2.5% in the coming year. This forecast was seen to reflect a number of factors.

After a robust growth of 7.5% in 1995, real manufacturing output had grown by a mere 0.5% in 1996; gold production had fallen to its lowest level in 40 years; and gross domestic fixed investment (GDFI) had been steadily falling from 10.5% (1995) to 7% (1996). As for the private sector, recently proclaimed the engine of economic growth for all, growth in GDFI fell by a full 50%, from 13% (1995) to 6.5% (1996).

Closer to home, and despite the sustained growth in economic activity since 1993, the trend in measured formal employment has been disappointing [Budget Review, 1997, Department of Finance]. Up to the year ending September 1996, employment fell by 1.5%, with construction, mining and manufacturing being the hardest hit. It must be remembered, however, that this does not even begin to measure the rise in underemployment and generally insecure forms of employment. Besides the lack of income into which more are now descending, the country's financiers are demanding more and more of their pound of flesh. The high real interest rates not only take work away from people, but they have also resulted in a significant debt-servicing burden for households [Budget Review]. Moreover, in spite of the economic slowdown, the fall in the value of the rand and other factors are now leading to an upward pressure on inflation.

How did Minister Manuel respond to this very real contraction in economic activity?

He did so by running a notably contractionary budget. Thus, compared to the preceding year, government expenditure will increase by a mere 6.1%. Against a backdrop of an inflation rate that is 7.4%, and one that, according to the Minister, is set to rise, this represents a real drop in government spending in a period of growing unemployment and therefore of poverty. The determination with which Minister Manuel approaches his budget cutting exercise can also be seen when one contrasts the 6.1% rise in expenditure with the 11.1% rise in revenue. Moreover, these revenue gains are themselves understated because they do not include income that will accrue to the state from privatization and oil sales. Why this ruthless approach to expenditure? There is very little mystery here: it reflects the government's commitment, above all else, to a programme of deficit reduction!

## "Fiscal discipline" and debt reduction

With its adoption of the GEAR strategy, the government committed itself to do better than most signatories to the Maastricht Treaty on European Union: South Africa would achieve a budget deficit of only 3% of GDP by the year 2000. As for the present budget, the Minister announced that the Budget Council - a body that brings together national and provincial elected officials and bureaucrats responsible for finance - accepted that the first charge against revenue is debt cost. In line with the race to reach the 3% deficit target, the Minister announced that the deficit for 1997/98 will be 4% of GDP. (It is important to note, once again, that the deficit for 1997/98 was calculated without taking account of income from privatization or from sale of oil stock - despite the fact that at a recent conference hosted by Société Générale Frankel Pollak, a director-general from the Department of Finance assured the markets that "although we have not included funds received from the sale of state assets into our deficit targets ... whatever is received ... will go into debt reduction." Note, too, that in the past year budgeted amounts to the value of R9 billion were not spent - a reality that should also help pull the deficit downwards by the end of fiscal year 1997/98.)

The first casualty of the dictatorship of debt has been the wages of public sector workers. In GEAR the government noted that "careful management of the ... wage bill is central to fiscal strategy." Following GEAR the government negotiated a three year agreement with public sector unions according to which they would accept the downsizing of the public sector and the gains would be used to fund a 9% increase in wages for 3 years. In the budget the government allocated an increase of 7.4%, thus reneging on its agreement with the unions. The struggle around the revision of the wages downward still continues, with the unions poised to strike in an attempt to force the government to honour the agreement it had made.

The second casualty of the fixation with debt has been the working class as a whole. For the budget embodies a real cut in spending on social services.

## The myth of greater social spending

If one was to believe the country's "bourgeois press," Minister Manuel would have earned the unique distinction of delivering a budget that was, simultaneously, both a peoples' budget and one that gave a substantial boost of confidence to business. The trick lay in the prominence given to social expenditure in both the Minister's presentation and in press reports. In GEAR the government had promised a redistribution of income and opportunities in favour of the poor and a society in which sound health, education and other services were available to all. In his speech the Minister claimed to make "substantial allocation to poverty relief": "We invest," he said, "in people through a significant reprioritization of expenditures in favour of social development." But what was the reality behind this rhetoric?

The reality was that in a country in which many people were coming within the social expenditure net for the first time

- the apartheid state had simply declared them to be non-existent - Minister Manuel's allocations to social programmes represented a drastic cut in expenditure. For the traditional basis of comparison used in the budget - that the allocation represents such and such a percentage increase over last year and represents such a percentage of GDP - was (given the much larger number of people to now be affected) merely a way of hiding the cuts in social expenditure. And this is all the more true given the fact that all the "increases" were at or below the ever rising level of inflation. In practice, transfers to provinces, which constitute the main source of social spending, fell in real terms.

The cynicism that lies behind this misleading announcement of a reprioritization of expenditures in favour of social development was expressed most graphically in the allocation of, and policy changes concerning, child maintenance grants. Under the old order, in cases which qualified for child maintenance the mother got R430 per month and the child (up to a maximum of two children in a family) got R135 up to the age of 18 years. The ANC in government has undertaken a fundamental change in child maintenance grants. On the plus side, it is true that "Africans" will now be covered by such grants for the first time. On the negative side, however, are the facts that children will be covered only up to age 6 and that each qualifying child will receive a flat grant of a mere R75, with no grant now for mothers. In short, in this sphere, "reprioritization" means a dramatic downscaling of social benefits. When confronted with vocal opposition to the R75 a month grant, the Minister for Welfare (sic!) defended the grant on the basis that a child could be clothed and fed on R75 per month. In other words, this was not just a case of limited means, but it was an allocation based on the genuine belief that this drastic cut in what was deemed an adequate living

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level for workers and their children was correct and appropriate.

## The logic of neo-liberalism

Neo - liberalism has as one of its important objectives the downward revision of the value of labour power. The source of the neo-liberal agenda is the crisis of profitability that registered on a world-wide basis at the end of the 1960s. On a given technical basis, one way of raising the rate of surplus value is to lower the value of labour power. The downward trend in wages worldwide forms part of the solution of the crisis of profitability, albeit a solution cast in capital's own inter-Although est. union bashing, and the weakening of the capacity of the working class to resist, forms the general basis of this downward revision of the value of labour power, it is not enough. After all, one can do anything with a bayonet but sit on it. So in addition to weakening working class organizations, work must be done at



the ideological level to convince the working class actually to accept a lower value for its labour power. The Minister of Welfare's contention – preposterous as it might sound – that a child, in 1998, can be clothed and fed on R75 per month represents just such an attempt to ideologically condition the working class to accept just such a low valuation.

This attempt at the ideological conditioning of the working class reaches its height in the government's approach to housing. If anything epitomized the RDP it was its dramatic target of 1 million houses by the year 2000. With the adoption of GEAR this target was abandoned. According to GEAR delivery of houses has been slow "due to refinements to policy frameworks," the upshot of which was that the housing budget for 1996/97 went largely unspent. The government's "refinements," do not really explain very much about this failure of delivery, however. For the real reason lies in the fact that the government has quite self-consciously abdicated a direct role in the provision of houses. For example: in an exercise in verbal gymnastics comparable to the hevday of Soviet Stalinism in the 1930s, the late Joe Slovo managed to strike an agreement with the "homeless" at Botshabelo by which the homeless committed themselves "to continue, as we have always done in the past, to meet our own housing needs, using our very limited resources, our creativity, our initiative and our collective strength. By this we mean that we will continue to implement and upgrade the systems we have designed in order to secure affordable housing for ourselves." In this manner, the newly installed ANC government not merely abdicated its responsibility to provide housing for the homeless, but it did so with a rhetorical flourish (and with, one fears, a heavy dose of cynicism).

So much then for the ANC's reprioritization of social expenditure.

#### Liberalization of financial markets

And what, in the meantime, of those, in much smaller numbers, who were already rich in South Africa. In fact, while the rest of the population were beginning to feel the effects of a slowdown in economic activity through unemployment, high debt levels and so on, the bold and the rich were asking "Slowdown? what slowdown?" In the year 1996, the value of shares on the country's stock market rose from R13.3 billion to R34.6 billion. The average price level of all shares rose by 30%. The volume of shares traded went up 74.7% [Budget Review]. Moreover, even as the stock market celebrated its "successes" the powers-that-be apparently felt it was time for further rewards, rewards that Minister Manuel's budget handed out quite handsomely.

True, in his budget speech, the Minister declared that "we are bold in the further integration of South Africa into the global economy by the freeing up of exchange controls; ... we improve the competitiveness of our financial markets ..." There are certain dangers for wealthy South Africans in such a course. Thus, when the rand went into free fall in early 1996, it was continuing a process that had began in the mid-1980s. Although such a freefall is useful for a range of other purposes. including encouraging an export-led economy, a rand in continual freefall also devalues wealth held in money form, and disadvantages our rich (in that for their foreign competitors the values of both local and foreign equities are cheaper). But note that the budget resolved this problem by allowing the rich to hold foreign currency denominated accounts in local banks! In particular, their foreign income earnings can now be held in forex accounts. In addition, these individuals can now invest up to R200,000 offshore, and the amount of money they can take out when travelling overseas has been

increased to R80,000 per adult and R25,000 per child.

All this in line with "today's supranational environment," in which, as Howard Wachtel has observed, "four principles prevail: think global, act short-term, move money, and buy and sell other corporations." And Minister Manuel's budget went very much further in order to facilitate this kind of corporate culture. South African corporations will be allowed to invest a portion of their assets for portfolio investment ... and the Reserve Bank will facilitate the hedging operations of local capitalists by supervising the implementation of a dollar-rand futures contracts. In short, a further globalization of South African corporations is facilitated by the fact that it is now possible for local capitalists to raise foreign funding on the strength of their South African balance sheets.

Such, then, are some of the measures taken by Minister Manuel to further the interests of finance capital.

#### Concluding remarks

In the draft report of the September Commission on the future of trade unions in South Africa set up by Cosatu, it is argued that GEAR's main aim is to meet the demands of financial capital and of financial markets for conservative macroeconomic targets. Minister Manuel's budget represents a consolidation and concrete elaboration of this worship at the shrine of finance capital. But for the capitalist classes the show is never over until it's over. Monopoly capital continues to apply pressure to ensure that the transformation of the ANC into a party of monopoly capital is both accelerated The more Minand guaranteed. ister Manuel delivers to the financial markets, the more they want. As Cosatu's General Secretary remarked, in GEAR employers have scored a significant victory. Essentially, the recent budget also seems to be one more milestone in the conquests of the legions of finance.

