

L’Afrique du Sud face au néolibéralisme: le travail et les racines de la révolution passive

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Résumé

La lutte menée en Afrique du Sud pour la libération nationale et la démocratisation était propulsée par une forte tradition de politiques issues du peuple. Cette influence a façonné divers courants idéologiques au sein du mouvement de libération nationale, prônant tous le « pouvoir populaire » et le « contrôle ouvrier ». Après 1994, ces courants ont été supplantés par des politiques élitistes, technocratiques et autocratiques qui ont minimisé l’influence des mouvements populaires alors que le pays entreprenait une restructuration néolibérale. Cet article relie les racines de la néolibéralisation de l’Afrique du Sud au contexte d’une « révolution passive » : un processus de transformation démocratique au cours duquel les initiatives de changement populaires — menées surtout par le mouvement syndical et incarnées par son projet d’état corporatiste démocratique — ont été éclipsées. Ce processus a fait partie d’une transition structurelle plus large au sein de la société sud-africaine, provoquée par un nouveau type de capitalisme transnationalisé inauguré par le régime d’apartheid et basé sur un mode d’accumulation orienté vers l’extérieur. Selon cet article, l’Afrique du Sud post apartheid, loin d’être transformée dans l’intérêt des opprimés de longue date, a vu rétablir le règne du capital par la transnationalisation du capitalisme de monopole. Dans ce sens, l’Afrique du Sud a vécu une révolution passive... une « révolution sans révolution ».

Neoliberalized South Africa: Labour and the Roots of Passive Revolution

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Abstract

South Africa's struggle for national liberation and democracy was driven internally by a strong tradition of mass-led politics that shaped various ideological currents within the national liberation tradition, with echoes of 'people's power' and 'worker control'. After 1994, this was supplanted by an elitist, technocratic and top-down politics that minimized the influence of mass-based movements while the country undertook neoliberal restructuring. The article locates the roots of South Africa's neoliberalization within the context of a 'passive revolution', a process of democratic change in which mass based initiatives for change, largely led by the trade union movement and expressed through its democratic corporatist state project, were eclipsed. This took place as part of a larger structural shift in South African society ushered in by a new type of transnationalized capitalism, inaugurated by the apartheid regime and based on an externally oriented mode of accumulation. The article argues that post-apartheid South Africa was not transformed in the interest of the historically oppressed, but instead restored the rule of capital by transnationalizing monopoly capital. In this sense, South Africa has experienced a passive revolution – a 'revolution without revolution'.

Introduction

Post-apartheid South Africa's neoliberalization was not inevitable. The project of national liberation led by the African National Congress (ANC) and its allies (including the South African Communist Party (SACP), the Congress of South African Trade Unions (COSATU) and other mass organizations) held out to South Africans and the world the possibility of fundamental change. The visions of a post-apartheid South Africa articulated by this national liberation movement were generally framed by Left discourses ranging from revolutionary nationalism, left social democracy and a Sovietised scientific socialism. However,

with the first democratic elections in 1994 the direction of change in South Africa veered to the right. The historical achievement of electoral and procedural democracy and the end of formal apartheid has not produced a radically transformed society. Instead, South Africa has experienced more than fourteen years of neoliberalization. In many instances the prestige of the ANC led liberation movement, the 'Mandela factor' and the disingenuous marrying of transnational neoliberalism with national liberation discourse has generally obscured attempts to understand what happened in post-apartheid South Africa.

This contribution attempts to find the origins of the right-wing shift in post-apartheid South Africa, and to look for its roots. This takes us to an earlier reception of neoliberalism in South Africa during the apartheid era when the initial moment of neoliberalization was part of a response to a deep organic and conjunctural crisis. In this historical moment the restructuring of South Africa's accumulation path in accordance with the requirements of transnational neoliberalism inaugurated the beginning of a structural shift: a transition from monopoly capitalism to a transnationalized domestic capitalism. Such a form of capitalism is different from the inward looking industrialization South Africa experienced for the greater part of the 20th century and was linked to its minerals-energy complex. Instead a new transnationalizing capitalism is grounded in transnationalized relations of production and an externally orientated accumulation model. At the same time the response of the labour movement, led by COSATU, a consistently left-wing trade union movement with a militant commitment to socialism proves to be inadequate. Its agenda of a 'democratic corporatist state' is eclipsed by a deepening of neoliberal restructuring. This article attempts to explain labour's failure by locating South Africa's home grown neoliberalization in the context of a 'passive revolution'.