# Regional Mirage Southern Africa and the EPZ

#### BY HERBERT JAUCH

Herbert Jauch is the EPZ project coordinator of the International Labour Resource and Information Group (IL-RIG) in Cape Town, South Africa.

With neo-liberal economic policies now uncritically accepted, to a greater or lesser extent, in all countries throughout southern Africa, it is no surprise that the idea of establishing Export Processing Zones (EPZs) has recently found support among several governments of southern Africa. According to the World Bank and generally accepted by countries implementing such policies, EPZs are seen as a first step in the process of liberalising trade and integrating national economies into the global economy. Regarded as a signal of a country's departure from import substitution towards an export-oriented economy, the expectation is that specific zones for export production will, in the long term, be unnecessary as entire countries begins to operate like an EPZ.

EPZs are presented by the governments in the region as a solution to low economic growth – promising they will bring foreign investment and jobs to their countries by making the country internationally competitive. Zimbabwe, Namibia, Malawi and Mozambique have already passed national EPZ laws, Zambia wants to follow soon and EPZ proposals are now appearing in South African policy documents.

Given the devastating experiences of Mexico, the Philippines, Indonesia and numerous other countries which have established EPZs for the same or similar reasons, it is hard to imagine this strategy will offer much to workers in southern Africa. Indeed, attempts by governments to undermine labour standards, the marginalization of unions and the generous incentives offered to potential investors suggest that the poor working conditions and negative consequences of EPZs in other countries will also characterize EPZs in southern Africa. The question now is whether resistance from unions will be sufficient to delay, stop or dramatically change the implementation of EPZ policies.

## The first casualty: labour rights

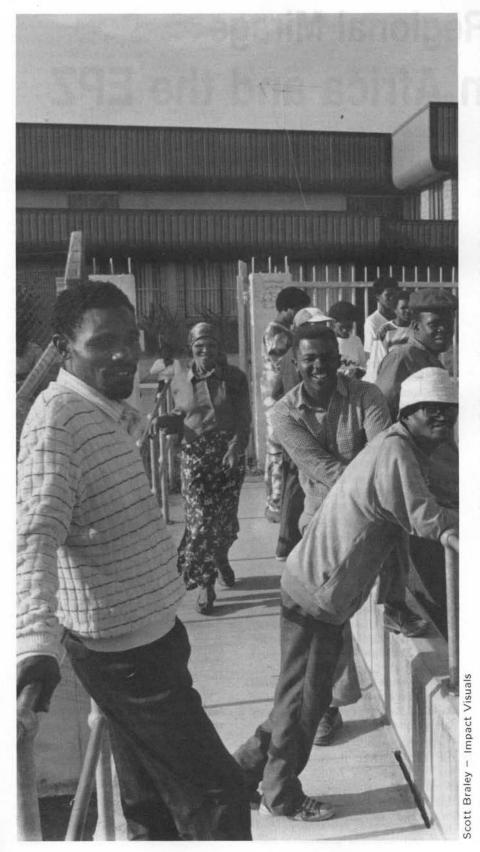
The special incentives for investors - which characterize EPZs - often include the suspension of the host country's labour laws. This is the case in Zimbabwe and Namibia which passed national EPZ laws in 1994 and 1995 respectively. The exclusion of the provisions of the national labour acts drew immediate criticism from the labour movements. The Zimbabwe Congress of Trade Unions (ZCTU) engaged in intense lobbying of the government and even sought support among local businesses to have the country's labour laws enforced in EPZs. After a tripartite delegation had visited the EPZs in Kenva and Mauritius in November 1994, a submission was made to the government which argued that Zimbabwe's Labour Relations Act should apply. Although these arguments were eventually accepted by the government and President Mugabe promised to amend the EPZ Act, this still has not happened.

In Namibia, the exclusion of the Labour Act from EPZ areas has also been a topic of heated debate. The government defended this position, arguing that both local and foreign investment in the first five years of independence had been disappointing and that EPZs were the only solution to high unemployment. President Sam Nujoma described the exclusion of the Labour Act as necessary to allay investors' fear of possible industrial unrest. He promised that regulations on conditions of employment would be put in place to address the fears of workers. In the meantime, however, he declared "the non-application of Namibia's Code in the EPZ Regime is a delicate compromise which is necessary to achieve the larger goal of job creation."

Namibia's major trade union federation, the National Union of Namibian Workers (NUNW), opposed the exclusion of the Labour Act as a violation of both the ILO convention and Namibia's constitution. The union federation instructed its lawyers to challenge the constitutionality of the EPZ Act in court. However, during a high level meeting between the government, SWAPO and the NUNW, in August 1995, an extremely controversial compromise was reached which stipulated that the Labour Act will apply in the EPZs, but that strikes and lock-outs would be outlawed for a period of 5 years. Although this compromise was greeted with mixed responses from Namibian unionists, it was formally endorsed during a special meeting between the NUNW and its affiliates in September 1995.

## Generous incentives and low wages

EPZ laws passed in Mozambique and Malawi do not offer exemptions from labour legislation to prospective investors, but still provide most of the typical EPZ incentives. Indeed, offering exemptions in Mozambique was almost unnecsouthern africa



essary as the country's investment law of 1993 already reflected major concessions to foreign capital as it treats foreign and national investors equally in terms of investment mechanisms as well as guarantees and incentives. For example, the government guarantees investors' property rights, freedom to import equity capital or borrow. Investors are also exempted from customs duties and are given generous tax exemptions, especially during "the period of recovery of investment expenditure," which can last up to 10 years. In addition, foreign investors may repatriate profits, royalties, loans and pay interest charges abroad. They may also repatriate their capital after liquidation or sale and are entitled to just and equitable compensation in case of expropriation for "absolutely necessary and weighty reasons of public and national interest, health and public order."

Legislation which paved the way for the establishment of EPZs in Mozambique (under the name of Industrial Free Zones) offered additional incentives to investors. For example, Mozambican EPZ investors can retain up to 20% of their net profits in foreign currency. Further, legislation stipulates that EPZ firms must produce at least 85% of their products for export while the rest can be sold locally, subject to normal customs charges levied on imports of similar products. They are also exempted from customs duties on imports such as civil construction machinery and materials, as well as on raw materials used for export goods. As well, they pay only a small royalty fee (2 to 5%) on their gross income, and there is no supplementary tax on profits for partners and owners of such firms in the first 10 years of activity

When the Malawian government passed an EPZ Act in 1995, it was hoping that EPZs would help to expand the country's export base beyond the traditional agricultural products, that they would diversify the economy and expand the industrial base. Although all national laws (including the Labour Act) apply in EPZs, cheap labour is seen as a major incentive. At an investment conference in April 1997 in South Africa, a Malawian trade delegation offered prospective investors a minimum wage of US\$20.00 per month as a special incentive. The government's 'flexibility' with regard to EPZs seems so great that it is open to offer almost any other additional incentive to attract investors – even if they stay for only a few years.

## South Africa's EPZs: in through the back door

Although South Africa has not established any fully fledged EPZs, the country appears to be well on its way to creating labour conditions and investment incentives which closely resemble EPZs. Already in the 1980s the apartheid government had introduced a number of policies which resembled those associated with EPZs. Along with the prohibition of trade union rights, deregulation laws allowed the government to declare certain areas free from national laws governing conditions in the workplace, and various concessions and subsidies were offered to companies prepared to invest in designated areas, especially in the bantustan "homelands."

However, unlike 'classic' EPZs. industrial decentralization strategies with respect to the 'homelands' were located within an overall inward-looking national industrialization strategy. Thus, such decentralised industrial areas were not deliberately located close to transport facilities, such as harbours or airports, the way EPZs normally are. These industrial and regional policies were not very successful in attracting new investment and promoting economic growth. Nevertheless, during the early 1990s the idea to establish EPZs in South Africa gained new momentum. A lobby calling itself the South African Special Economic Zones Association was established. Its members included both parastatal and private companies such as Eskom, Rainbow Chickens, Sanlam Properties, Mondi, Spoornet, Renfreight, Boland Bank, the Independent Development Trust (IDT) and Nissan.

By 1992 various groups had completed a number of studies on EPZs. The Export Processing Zone Council of the Department of Trade and Industry (DTI) put together a draft document, "Policy and Regulatory Framework for the Establishment of Export Processing Zones (EPZs) in South Africa.' By 1993 the apartheid cabinet had apparently approved in principle the creation of EPZs, with the possibility of establishing the first EPZ the following year. Although this was prevented by the election of the new government in 1994, the strategy appears to have only been slightly delayed rather than completely abandoned.

Perhaps encouraged by the overall neo-liberal economic thrust of the new government, advocates of EPZs are surfacing again with EPZ proposals 'in disguise'. The most common form is "Industrial Development Zones" (IDZs), promoted by South Africa's Department of Trade and Industry. Engineered and promoted by some of the old apartheid bureaucrats, IDZs are defined as geographically defined areas in which incentives are offered to manufacturing firms to establish themselves. In addition to national investment incentives, local governments can grant special incentives, e.g., subsidized water, electricity or land. Companies can also benefit from infrastructure provided by government, such as roads, harbours and railway lines.

#### **Regional implications**

The introduction of EPZ laws in Malawi, Mozambique, Zimbabwe and Namibia, and the proposals in South Africa are indicative of the countries' desperate attempts to attract foreign investment as a means of creating much-needed

jobs. This desperation is reflected in the willingness of the Zimbabwean and Namibian governments to even exempt EPZs from their national labour legislation. While, on paper, the Mozambican EPZ regulations seem more accommodating of workers' rights, given the extreme difficulties of the Mozambican economy and the government's zeal to attract and keep foreign investment, it seems unlikely that the authorities will be over-zealous in monitoring and imposing conditions upon investors. Also, the trade union movement in Mozambique is relatively weak and might find it difficult to monitor and ensure that the formal provisions are observed. Given the low levels of unionization. the extreme poverty and high unemployment rates, and the direct influence of the World Bank and IMF, Mozambique is in no position to impose strict investment conditions on foreign capital. Not surprisingly, the same applies to Malawi.

Recent attempts by southern African states to introduce EPZs should hardly be applauded. Not only are these strategies bound to fail in creating jobs and strong economies, this approach is likely to threaten attempts toward regional economic integration. Why?

Firstly, international experiences with EPZs since the 1960s have shown that they are not leading to sustainable economic development. On the contrary, this growth strategy has resulted in deepening developing countries' dependency on foreign capital and can have a detrimental effect on national industries. Not only have they failed to offer a solution to rising unemployment, they have most often worsened living and working conditions for workers. Further, due to the enclave nature of EPZs, they hardly develop 'backward linkages' with the host economy and do not lead to technology transfer.

Secondly, as Dot Keet pointed out, southern Africa is facing a highly competitive – in fact ruthless southern africa



- global economy "in which there is really little prospect for any of the southern African countries being able to offer terms and prospects that will really create successful EPZs - even on their own terms." At a time when southern Africa is still trying to establish EPZs, they are already superseded by more sweeping neo-liberal policies which create ever more favourable conditions for international capital. Thirdly, in their eagerness to attract foreign investment on almost any terms, the governments of southern Africa are entering into competition with each other. They compete for the same investors by offering ever greater concessions to foreign capital. This competition for investment produces a downward spiral in EPZ conditions where the benefits accrue to the investors and the costs with the host countries.

As SADC member states scramble for foreign investment, EPZs are likely to erode existing social, labour and environmental standards throughout the region. Even where governments are intent on defending the social gains made, they find themselves in a weak position to do so. The lack of alternative programmes for effective economic development and job creation puts governments at a disadvantage in

## From Regional Cooperation to Regional Competition

The EPZ Business Plan of Namibia's Ministry of Trade and Industry illustrates the competition for investment between countries implementing EPZs. This plan notes that Namibia's EPZs should initially target light industries such as textiles and garments, electronics, footwear and leather goods, sporting goods, pharmaceuticals, household goods, car assemblies or car parts. It points out, further, that foreign direct investment from Japan, Hong Kong and the large transnational companies is now being joined by investors from Korea, Taiwan, Malaysia and Singapore. "As operational costs in these locations escalate, many of the companies are forced to relocate their lower value-added lines. Companies operating from Mauritius and even South Africa are also considering relocation. The ODC [Offshore Development Company] should, therefore, try and target these countries."

In July 1997, the executive director of the Namibia Investment Centre, Steve Galloway, visited Cape Town to encourage South African clothing and textile companies as well as footwear and general leather manufacturers to relocate their production to Namibia's EPZ in Walvis Bay. "But we're not trying to convince them to relocate their entire operations to Namibia, but rather that part which is very labour intensive," he said. According to Galloway, such a move would be viable and help companies to increase their global competitiveness as wage rates in Namibia were only half, and in some cases a third, of those in South Africa.

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negotiating adherence to labour, social and environmental standards with foreign investors.

#### Challenging EPZs?

There has been a mixed response from local businesses to the EPZ proposals in southern Africa. Some support the EPZs in the hope that they will be able to benefit from the special incentives offered. Some might also see EPZs as an opportunity to undermine trade unions. Others - especially smaller businesses which produce for local markets - fear that EPZs will provide additional advantages to foreign transnationals. These TNCs might then wipe out local companies by selling cheaper products legally or illegally (through "leakages") on the local market.

Given the threat that EPZs pose for labour rights, it is no surprise that unions have deliberately been excluded from the processes of establishing and monitoring EPZs. EPZ boards established in every country throughout the region are dominated by business interests and lack any union presence. However varied the support is from business, so far the only serious challenge to this type of industrial strategy has been coming from the labour movement. Trade unions in Zimbabwe and Namibia responded promptly to the EPZ legislation and demanded amendments to accommodate the provisions of their labour acts. The Zimbabwe Congress of Trade Unions put forward powerful arguments by pointing out that cheap labour production is no longer a viable option at a time when new technologies require more skilled workers. The ZCTU further argued that poor working conditions result in lower productivity and a low product quality - which could not even be in the interest of prospective investors.

The Namibian trade unions' criticism of EPZs also targeted the nonapplication of the Labour Act even if they did not raise the broader problems associated with EPZs as a development strategy. Meantime, while unions in South Africa were slow at first to really challenge the establishment of EPZs, stronger opposition is building. For example, instead of completely rejecting this economic strategy, in 1993 the National Union of Metalworkers in South Africa (NUMSA) passed a resolution which argued that any and all investment in South Africa must comply with all labour legislation. Earlier this year, at the unions' latest policy conference, EPZs were rejected as a development strategy for the country.

Likewise, South Africa's major union federation, COSATU, opposes EPZs on the basis that they are not a viable industrial development strategy for South Africa. The Southern African Clothing and Textile Workers Union (SACTWU), affiliated with COSATU, also objects to EPZs on economic and social grounds. It points out that the "footloose" investors which EPZs attract neither develop the national economy nor create sustainable development. On the contrary, SACTWU argues that EPZs "undermine the local economy" as a result of dumping of cheap products through "leakages."

#### A regional approach

Given the regional aspects of EPZs, individual responses by unions in southern Africa are unlikely to stop their development. Unions are realizing this and therefore have begun to develop a more coordinated approach. In 1995 the Southern Africa Trade Union Co-ordinating Council (SATUCC) which brings together the leaders of the main national trade union federations, commissioned the International Labour Resource and Information Group (ILRIG) and the Centre for Southern African Studies (CSAS) from Cape Town, to investigate the economic, social and political implications of EPZs in southern Africa. This was complemented by research on health and environmental issues in EPZs, conducted by the Hararebased Training and Research Support Committee (TARSC). On the

basis of these findings, trade union leaders from the region debated EPZs at a workshop in March 1996 and passed a resolution stating their opposition to EPZs as a development strategy for southern Africa. They not only rejected concessions on labour, environmental and health standards in EPZs, but also identified EPZ policies as a threat to industrial democracy, sustainable development and regional integration.

Although the resolution is a good starting point for a broad campaign against EPZs in southern Africa, trade unions will have to do more to challenge their governments' (neoliberal) economic policies. They will have to move beyond mere criticism toward alternative development strategies. The ZCTU's policy proposals "Beyond ESAP" (Economic Structural Adjustment Programme) represent a step in this direction and similar initiatives seem essential in all countries of southern Africa. At present, trade unions seem to be the only social organizations capable of seriously challenging government policies through organized action. However, SATUCC's role so far has essentially been one of bringing national union leaders together and lobbying governments at SADC level. More direct action across borders and a far greater involvement of union members in regional policy issues are essential, if SATUCC wants to move beyond its role as a mere "talk shop."

Given the fairly small industrial base in most countries of southern Africa, trade unions will have to consider strategic alliances with social organizations like communal farmers' unions and women's organizations to build a mass movement with the legitimacy and capability to challenge EPZs and other neo-liberal development strategies in southern Africa. EPZs are certainly not holding any prospects of solving the region's socio-economic problems and they are threatening attempts to achieve greater self-sufficiency and sustainable development.

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## The Menace of the Market Land & Labour in Southern Africa

## BY STEVE GREENBERG & SAMUEL BONTI-ANKOMAH

The authors are researchers at the Farmworkers' Research & Resource Project (FRRP) based in Johannesburg.

Growing inequalities and the threat of another wave of land dispossession in the southern African region have recently prompted rural organizations to come together for a regional conference on Land, Labour and Food Security. The conference, held in April 1997, was co-hosted by the National Land Committee (NLC), Farmworkers' Research and

Resource Project (FRRP), the Environment and Development Agency Trust (EDA) - all from South Africa - and the International South Group Network (ISGN) from Zimbabwe. It is seen as the first step in the crucial process of developing an active regional network of organizations working in land, environmental, rural labour and related issues. Fifty six organizations from the region and 15 other organizations from other parts of Africa and elsewhere participated. Some of the major issues and resolutions that came out of the conference are discussed below.

Around 80-90% of the southern African population is based in rural areas, with extreme poverty rife. In most cases there is at best a tenuous connection to the land, with subsistence farming on communallyowned, marginal land and low-paid wage labour forming the bulk of household income. Approximately 60% of those involved in agriculture in the region are peasants, with the other 40% engaged in agricultural wage labour for part or all of the year on freehold land dominated by large-scale commercial interests. This situation is the result of the historical dispossession of land

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and the discriminatory policies that enforced this dispossession, with those having access to land being corralled onto small pockets of it and the rest being forced to work on behalf of commercial farmers for low wages.

#### Land reform?

Although a limited amount of land reform has taken place in the different countries since independence. growing demands by the World Bank and other Western agencies for privatization and reduced state support threaten not only to roll back those limited gains but also to push the rural poor further back than they were prior to independence. Those countries that gained independence first (like Tanzania, Zambia, Malawi, Angola and Mozambique) instituted land reform mainly via state ownership of the land in the name of the people, allowing peasants to use the land. But with the wave of privatization sweeping the region, peasants who have been working the land for decades are in danger of losing all access. In Tanzania a proposed Land Act threatens to dispossess over 9 million peasants who will be turned into illegal squatters overnight because land which was formerly vested in the President under ujamaa (villagization) is due to be privatized by the end of 1997.

A similar Act was passed behind the backs of communities and their organizations in Zambia last year. The same situation is occurring in Angola and Mozambique where liberation ensured access to land by those previously dispossessed. However, this land was never formally registered in their names because it officially belonged to With the end of the state. civil war, large-scale land grabs, often supported (or perpetrated) by corrupt civil servants, are preventing returning refugees from regaining the land they had been working In such conditions renewed on. peace is also, unfortunately, renewed exploitation of the rural population.

On the other hand, land reform in those countries that achieved liberation late (like Namibia, South Africa and even Zimbabwe) has been constrained by privatization and market-related approaches even before it has begun. Protection of existing private property rights is already entrenched in the constitutions in some southern African countries.

#### The World Bank

Now further pressure is being put on these governments from the North, particularly by the World Bank, to adopt market-based approaches to land redistribution. Structural Adjustment Programmes (SAPs) put emphasis on privatization and limited government support, for ex-And growing "conditionample. ality" for aid, not only from the World Bank but also increasingly under the Lome Convention - the trade agreement between the European Union (EU) and 70 African-Caribbean-Pacific (ACP) states means that third world states are being forced to adopt economic adjustment measures determined by the North in exchange for development The European Commission aid. which drew up the so-called 'Horizon 2000' development co-operation policy document explicitly states that "although the state is called upon ... to drop its role of direct investor, it must not neglect its role in creating the physical and regulatory environment which business needs in order to invest." In Zambia, the Bank last year approved a US\$90 million loan for "market liberalization, privatization, and parastatal reform" and in Tanzania US\$128.9 million has been granted for reforms including "accelerated privatization of parastatals." These parastatals include farms where the majority of the agricultural workforce is employed.

Although many of these adjustment programmes are "homegrown" they have the Bank's stamp of approval. The Bank's power lies in its ideological hegemony and ability to loan capital, power that it wields with far greater effect than direct coercion would have. There is a clear connection between the Bank's arguments for state intervention in the 1960's and its retreat from this position in the 1980's and 1990's on the one hand, and the changing reality in Africa on the other. By setting the agenda and then loaning only to those that follow the agenda, the global financial institutions are able to intervene significantly in the economies of third world countries.