The concept of 'passive revolution' is taken from the work of Antonio Gramsci and refers to a historical possibility during times of hegemonic crisis. It refers to a non-hegemonic form of class rule, in which leadership of society is not based on consent and the moral, intellectual and strategic character of leadership. In the South African context it points to a form of politics in which mass initiative is contained from above such that struggle around the post-apartheid state form, the globalization of a deracializing import-substitution model, the unraveling of African

National Congress (ANC) hegemonic leadership and the rise of a transnational fraction of South Africa's ruling class, contributes to a limited process of historical change. The concept of passive revolution is utilized to interpret the nature of change in post-apartheid South Africa. The specificity of this comes through by historicizing the first six years of South Africa's transition to democracy from 1990 to 1996, as the conjuncture of a democratic corporatist state. This conjuncture is made up of two phases: the phase of negotiations (1990-1993) and the phase of democratic advance (1994-1996).

The Shift from National Democratic Revolution to Passive Revolution

The notion of 'National Democratic Revolution' is an ideological linchpin within national liberation discourse in South Africa. Within the ANC-led liberation movement it has been a consistent practice to analyze the structural conditions of South Africa's political economy and the shifting balance of national and class forces within this frame. Prior to South Africa's transition to electoral democracy, the essence of the National Democratic Revolution was defined in a classical Marxist-Leninist way (SACP:1989). The main content and meaning of 'revolution' was the seizure of state power and its transfer from monopoly capital to the working class. Accompanying this conception of revolution was a strong commitment to the principle of working class leadership. In its current articulation within the ruling party, the ANC, the concept of the National Democratic Revolution does not provide an analysis and understanding of the underlying structural changes within South Africa's post-apartheid political economy (ANC, 2007). Such a concept when brought in touch with contemporary reality is a 'false abstraction' and a 'disciplinary concept'. It does not assist with explaining and understanding current South African realities and the social forces shaping contemporary South Africa. For instance, the current framing of South African reality focuses on the salience of 'monopoly capital' a concept associated with a 'racialized Fordist accumulation regime' (Gelb, 1991:13-19). In the context of a globalized South African economy the concept of 'monopoly capital' lacks analytical precision. Moreover, the centrality of the principle of working class leadership is rendered irrelevant in a context of Afro-neoliberal led economic change which favours the interests of

transnational capital.

The restructuring of South African capitalism into a transnational capitalism reflects a new stage in the development of its mode of production. Such a transnationalized stage links South African capitalism more deeply into global circuits of accumulation. Increasingly, South African monopoly capital has moved off-shore and in most instances beyond the South African market, while the domestic economy has become increasingly geared and dependent on external flows of capital. This is not a conjunctural moment and neither was it inevitable. The emergence of a transnational capitalism is a rupture and a structural shift that has remade South Africa's political economy. National accumulation has been globalized (internally and externally) beyond the national space such that South Africa's internationalized economy is increasingly integrated into a transnational political economy. This economic transition coincided with and has shaped and has been shaped by the political transition.

While the democratic advance of a post-apartheid constitutionalism was historically fundamental, the implications of South Africa's deep organic crisis in terms of its underlying accumulation pattern expressed itself over the past fourteen years through a politics of reformism, also understood as a 'passive revolution'. Such a politics disabled mass initiative through a technocratic, elitist and top-down approach to economic reform. The politics of passive revolution embedded transnational neoliberalism in the South African context. Through its internalization of transnational neoliberalism, the politics of 'passive revolution' has informed and conditioned the class based strategies and initiatives that have remade South Africa's political economy: its accumulation model, state forms, social forces, state-civil society relations and class formation and has ensured a 'revolution' in which a democratic South Africa has restored and advanced the power of capital over society, particularly of transnational capital. To understand this 'revolution without revolution' it is necessary to clarify and distinguish the theoretical approach of this analysis.