The case of Mozambique is an excellent example. In the late 1980's, debates around agriculture within the ruling Frente da Liberação de Moçambique (Frelimo) centred around what was to be done with the state farms. Although not universally accepted, the move towards privatization of state farms and their transfer to largescale agribusinesses virtually for free was strengthened by donor pressure. The divestiture of the Cabo Delgado State Cotton Enterprise to Lonrho Mozambique, where the state contributed \$6 million in infrastructure and land and gave Lonrho a 20 year lease on the land to produce cotton, and the granting of entry of South African sugar giants into the local market have been strengthened by World Bank loans in what is being hailed as (yet another) "miracle." Meanwhile, peasants are being turned into serfs by the large companies, where communities are tied into a dependent relationship with the companies, experience tenure difficulties and are severely constrained in the long term by relations with the companies. The privatization drive also cost 90,000 workers their jobs in 1996.

The World Bank is not necessarily interested in transforming systems of tenure from communal to individually owned, but it certainly is seeking to build an adherence to "the introduction of modern agricultural technology and marketoriented agriculture." Thus, in a presentation to the World Food Summit in Rome last year, the World Bank stated that its vision for rural development is that "rural growth is widely-shared, with private and competitive agriculture

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and agribusiness as the main engine of growth" and that one way in which this would be achieved is by "involving the private sector in delivering infrastructure and other services wherever possible."

The Bank's position is fundamentally hostile to indigenous forms of agriculture such as the use of low chemical-intensity, lowtechnology methods and the use of indigenous seed types, which are by no means less efficient than 'modern agricultural technology'. Efficiency arguments are being presented alongside seemingly politically neutral technical issues. for example that "improved variety/fertilization/farm mechanization technologies will also be necessary. Increased utilization of fertilizers will be especially important to raise yields and maintain soil fertility." There is a great, and often justified, suspicion - not only in southern Africa but also elsewhere in the Third World - that the introduction of modern agricultural technology, side by side with the imposition of trade related intellectual property rights (TRIPs), is a mechanism being used by multinationals to undermine the capability of indigenous farmers to produce independently of the North.

At the regional conference, for example, Professor Nanjundaswamy - president of the 10 million strong Karnataka State Farmers' Association (KRRS), a militant peasant movement in India - related how seed varieties being promoted by multinationals produce crops that require chemicals produced by the same multinationals. Cropping patterns have been substantially altered by international demands which have their own specific commodity structure (e.g. a strong market for cotton or flowers), resulting in food insecurity for the local population as cash crops are produced to remain in the "market." Thus "improved" seed varieties and fertilization often mean a step backwards in the third world.

#### Recolonization

The World Bank recognizes the threat felt by many Africans that economic liberalization will merely result in recolonization. The only argument put forward by the Bank on this score is that "in almost all African countries, a large proportion of processing and trade geared to the domestic food market is undertaken by 'indigenous' firms and individuals." However, recolonization is not only a question of direct investment in an economy but also of the expansion of markets in which cheap, subsidized produce can be dumped. While the short term result of cheaper, imported food dampens opposition to liberalization, it has critical implications for agricultural production and the levels of employment in southern Africa in the long term.

For it situates the "indigenous" producers within a global context of exchange in which a handful of giants have the ability to manipulate markets in their own interests. The local producer is forced to compete in this unequal system or go to the wall. Entire industries are under threat in the region - not least in agriculture - because they do not have the power or the advantages necessary to compete. This sets the scene for the rapid purchase of land and infrastructure (or what remains of it) by multinationals once the local industry has collapsed. Reports of land and assets being sold for a fraction of their value are widespread in Mozambique, Zambia, Tanzania, Angola and the Congo. Thus, under the guise of reconstruction and development, multinationals are spearheading the process of recolonization.

The market-based approach adopted by many southern African countries concentrates on efficiency and therefore does not effectively address the equity question, which was high on the agenda of the liberation struggle. In most cases, there is what is known as a "willing buyerwilling seller" approach which is a straight-forward market transaction. Apart from the fact that this approach completely ignores the history of forced dispossession in the region, demand is high, thereby pushing the market price of land above the productive value. The rural poor are therefore unable to access land. Although in some countries the government provides financial support, this is far below the market price of land. For example in South Africa, where the land price can be as high as R15,000 per hectare for arable land, the government subsidy of R15,000 per household would only purchase one hectare of land.

There would also be nothing left to provide for infrastructure or for the purchase of inputs necessary in order to farm, because most rural households have very meagre savings at best. The result is that the balance of power remains with the current land owners since it is up to them to decide whether they want to sell their land, how much they are willing to sell it for and the like. It is therefore difficult, using marketbased mechanisms, to dislodge land barons and large corporate owners and this is done almost entirely on their terms, and consequently in their interests.

#### Farm workers

Due to the market-based approaches to land reform and the skewed land tenure systems, the majority continue either to occupy a small piece of land or to be completely landless and used as a pool of cheap labour for commercial farmers. Historically, farm workers have been little more than slave labour for whiteowned farms. Denied independent access to land, they were also made to pay taxes in cash which forced them into wage labour. Movement was impeded, unless with the permission of the farm owner, who was thus able to regulate the supply of labour in the rural areas. So, for many, farm work was the only option.

However, virtually none of the farm workers in the region can rely exclusively on wages for survival.

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which has led to talk about the creation of "multiple livelihoods." But this over-estimates the extent to which rural people, and especially women – who are hardest hit by SAPs at the household level – can compensate for low wages, rising prices and declining employment opportunities. In the rural context, "multiple income generating activities" is often a euphemism for forcing people to find their own means of survival with no help from the state or large capital.

Rural trade unions are unlikely to be of any real assistance in the near future. There are those that have been allowed to exist but have played a subordinate role in relation to the state, for example in Tanzania, Zambia and Mozambique. These unions are now faced with a situation where rapid liberalization of trade and land laws means adapting to private ownership and collective bargaining procedures without forewarning. The cosy relationship they had with government also meant a lack of independence that has undermined their ability to mobilize and organize their members. On the other hand, newly formed agricultural trade unions like those in Namibia, South Africa and Malawi - face massive capacity constraints and continued difficulties in accessing workers and therefore in translating legal into actual rights for workers. The entrenchment of the right to private property through various Trespass Acts makes it virtually impossible for union organizers to gain access to farms, and vast distances between farms and financial constraints make matters worse.

Most farm workers in the region have had tenure tied to their employment. Now, the privatization of the agricultural sector is resulting in retrenchments, leading to evictions from farms. A broad demand which is emerging across the region is for secure tenure rights for farm workers. In South Africa, where legislation on tenure security in rural areas is presently being debated, an NLC led coalition of in-



dividual trade unions and their federations (COSATU and NACTU), NGOs, civic organizations (South African National Civic Organization), church groups (South African Council of Churches) and political parties (including the ruling ANC, the SACP and the Pan Africanist Congress), have launched a Farm Worker Tenure Campaign. The aim of the campaign has been to strengthen the demand for security of tenure and access to land and to counter the arguments and activities of the South African Agricultural Union (the conservative, white farmers' union) who oppose the proposed legislation.

#### The charter

The southern African regional conference also unanimously passed a charter on rural labour which, amongst other issues, called for "security of tenure and an end to the threat of evictions for farm workers, and independent access to productive land and other resources enabling farm workers to exercise the option of a healthy and happy existence, independent of commercial land owners" (see the "Southern African Charter on Land, Labour and Food Security," 1997). It has been agreed amongst participating organizations that practical joint activities in support of the regional charter and related resolutions will be the next step.

Independent land access for the rural poor is a necessity in the face of cut-backs and the increasing marginalization of those working on the land. In particular women, who generally have no right to land ownership under the patriarchal traditional systems in the region, must be granted the right to independent and equal access to and ownership of land. The need to ensure that workers and peasants gain title deeds for land acquired under any new law is also essential. There is also the need to protect the rights of farm workers who are the most marginalised in the region. The regional conference has set a base for activities around these and other issues. Specific resolutions that demand immediate attention were made around the tracking of multinationals in the region, regional minimum standards for farm workers linked to poverty datum lines, a specific focus on women in rural areas, ultimate abolition of child labour, equal participation of farm workers in local government where this right has not vet been established (e.g. in Zimbabwe), and a focus on land reform and food security policy.

In sum, it was agreed by participants at the April conference that governments were not doing enough to address the plight of the rural population in particular. Although by no means an easy task, participating organizations are preparing themselves to rebuild grassroots structures of civil society to take up these issues on a regional basis. debate

# Debating Globalization: Critique of Colin Leys

#### BY JONATHAN BARKER

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In his article on globalization ("The World, Society & the Individual" in SAR of April 1996, Vol. 11, No. 3, pp. 17-21) Colin Levs throws out a daunting challenge to progressive intellectuals. He describes the corrosive social impact, especially damaging in Africa, of economic globalization driven by powerful capitalist interests and institutions. He reminds us of Polanyi's idea of the double movement - the inevitable resistance and reaction as people try to protect communities and cultures to which they are accustomed and committed. But he fears that without the intellectual leadership that creates unifying ideas and supplies substantial analytical content, the movements of social protection will take direction from self-defeating and destructive ideologies of ethnic separatism and that they will fail to achieve a wide enough coherence to stem the damaging advance of global capitalism. The need for intellectual leadership is particularly urgent because cracks are beginning to appear in the neo-liberal edifice and its intellectual defenders are expressing misgivings.

The challenge Leys delineates so dramatically is real and I want to take up one of the important questions it raises: Where can we look for ideas and examples on which to build wide and effective collective action? But first I need to deal with some assumptions and assertions in his argument that give direction to the search for answers and that, in my view, call for discussion. Four stand out.

#### 1. The reading of the past.

The era of evolving national capitalisms may have produced periods in which citizens felt confident control of their economic destinies (as the article asserts), but it also produced military and economic rivalries (some fueled by nationalism) that contributed to terribly destructive wars, colonialisms, and repression of progressive political forces. The 1950s and 1960s, Leys wishes us to remember as a time when we in Canada "had collective control over our lives," and when societies in sub- Saharan Africa "were in a process of relatively rapid coalescence assisted by the steady expansion of production and dramatic improvements of collective consumption ... " But were these not also the decades in which Canadian governments welcomed unprecedented levels of U.S. investment, the FLQ set off bombs in Quebec, Nigeria suffered a terrible civil war, the National Party won power and consolidated apartheid in South Africa, and the C.I.A. installed Mobutu in power in the Congo? Were not the high commodity prices for African exports that buoyed the transitions to independence stimulated by wars in Korea and Viet Nam and postwar reconstruction in Europe and Japan more than by the absence of global neo-liberalism? The mix of positive and negative in both the nationalisms and in the global trade economy of the 1950s and 1960s seems to need a much more careful sorting out than Leys suggests.

#### 2. The view of markets.

It is not enough for our best progressive thinkers bravely to condemn the worst of what markets do. Markets, after all, do make possible the nonhierarchical regulation of many important social transactions. I think we need thoughtful analysis of how markets can be made part of a positive social project. Polanyi's notion of embedding markets offers an important indication of where to start. Controlling markets is crucial to making them work without destroying equity, community, and democracy. Even on an international scale it is worth thinking about the ways market power can be balanced or supervised by social and political controls and the conditions under which transnational market relations can function as counterforces to violent confrontations among nationalisms.

## 3. The discounting of local action.

The article claims that "the very capacity for collective political action itself is among the first casualties" of globalization and that "the death of meetings" is a change closely bound up with globalization. While there are theoretical grounds for thinking these claims to be valid and supporting examples to be cited, I wonder what research would show? (One set of research findings is noted below.) And what do these claims say to the resistors and movement builders in Chiapas, in Zaire, in South Africa; to labour union organizers in places like South Korea and Ghana who take advantage of the small but real scope for action; to party organizers in the many countries newly offering some opening for party political work? Do they build on sand and pursue causes lost in advance?

Polanyi's line of analysis would suggest that even under the heavy ideological pressure of globalizing neo-liberalism the impulses to embed the market will be evident. That is one moment of the "double movement" of capitalism. Should we not be looking closely for and at the countermovements, rather than breaking off after bemoaning the "death of society" and the hegemony of neo-liberalism? I was glad to see Colin Leys call for a "new discourse" and to note the presence of many of its elements in contemporary social movements, but then his text seems to disregard their actions and ideas.

#### 4. What political vision?

Yes, such political work could benefit from the kind of intellectual effort Colin Leys calls for, an effort to define and promote a political and social analysis and vision "in which social surplus is used to serve society, not destroy it." But when he asserts that the aim of this effort is to construct "a unified hegemonic project" I am made uneasy. Leys appropriately takes the imperfect hegemony of neo-liberalism as the target of his critique, but he confines his critique to the doctrines of neo-liberalism without considering the political implications of the unified hegemony of ANY doctrine. I know that there is a special Gramscian notion of hegemony that implies widespread real acceptance of a set of ideas, but to me even that usage evades the crucial question: by what political process and under what rules of discussion and what distribution of power is that acceptance achieved? Unified hegemony is a question, not an answer, for it implies the very force of hierarchy that I hope to see people struggle against.

Even if these four comments have validity, the questions Leys raises for our consideration remain absolutely crucial. How can progressives construct a way of thinking that gives meaning and direction to concerted action? Where should we look for inspiration and ideas for a counter-movement against capitalist fundamentalism? How, in fact, is the discussion itself to be structured

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and by whom? What kind of searching and researching will best inform and energize the intellectual process? How can intellectual work connect with political and social action? To canvass these questions, even briefly, in the light of the above sets of comments may not make globalization seem any less destructive, but it may make room for more hope about the prospects for better understanding and positive action than Leys's article appears to do. And it may point the discussion in a rather different direction than Leys indicates.

A logical place to look for ideas about countering capitalist globalization is in discussion with people who are now taking such action. In countries hooked into globalization in many different ways there are thousands of activist groups addressing issues of conserving jobs and livelihoods, community health, power of women, provision of housing, functioning of local markets, availability of local social services, provision and standards of education, and abusive and damaging working conditions. People who work in industries threatened with ecological collapse, like smallscale fisheries or marginal agriculture, have in some places, founded organizations to protect themselves, and some of them have achieved practical successes (such as getting the government of India to cancel deep-sea fishing licences and to reorient policy to support small-scale fisheries). Even where they are of limited or purely localized effectiveness, they are still sources of highly relevant analysis, information, and moral thought about why and how to project social interests and values in the context of market globalism.

Leys writes of "the death of meetings," but recent research I have been involved with over the past few years with a group at the University of Toronto (Khamisa Baya, Anne-Marie Cwikowski, Christie Gombay, Katherine Is-

bester, Kole Shettima, Aparna Sundar) has discovered an enormous number of meetings on local issues in places as disparate as fishing villages in southern India, a refugee camp in Kenya, large urban markets in Kampala and Quito, farming towns in northern Nigeria, the women's movement in Nicaragua, and mosques in Pakistan. Some of the meetings were inspired or strengthened by a kind of progressive globalism: liberation theology, social ecological analysis, and global defense of small-scale fisheries in southern India; institutionalized participatory development in northern Nigeria. Others were stimulated by a need to control market relations: market vendors making markets work in Uganda and Ecuador. Still others were mobilizing claims against political or hierarchical power that seemed excessive or dangerous or misdirected: the case of southern Sudanese refugees in a camp in Kenva and of mosques in Pakistan.

Readers of SAR will know of many examples of local activism in southern Africa. It turns out that a wide variety of places afflicted by globalization still have sources of leadership and networks of influence sufficient to generate and sustain significant political action. And people have an astonishing capacity to create spaces for discussion, wrangling, and coordination of action. Leys is right to notice the danger of localisms of tribe and religion, but many local people see those dangers clearly and work hard to seek commonality of action across such social divides. It doesn't take an intellectual to recognize the threat of sectarian bloodletting.

The new kind of politics that is emerging may undermine globalizing liberalism without replacing it with a coherent and hegemonic alternative. To wish and to search for such an outcome may lead to just the kind of weaknesses I thought I detected in Leys's essay; in seeking to construct a new "hegemonic

### debate

ideology" intellectuals may miss the rhythm of the double movement. The same actions and movements that are draining power from global liberalism and awakening doubt in the minds of neo- liberal thinkers are also likely to deny power to unified party- type alternative hegemons of the left. In other words, the challenge Leys identifies goes deeper and further than he envisions. Progressive intellectuals are indeed called to "the task of analyzing globalization, alerting our society to its real meaning, and working out and propagating a new post-capitalist social project," but they are also called to rethink the shape of politics and to find new ways of constructing a process of coherent action. I think it better and more realistic to regard the new social projects as plural rather than singular. The challenge is daunting, but the pluralistic and multiform double movement evidenced in myriad local, national, and transnational actions to control and resist globalizing neo-liberal capitalism offers both hope and hard grist for the intellectuals' mill. It also suggests that intellectuals carry on their important work with an appropriate admixture of humility and willingness to look at and listen to the people.

# **Colin Leys Replies**

Jonathan Barker raises some important questions and I am in agreement with him on many of them. Above all, I agree on the importance of listening to activists involved in struggles against global market forces. Intellectuals - meaning not just professional researchers. academics and the like, but anyone who is willing and able to think through, sum up, and articulate ideas about society - intellectuals have special responsibilities in the construction of a new project (or projects). But intellectual work will not accomplish anything useful if it is not closely linked to practice. It has to incorporate the lessons of practice, and to respond to the motivations and hopes of the people who are engaged in practice; Barker is absolutely right to insist on this.

On the other hand we should no more romanticize grass-roots struggles than we should underrate their importance. Ordinary people can show immense resourcefulness, organising ability, leadership and vision; but popular movements can also make mistakes, become narrow in their goals, backward-looking, tired, exclusivist, and so on. It is not self-evident how the various kinds of popular movements can develop the potential to become selfsustaining, to be inclusive not exclusive, to avoid factionalism and personalism, to go beyond their original goals and link up in a principled

and reliable way with other struggles; working this out calls for drawing historical comparisons, for theoretical analysis.

We also need to acknowledge that popular struggles tend to be reactive; their hallmark is resistance. Forging them into hegemonic projects looking for long-run transformation, into movements capable of imposing themselves on events, successfully displacing the power of the global mega-corporations and the handful of economic superpowers in the shaping of our world – this is another matter. Barker is afraid of any "unified hegemonic project," saying any such project implies a hierarchy.

I must say I don't see why it should; for example, the socialdemocratic culture and institutional system established in Sweden over three generations is certainly the result of a unified hegemonic project but is about as un-hierarchical as you can find in a complex industrial society. But I disagree that the sort of "unified hegemonic project" we need cannot be based on some new "totalising" doctrine on the lines of historical communism (or neoliberalism). Looked at in one way it will necessarily be a multiplicity of projects, in different sectors, nations, and regions, the aspirations of different groups, movements and peoples. Yet unless these unite to confront the political and economic power of the transnationals and the states that back them, they will ultimately fail.

In saying that the capacity for collective action is being undermined, I was referring to the countries of advanced industrial capitalism; there, the individualisation of life has broken up old solidarities, privatised people's thinking and leisure activities, and made us into passive viewers of television rather than citizens giving time to the "public sphere." Conferences abound, but open meetings, either to organize collectively for political change, or to hear from, challenge and assess politicians, are becoming rare, and this makes long-term collective action difficult, although not (yet) impossible. In still underdeveloped countries the case is different: there solidarities are still being formed and meetings certainly are central, as Barker points out. The danger is rather that if conditions become too extreme these solidarities can become last-resort defences against disaster, based on ethnicity or even on violent, atavistic forms of bonding, as in the so-called "rebel" armies of teenagers in Mozambique or northern, Uganda, held together by fear and forced complicity in appalling mutilations and murders.

But in saying that the capacity for collective action is being undermined I was also referring to the fact that re-regulating capital – resubor-

### debate

dinating it to social goals, making it serve society and not the other way round - now requires joint action by the world's nation states that only vesterday authorised its deregulation. This is not going to be easy. As a minimum, it will require nationwide movements and/or parties capable of exercising state power, and making it felt in supra-national institutions. Barker doesn't mention this problem: as it stands, his suggestion that "the new kind of politics that is emerging [based on multiple forms of local activism] may undermine globalizing liberalism" seems rather unconvincing.

Two final points. First, on the history of the 1950s and '60s, when, I suggested, people had – in the industrialised democracies – some collective control over their lives. Barker points out that this was also an age of imperialist exploitation and oppression, and bloody liberation wars. This is true. I didn't say we always used the collective control over our lives well, or that we had enough control (we didn't – the effective power of even social-democratic parliaments was very limited). But does Barker really prefer not having any control? Surely not?