The concept of passive revolution is very different from the notion of 'counter-revolution'. Counter-revolution refers to the reversal of radical advances or breakthroughs, while the notion of passive revolution refers to the redirection of historical processes in order to reproduce capitalism. During the twentieth century the concept of counter-revolution was imbued with a

meaning based on actual experiences of violent suppression of revolutionary change. In the context of the Cold War and super-power rivalry it referred to violent attempts to stop revolutionary advance. The ‘bay of pigs’ in Cuba, the coup against Allende, and other violent counter-offensives against left forces in the twentieth century, were all important moments of counter-revolution.

The concept of passive revolution refers to a different kind of phenomena. In the first place it refers to a historical period with immanent possibilities for fundamental transformation of social relations of production and power in a particular society. However, in such moments progressive forces lose the initiative and things change but not in a radical direction. Structural change happens, like the form of the state is changed and the accumulation model, but this is not necessarily in the interests of radical social forces. To use a cliché: the more things change, the more they stay the same, in terms of social and power relations. In short capitalism succeeds in reproducing itself, even as a new form.

Moreover, the concept of passive revolution refers to a type of politics in historical moments that are full of possibility for radical change, but that ultimately take the initiative away from radical social forces. In most instances, this is a top-down politics, which is about co-opting the leadership of progressive forces, accommodating particular demands of social forces to engender division, deploys a revolutionary rhetoric that espouses the aspirations of mass social forces and generally utilizes tactics to neutralize progressive social forces. The politics of passive revolution is an anti-mass based politics and it seeks to lead change away from mass influence and power. It is about the politics of reforms that do not seek to transform capitalism, but to ensure its survival (Sassoon, 1982:127-128).

In utilizing the concept of the ‘passive revolution’ we will attempt to think about the current political economy dynamics of contemporary South Africa that engendered an Afro-neoliberal project. This is different from Gramsci’s attempt to utilize the concept to make sense of the degeneration of the Russian revolution, for example. In this sense what follows is an attempt to think about post-apartheid South Africa in a *Gramscian way and to go beyond*². More specifically this means drawing on Gramsci’s historicism (Morera, 1990:67-127), but to understand social change in a neoliberalized South Africa. Gramsci’s histori-

cism accepts that the social order is not natural and neither is the social order merely determined by structural changes. Within Gramsci's historicism the dialectical relationship between structure and agency is central to understanding social change. This brings in a role for social agency and hence we can make and unmake the world we live in.

Three aspects of Gramsci's historicism are crucial to assist with understanding contemporary South Africa³. First, socio-historical time operates at various levels, each with its own tempo, from the historical event, to the conjuncture and the 'civilizational shift'. These different levels are interconnected and assist with understanding change beyond the surface appearance of things. Gramsci's historicism assists with understanding structural movements at an organic level, to the terrain of rival projects and petty everyday politics. Second, Gramsci highlights that change happens within the 'limits of the possible'. These limits (ideas, consciousness, institutions, power relations) are 'not fixed or immutable', but exist within social structures that are subject to the dialectic of historical change: contradiction. Ultimately while social action is shaped and conditioned by social structures, these structures are also transformed by such action. Third, Gramsci reminds us that knowledge and ideas are implicated in the process of social change through social agency. Knowledge and ideas have material effects and consequences. This link between ideas and social agency provides the basis for a normative belief of achieving a society better than capitalism within Gramsci's historicism.