And second, on markets. Barker argues that they "make possible the non-hierarchical regulation of many important social transactions" and that we need to control them, not do without them. I would only say that we need to confront markets as they are, not as they exist in textbooks. One French analyst estimates that a dozen firms now strategically control much of the world's markets – and tell any worker that labour markets are nonhierarchical and see what he or she says. The problem is not really controlling markets; it is controlling the forces that operate in them, i.e. huge firms and all the interests vested in them, from shareholders and corporate executives to bankers, lawyers, insurers, forex dealers and so on and on. Perhaps "transnational market relations" may act as counter-forces to nationalist conflicts, as Barker hopes, though the historical record is not reassuring on this point (is the arms industry currently readying itself to disappear?); but what is hard to deny is that "transnational market relations" are meantime driving developed societies towards levels of inequality, insecurity and social tension not seen since early Victorian Britain, and African societies towards forms of social disintegration - Liberia, Somalia, Angola, Mozambique, Rwanda, Sierra Leone, Zaire ... - not seen since King Leopold's Congo.



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zimbabwe

# Going it Alone Opposition Politics in Zimbabwe

#### BY SARA RICH

Sara Rich, who is pursuing a D. Phil at Oxford, has recently been working with ZimRight and with the Ecumenical Support Services in Zimbabwe. She wishes to acknowledge the assistance of William J. Dorman in the writing and editing of the article.

Say "opposition party" in Zimbabwe and people either laugh or cry. There has been little opposition in Parliament since the 1987 ZANU-ZAPU Unity Accord. This alliance gave ZANU-PF virtually complete control of Zimbabwean political space. To date, few opposition parties have shown any potential for mounting a concerted challenge to ZANU(PF). They are widely perceived as weak and having little grass-roots support.

The recent phenomenon of "independent" candidates contesting power in local elections, however, suggests that the situation may be changing. As we shall see, through skilled use of the courts and Zimbabwe's electoral laws and constitution, opposition politicians - loosely organized as the Movement of Independent Candidates (MIC) - have begun to challenge the ruling party's monopoly on political access, making incremental gains in 'leveling' the political arena. At the same time, the long-term prognosis for a more democratic and pluralistic Zimbabwean polity is unclear for reasons which shall be discussed in this article.

#### Independents in court

Organized around Margaret Dongo, the lone independent member of the Zimbabwean parliament, MIC has successfully waged a series of municipal election campaigns, installing independent candidates in Mbare (Harare's oldest township) and Sunningdale (part of Dongo's constituency). MIC's significance, however, has come more from its high-profile court cases which consistently reveal the irregularities inherent in Zimbabwe's electoral system. Dongo's seat in Parliament, for example, was won through a High



Margaret Dongo

Court challenge in which she successfully showed that the voter's roll used was full of irregularities, such as the registration of voters who did not reside in the constituency. In the ensuing by-election she won by over 1000 votes.

Similarly, Fidelis Mhashu – who contested the mayoral election in Chitungwiza, the second largest city in Zimbabwe and a bedroom suburb of Harare – also challenged the accuracy of the voter's roll. The roll used in Chitungwiza had been "constructed" from a list of house or "stand" owners, which eliminated thousands of lodgers and renters who comprise a high percentage of Chitungwiza's population. Affidavits filed with the court also called into question the accuracy of the housing records. The High Court ruling stated that "... at the very least, the preparation of the voter's roll was so defective that it cannot be said that the electoral process was itself not flawed." Accordingly, the election was declared invalid and a new registration of voters was conducted in May and June, to be followed by an election in August.

Another beneficiary of Zimbabwe's judicial system is Priscilla Misihairabwi. Misihariabwi won a Supreme Court ruling in August declaring her to have been a legitimate contender in the February 1997 Harare municipal election, despite having been excluded from the election because of ZANU(PF) interference. Another court battle is looming to have the election over-turned and re-run.

#### Politically significant challengers?

The judicial system has been the cornerstone of the independent candidates' success, enabling them to prevent the more obnoxious abuses of power during elections. The MIC's narrow focus on running specific, local-level candidates, especially in by-elections, rather than running multiple candidates or candidates in presidential campaigns has also been remarkably effective. Still, with only a few isolated representatives and no large grass-roots movement behind them, MIC is in danger of becoming an elite organization with little political influence

Dongo, however, has skilfully used the rules of the House to expose critical issues. Most recently,

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she unleashed the largest scandal in Zimbabwe's post-independence history when she tabled a partial list of those who had received payments under the War Veterans Compensation Act, intended to benefit those injured during the liberation war. Cabinet Ministers and party elite, some whom had allegedly never seen combat, featured prominently on the list. This has triggered a government investigation and, ironically, has led to the suspension of payments to mainly landless and impoverished veterans, causing many people to question the commitment of the "chiefs" to the "povo."

The implications of Dongo's action have been felt far outside Parliament. Groups of embittered war veterans have been demonstrating against the withholding of payments and perceived corruption, in front of the President's mansion, at high-profile celebrations marking the achievements of the Liberation War heroes, and in the ZANU(PF) headquarters in Harare, which they ransacked in mid-August as riot police stood helplessly outside.

#### **Retaliation and resistance**

The MIC victories have not been without risks. In May, while investigating a missing voter registration record, Mhashu was set upon and badly beaten by a group of ZANU(PF) supporters who had been holding a rally attended by four MPs, including Cabinet Minister Witness Mangwende, in the Chitungwiza municipal buildings. Trapped inside the municipal enclosure, he was chased by 30-40 people. Trying to escape the mob by climbing over the surrounding fence, he was pulled down and kicked until he lost consciousness and might have been killed if not for the intervention of a police officer who removed him from the scene and called an ambulance. Mhashu sustained internal injuries and cuts to his head and face, requiring treatment in hospital and leaving him with hearing problems and persistent headaches.

Adding insult to injury, the Minister of Local Government is seeking to prevent the close scrutiny used so effectively by MIC, announcing in July that the Chitungwiza election (and all other municipal elections) will not use the newly prepared municipal register of voters as planned, but will instead use the (unscrutinized) national roll. Mhashu is currently challenging this action in the High Court.

Although not physically threatened, Misihairabwi also faced several hurdles after she mobilized over 2000 voters to register in her ward and then instigated the removal of approximately 1400 "voters" by proving that they had registered at nonexistent addresses or in office-blocks. Misihairabwi's success in the election seemed even more likely when the ZANU(PF) candidate was found to be in the middle of a court case involving allegations of fraud and was withdrawn. The party, however, merely changed tactics, and sought to remove her by legal chicanery.

Misihairabwi was vulnerable because her birth certificate and ID listed her date of birth as 31 December 1967, making her only 29 years old at the time of the election, while electoral law requires municipal candidates to be at least 30 years old. In the period leading up to the election, her parents signed an affidavit that she had actually been born one year earlier, on 31 December 1966. Her nomination was also accepted publicly by the Town Clerk, Edward Kanengoni and a police investigation established that there had been no wrong-doing. However, after consultations with ZANU(PF) the Registrar-General, Tobaiwa Mudede, nullified her new birth certificate alleging that the place of birth given on the affidavit signed by her parents - Mount Darwin Hospital differs from the place of birth given on her birth certificate - Mutundwe School - a village school some 5 km from the hospital.

Although Misihairabwi contested Mudede's action in court by presenting a baptismal certificate (and the priest who baptized her) proving that she was born before 5 May 1967 (the date of her baptism), the High Court judge – alleged to be a ZANU(PF) appointee – refused to issue a declaration that she was 30 and therefore eligible to stand. This cleared the way for ZANU(PF) victory. Misihairabwi appealed the decision to the Supreme Court which unanimously ruled that she was clearly 30 years of age, despite any questions that might remain as to her place of birth.

During the hearing, presiding judge Justice Korsah exclaimed: "The facts are screaming out from the page; why did the judge below [in the High Court] not declare it? What is the motive for his resistance?"

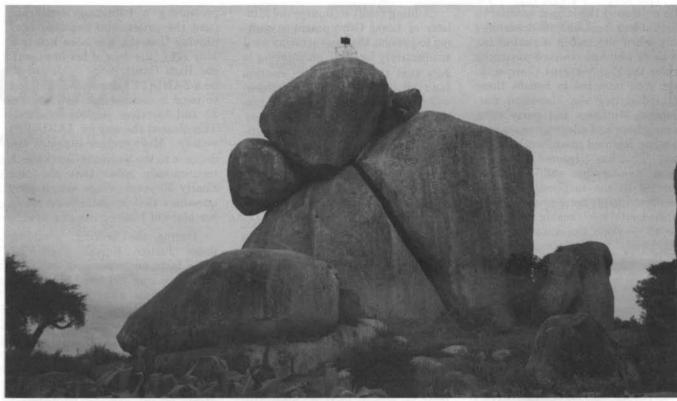
The "dirty-tricks" used against Misihairabwi and the outright violence with which Mhashu was intimidated have also served to indicate to the average Zimbabwean what lengths the government is willing to go to in order to retain control of the political process.

#### Democrats or opportunists?

In light of the recent experiences of Zambian and Kenyan "democratization" experiences – which merely recycled old faces as new parties in government and opposition – another issue that must be raised concerns the democratic credentials of those who have been "forced out" of ZANU(PF). Dongo, a liberation war veteran and former Central Intelligence Organization (CIO) operative went into Parliament on the ZANU(PF) slate in the 1990 elections and proved to be an outspoken critic.

As a result, she was not reselected by the party to contest the 1995 election. Deciding to run as an "independent" candidate, she was expelled from the party. Mhashu is also a former ZANU(PF) cadre, pushed aside in favour of an alternative candidate.

## zimlozlowe



The Balancing Rocks of Zimbabwe appear on MIC's logo

Dongo and Mhashu counter allegations of opportunism, claiming to have worked from within to bring about change, but finally being too frustrated with the system to stay inside. Dongo emphasizes that her experience within ZANU (PF) has made it possible for her to confront the governing party: "I knew the strengths and weaknesses of the system, that has made it possible for me to challenge it effectively." Mhashu makes a similar argument that having been a ZANU(PF) member gives him a special advantage, because "... we know all the dirty tricks they use."

In addition, MIC has made recent attempts to broaden its membership and appeal, emphasizing in the process its democratic principles through the creation of a logo which shows the famous balancing rocks of Zimbabwe and a slogan which reads: "for political balance and stability." MIC candidates have also forged close ties with NGOs and church groups. Nevertheless, its appeal remains limited, especially as few people follow the technicalities of the court challenges.

#### Conclusion

In a country where most media is government controlled or subject to self-censorship, large campaigns dependent on either media exposure or campaign funding are impractical for opposition groups. MIC has recognized these constraints and worked within them to contest power.

Yet, there is concern among political analysts and observers that these limits are being further tightened. In addition to the attack on Mhashu and political interference in Misihairabwi's case, there is increasing concern around the impartiality of the judicial system. Generally the judicial system has been considered relatively impartial if somewhat erratic at lower levels, but recent political appointments to the bench and the award of luxurious Mercedes-Benzes to judges have been widely perceived as rewards for "good behaviour."

Sara Rich

Moreover, Kempton Makamure, a law lecturer at the University of Zimbabwe and founding member of MIC, emphasizes that while the Anglo-Saxon traditions of the judicial system have kept it independent from ZANU (PF), many of the black judges have political links to the party which may have undermined their independence. He says sadly, "It is ironic, that I, a black man, must seek justice from a white man."

Despite all the stumbling blocks in their way, the independent candidates have demonstrated to a jaded public that there is room for opposition even within Zimbabwean politics. 'With determination, strategy, and skill they have not only used the judicial and parliamentary systems to fight their cases but are, for the first time in many years, giving voters a choice at the ballot box.

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# **Family Matters**



## GILLIAN SLOVO

'An extraordinary expression of the very nature of loving, which illuminates, with the anger and tenderness of deep emotion, that human territory we all occupy, and where we conceal so much from ourselves'

Nadine Gordimer

EVERY SECRET THING my family, my country

#### A REVIEW BY DAVID GALBRAITH

David Galbraith teaches in the English Department at the University of Toronto. Gillian Slovo. Every Secret Thing. My Family, My Country. London: Little, Brown and Company, 1997. vi+282pp. ISBN 0 316 63998 2.

When Jge Slovo, by then a Minister in Nelson Mandela's cabinet, died of cancer in 1995 one of the most extraordinary family histories in South African politics came to an end. Slovo's death was preceded, thirteen years earlier, by the murder of his first wife, Ruth First, victim of a government-dispatched bomb to her office at Eduardo Mondlane University in Maputo. Both had been at the centre of the liberation struggle for their entire adult lives.

The public forms of mourning and commemoration mark the enormous distance travelled between these two events. When Ruth First was killed, her death was mourned by an exile movement and, in South Africa, in illegal meetings broken up by security police. Slovo's death was marked by massive public gatherings presided over by the leadership of the ANC and the SACP, now installed in government.

This story - of the transformation of an embattled liberation movement into a majoritybased government - is itself one of the most dramatic and important political events of the century. The lives and deaths of Ruth First and Joe Slovo are woven through it. Their daughter Gillian's new book, Every Secret Thing, is the latest of several accounts of the family. Ruth First's own memoir of her imprisonment under the Suppression of Communism Act in 1963, published in 1965 as 117 Days is a compelling and self-probing description of the experience of a political prisoner. Its final sentence is also horribly prophetic, recognizing a threat suspended for nearly twenty years: "I was convinced that it was not the end, that they would come again." Joe

Slovo never finished his memoirs; Slovo: The Unfinished Autobiography was published in 1996. Gillian's elder sister, Shawn, wrote the screenplay for Chris Menges' 1988 film, A World Apart, which focuses on the young girl's reactions to her mother's imprisonment and the encroaching political pressures on their life as a family.

Readers looking for a political narrative, or for significant insights into the history of the liberation struggle in Every Secret Thing are likely to be disappointed. The book's subtitle is either misleading or overly subtle. The comma separating "my family" and "my country" doesn't align the two paratactically. If anything, their relationship is appositional. Slovo's family is her country. And it's primarily family secrets that she tells: of Ruth and Joe's marriage and of her own often difficult relationship to her exceptional parents. This is a story of exile, and ultimately of return most obviously in her parents' flight and struggle but also in her own estrangement and provisional reconciliation.

In many respects this is a deeply rewarding book. Gillian Slovo is better known as a novelist, whose work includes several detective novels and works of historical fiction. Her sense of narrative shape and her grasp of emotional nuance put her in good stead. Her descriptions of the events surrounding both her parents' deaths are often deeply moving. Her evocation of the culture and the style of her parents and their comrades is also very finely observed.

The personal, we're told, is the political. Here, though, Slovo often tries to keep them at some distance, refracting political events through an intense focus on the dynamics of the family. She is more concerned with the costs extracted by politics on family members. Slovo recounts a story Nelson Mandela told her, just after her father's death, of "how one day when he had gone to hug his grown-up daughter she had flinched away from him and burst out, 'You are the father to all our people, but you have never had the time to be a father to me.' " This is psychic territory her sister had already triangulated in A World Apart. In her account, with its more expansive time frame, Slovo is able to paint guilt and estrangement, as well as much more benign emotional affects, on a much larger canvas. If her parents were often removed from their children, the children too were moving into worlds very distant from their parents' commitments and responsibilities. She recognizes "in hindsight ... how different were the worlds that we have inhabited: while I was busy trying to pretend that South Africa had nothing to do with me, my father was learning to live with danger and with death.'

Some readers may be a little uneasy at the book's circumscribed focus on her family and its internal dynamics. Slovo, I suspect, tries to preempt this response in one of her few allusions to her sister's screenplay. She recalls a conversation with Mac Maharaj, who tells her that "he had enjoyed the film but then he added something different: some of his African comrades, he said, had decided that what the young girl in the film needed was 'a good slap'." Maharaj goes on to acknowledge the injustice of this, particularly in the face of the children's isolation within their own community. Most readers would too. However something remains - at very least an uneasy sense of disproportion. But this response is probably too hasty. It may well be that the stories of white activists are best told with such a personal and restricted focus, in a manner which registers obliquely the peculiar place of individual whites in the struggle. Here, the precedent of Gordimer's Burger's Daughter is compelling, albeit paradoxical. This latter because, in both Gordimer's evocation



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of Bram Fischer and Slovo's account of her parents, the technique also runs the risk of understating their subjects' crucial contribution to the struggle. It's a difficulty which isn't easily overcome.

There is also a real falling off towards the end of Slovo's narrative. In part, this is deliberate. Slovo wants to avoid the comfortable symmetry of concluding, as she had begun, with a description of a parent's funeral. Instead, she tries to confront unfinished business: a half-brother whose status had been unknown to her, a compelling and deeply resonant episode from her grandmother's past, and most crucially, her mother's murder. But the force of this investigation is blunted by the lack of resolution in her interview with Craig Williamson, whose admission to having been "in the loop, that killed your mother" fails to resolve many of the larger questions. In part, this failure is attributable to the utter perfidy and moral bankruptcy of Williamson<sup>†</sup>. Whining and self-pity simply don't carry enough dramatic weight. Then, too, one might reread the book's downturn as a refusal to impose a banal closure on what so many South Africans have come to see as the ongoing traumatic effects of apartheid. This past may not, in fact, be "another country;" many South Africans continue, perforce, to live at least partially within its borders.

Throughout their adult lives First and Slovo were communists –

<sup>†</sup> Lest we forget: Craig Williamson was one of the main collaborators with Peter Worthington in the pro-apartheid video, The ANC Method – Violence, distributed by the racist Citizens for Foreign Aid Reform throughout Canada in 1988. Amnesty may be necessary in South Africa in the interests of national reconciliation; in Canada, however, we have an obligation to remember apartheid's collaborators and apologists. at first members of the Communist Party of South Africa and, after its banning in 1950, when (as Jeremy Cronin put it in a poetic account of the period):

Membership becomes a punishable crime.

#### But laws only

postpone matters - somewhat,

leading figures in the reconstituted South African Communist Party. Like many communists of their generation, they were almost born into the party: First, whose father had been elected Chairman of the party in 1923 and whose mother was a long-time activist and Slovo, the child of Lithuanian Jews who emigrated to South Africa when he was nine.

Their affiliation was obviously central to their relationship. It was also a source of tension, one to which their daughter returns on several occasions. She points to their arguments after the Soviet invasion of Czechoslovakia. It is also well known that First's Marxism was deeply touched by her encounters. with feminism and with the new Marxist theory of the sixties. Joe Slovo's position was more equivocal. Although the SACP was widely reputed to be a bastion of Stalinist orthodoxy and conformity, Slovo's own flexibility bespoke a more critical perspective, one which was able to come to fruition in the

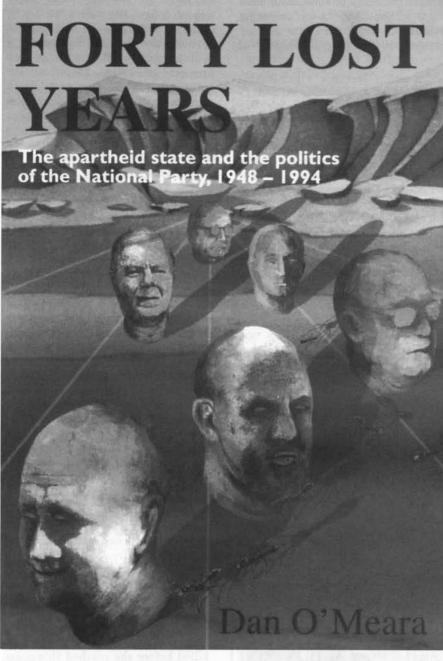


ARTCRAFT / ACTION PRINT Specialists in Multicolour and Black & White pre-press, printing and finishing Newsletters \* magazines \* brochures Envelopes of all sizes are our forté Business and Personal Stationery \* \* \* Desktop output & camerawork services 2370 Midland Ave., Unit C-10, Scarborough, Ont. MIS 5C6 (416) 412-0412/Fax 412-0414 Call today for estimate and advice! transition period, when the party was no longer dependent on Soviet material support. In this respect he resembles Palmiro Togliatti, the Italian communist leader of the previous generation, for whom the transformation of the party itself was the object of a subtle, long-term Gramscian war of position.

Slovo's daughter emphasizes the naiveté of the communists in the pre-Rivonia period, in the build-up to the repression which would be unleashed after Sharpeville. Certainly, in hindsight, they do seem incredibly optimistic about the pace and the means of defeating apartheid. But I think she misses some of the other sources of this optimism. I suspect that white South African radicals must have had a sense of their own uniqueness and, paradoxically, of their good fortune in the world communist movement of the 1950s. Elsewhere, their comrades were increasingly disconnected from real politics, retreating or pushed back into cold war ghettos. In South Africa, on the other hand, in the face of state repression, the party had become a major actor in a dynamic movement whose moral force was unquestionable.

In comparison to their comrades in other English-speaking countries, many of whom they resemble strikingly in social origins and lifestyle, these South Africans had much further to travel - into jail in many cases, into exile and ultimately into a world in which their own most important political points of reference had collapsed before the final victory over apartheid. Ruth First was killed before she reached this point, though in another political sense she had already moved much further than her husband. Reading their daughter's memoirs, I found myself often wondering how her relationship to Joe Slovo and to the ANC movement might have unfolded in those intervening years. Certainly, and this is very high praise, I found myself closer to them than ever before.

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# Whites Only

#### A REVIEW BY CAROLYN BASSETT

Carolyn Bassett is a Ph.D. candidate at York University in Toronto. Her research focuses on the South African transition. Dan O'Meara. Forty Lost Years: The Apartheid State and the Politics of the National Party, 1948-1994. Randberg, South Africa: Ravan Press, 1996. 579pp. ISBN 0 8214 1173 X.

These are troubled times for South Africans attempting to come to terms with the barbarous legacy of white politics, particularly during the period of National Party rule, for South Africa's future. The Truth and Reconciliation Commission has provided one forum to address some of these issues. Dan O'Meara's recent book, Forty Lost Years, likewise seeks to expose apartheid's troubled past, in order to overcome its legacy. For "[a]s in other regions of the world divided by their histories," he argues, "South Africa is quite literally haunted by the manifold unresolved issues of its tragic and violent past. The problem ... is that the collective minds of different groups of South Africans are living the nightmares of different histories."

The key, O'Meara suggests, is to understand the politics of the apartheid era: the processes and conflicts within the apartheid state, and the role of the National Party in South African politics during its tenure. To this end, O'Meara exposes the internal politics of the NP ruling circles, and describes how these shaped the politics of the South African state from 1948 to 1989. He also seeks to present some of the discourse of Afrikaner nationalist politics to the reader who is not familiar with it, and therefore. O'Meara believes, is missing a component of South African culture vital to understanding the rise, and ultimate demise of the Afrikaner state.

Most of the book is comprised of a very detailed study of the personalities, and personal conflicts, of the leading National Party politicians. Interspersed with occasional sections and brief chapters that outline the impact and implications of changing social, economic and international trends during the period on the capacity of the NP to govern, the book describes the main political events of NP rule from *Die Doktor* [D.F. Malan] to *Die Groot Krokodil* [the great crocodile, P.W. Botha] primarily through their personalities, capabilities, and ruling styles.

On this level, the book is very successful. Undoubtedly some sections of the book will be contested by other scholars of South African national politics, but for the non-South African reader, with just a good general knowledge of the country's history and politics, the book fills a needed gap in the English language material. Although at 418 pages plus a theoretical appendix, the book cannot be considered brief, O'Meara's extremely detailed overview of the key personalities, events and scandals of 46 years of NP rule is very readable. The book is likely to become as useful a reference tool as Jeremy Baskin's study of COSATU Striking Back, or Martin Murray's overview of the main South African political actors at the time of the elections. Revolution Deferred.

But the book has much grander ambitions. The main theme outlined in his introduction and 70-page

"theoretical appendix" is an exploration of the theoretical relationship between "agency" and "structure" in explaining political questions. In brief, while O'Meara describes himself primarily as a structuralist, an approach which certainly characterized the analysis of his earlier major work, Volkskapitalisme, he now argues that structural explanations merely determine the boundaries of the possible and that one must look to "agents" to explain particular processes and particular outcomes. Yet this central concern for O'Meara is only partially, and rather problematically, resolved by the material presented in the book itself.

O'Meara's premise is that to assess the prospects of South Africa's political future, one must come to terms with the 1980s "crisis of apartheid" which ultimately ended white rule in South Africa. To do this, one must move beyond caricatures of the major figures of this period (and this point is punctuated by the series of political cartoons depicting the main characters of each chapter), to a deeper and more nuanced understanding of how and why they could have promoted Afrikaner ethno-nationalism and white racial superiority.

O'Meara does indeed show that the NP was not monolithic, that instead there were numerous interpersonal rivalries and tensions, and that these, at times, explained the particular decisions of policy-makers. Insofar as he is attempting to demonstrate that ethnic politics is not natural, and that it is, in fact, extremely challenging to create and perpetuate a national government based on ethno-national mobilization and exclusion, then he has succeeded. O'Meara's study demonstrates convincingly that such ethnic political movements are just as difficult to hold together as any other form of political movement. In this respect, it stands in contrast to the more sweeping, but less informed claims of analysts such as Samuel P. Huntington – and too many re-cent South African commentators - that "ethnic rivalries" are form-

### **Chapter Two** Chapter Eighteen SEEK YE FIRST THE POLITICAL KINGDOM! THE PURSUIT OF WAR BY OTHER MEANS The National Party and the politics of Afrikaner nationalism The Groot Krokodil and the time of the securocrats 1 **SEE** P.W. BOTHA HAS JUST Dr. D. F. Malan RAGDADIGHEID Forty Years Lost P W-mobile (Kragdadigheid means determination to use forceful means) Die Doktor

Forty Years Lost

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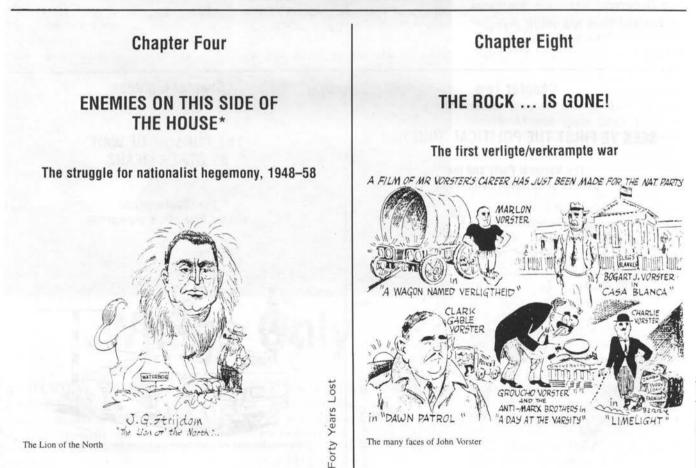
ing, unproblematically and apparently ineluctably, the basis of a new, more deeply rooted and more inherently conflictual politics.

Nonetheless, in O'Meara's book, this particular subtlety of argument is achieved at the expense of presenting other variables - popular protest (white and particularly black), the changing class composition of the Afrikaner volk, and South African economic development and trade relations - primarily as "problems" for the still apparently omnipotent, if now deeply conflictual, NP to overcome. Notwithstanding the recognition at times in the text (particularly when noting the autonomy and power of white capital) and in his theoretical appendix that power and "agency" were not concentrated exclusively in the upper echelons of the government, struggles between the state and "civil society" are not accorded the explanatory weight that intra-elite NP struggles are. In the process, the inability of the NP to perpetuate its rule becomes more the failure of its own strategy than the result of struggles between itself and the black population, white business and global economic forces.

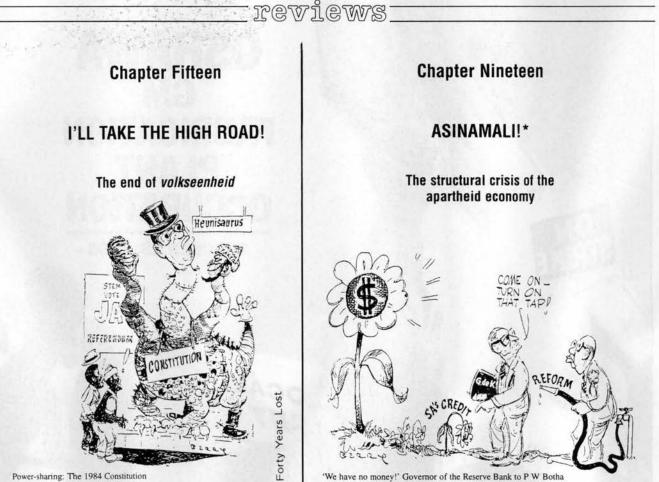
For most of the study amounts to a "big man in history" explanation of the type once so prevalent in the study of politics. Resurrecting this approach to conceptualize "agency" results in a preoccupation with elite, insider politics. The book is very much a study of political personalities, consistent with O'Meara's assertion in an article we published in Southern Africa Report in January. 1996, that "the only politics that really mattered [was] conflict within the government and the National Party." His cast of characters at the beginning of the book comprises 55

white men and but one woman, martyred Afrikaner poet Ingrid Jonker. Not that O'Meara should have pretended that women were more important in the NP, nor that there were people of colour who were influential within the party. What is to be noted here is rather that the book concerns itself only with those closest to the corridors of power within the NP government, and in terms of addressing O'Meara's theoretical question of the relationship between structure and agency, this can provide at best only a very partial explanation, for it is a very narrow conceptualization of agency indeed. In seeking to explain the NP. O'Meara has to some extent accepted its parameters of who counts as "agents" as his own.

Yet clearly for O'Meara himself, these personality conflicts can only provide a partial explanation – for



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Forty Years Lost

why else would the main narrative be interspersed with sections outlining the intrusion of the economy, trade, white business leaders and black protesters, which appear almost like dei ex machinae to stymie the plans of the NP. Only occasionally, however, do, they appear to be in a reciprocal relationship; too often, "structural features" (some of which, like blacks engaged in political protest against the apartheid regime, would seem to be at least potentially "agents" in their own right) are simply brought in as required by the narrative of personality conflict. Attempting to address the complexities of the relationship between agency and structure by seeking to blend microhistorical personality studies with the occasional acknowledgement of rather sweepingly-defined structural imperatives does not provide a convincing resolution. One hopes that O'Meara will continue to turn his formidable talents to this question, however, perhaps relying less on the methodological guidance of the theoretically limited and historically discredited works of Graham Allison.

What are the implications of O'Meara's shortcomings? Certainly the book falls somewhat short of the "non-deterministic, materialist theory of politics" that he seeks. This is hardly surprising, and does not take away from the fact that the book is a major English-language contribution to the literature on South African politics in the apartheid era. Yet to return to the political questions that frame the book, what would O'Meara like us to learn from the past? Forty Lost Years does not, in the end, draw out any more

general lessons for us. The question stands: how will understanding the dynamics of Afrikaner politics and the complicity of capitalism "have crucial bearing" on the "capacity [of the 'new South Africa'] to dismantle the terrible legacy of apartheid"? Does O'Meara simply wish to ensure that the history of this dark period and the complicity of so many members of South African society is exposed, so that South African politics of this type will never be repeated? But surely that is not a real issue, for no matter how difficult the future political terrain of South Africa becomes - and even if the resignation of F.W. de Klerk foreshadows the National Party's return from the political wilderness there will be no going back to 1948. It is on such questions that the study's limited conceptualization of agents and agency becomes most pronounced.

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