Through thinking about post-apartheid South Africa in a Gramscian way we can locate the roots of passive revolution in three underlying dynamics. The first relates to the conjuncture that created the conditions for the rise and eclipse of a democratic corporatist state (1990 – 1996). Historicizing this conjuncture begins with locating the relationship between apartheid and the reception of neoliberal ideological currents and how this framed a response by the apartheid regime to South Africa's structural and conjunctural crisis: the neo-apartheid reform agenda. Coming out of resistance to these reforms and into South Africa's transition to democracy was a clearly articulated agenda by labour to define a 'democratic corporatist state solution' to resolve South Africa's organic crisis. However, the struggle for a democratic corporatist state was eclipsed by the globalization of South Africa's accumu-

lation model and the articulation of an indigenized variant of neoliberalism: a South African variant of Afro-neoliberalism, a continental expression of neoliberalism with African characteristics.

The second dynamic underpinning South Africa's passive revolution relates to the unraveling of the 'hegemonic moment'. Such an unraveling emerges out of the contradictions within an ANC-led Alliance transition to democracy in which the conjuncture of the democratic corporatist state brings to the fore certain party based and, later, state practices that begin to disable civil society and truncate democracy into a narrow representative form. In historicizing state-civil society relations in the conjuncture of the democratic corporatist state, through its phases of negotiations (1990 – 1993) and democratic advance (1993 –1996), there is an attempt to show how a wider conception of participatory democracy was lost in post-apartheid South Africa.

The third dynamic underpinning South Africa's passive revolution relates to class formation and particularly the creation of a transnational fraction capable of advancing an Afro-neoliberal project in South Africa. Such a class fraction was structurally engendered through Afro-neoliberal restructuring. However, it developed a class consciousness through politico-ideological factors that ensured a convergence between a globalizing white monopoly capital, a faction within the petty bourgeois political leadership of the ANC, key bureaucratic cadre in the state managing South Africa's adjustment and other important social forces. This article will bring into view the factors that contributed to forming a transnational fraction of South Africa's ruling class and Afro-neoliberal historic bloc.

In short, this analysis pivots around an examination of the roots of South Africa's post-apartheid passive revolution in four respects: (i) the eclipsing of a democratic corporatist state form; (ii) the globalization, from within and externally, of a deracializing accumulation model; (iii) the shift from hegemonic politics to the beginnings of a politics of dominance; and (iv) processes of class formation that engendered a transnational fraction of South Africa's ruling class and an Afro-neoliberal historical bloc. The understanding of the beginning of post-apartheid South Africa's passive revolution reflects a transitional politics related to the constitution of a transnationalized capitalism. However, to understand these historical structures and processes various elements of Gramsci's notion of a passive revolution are combined to assist

with tracing the origins of and explaining change in the new South Africa.

Neoliberalism and Apartheid

Jessop (1990:198-199) defines an accumulation strategy or model as a:

Specific economic 'growth model' complete with its various extra-economic conditions and also outlines a general strategy appropriate to its realization. To succeed, such a model must unify the different moments in the circuit of capital (money or banking capital, industrial capital, commercial capital) under the hegemony of one fraction (whose composition will vary *inter alia* with the stage of capitalist development).

The underlying dynamics of South Africa's accumulation model (goals, policies, regulatory frameworks and institutions) in the 20th century lent itself to concentrating capital into racialized monopolies. This model has undergone various changes in the course of the twentieth century. By the early 1970s, due to major changes in the international political economy, like the removal of the gold standard and oil price hikes, South Africa's racialized import – substitution strategy, premised on a regimented, cheap, unskilled labour force and buttressed by an Afrikaner controlled 'strategic parastatal sector', began displaying serious structural weaknesses. Most importantly its export dependence on primary commodities such as gold also began to affect macro-balances negatively as the price of gold began fluctuating and even declining. These structural weaknesses crystallized into an organic crisis, requiring major adjustments and registering contradictions at the political and ideological levels. By the 1980s, South Africa's political economy was experiencing declining growth (1.9% by 1984 down to 1.5% for the rest of the decade and was in the negative range in the early 1990s), low rates of private investment, balance of payments crises (due to sanctions and import dependence for capital goods and fluctuating gold prices), increasing inflation, deepening structural unemployment, ballooning fiscal pressures due to soaring military costs and a major wave of struggles led by the working class bloc of national liberation forces (Gelb, 1991 & Marais, 2001:30-33).

In responding to this mid-1970s crisis, the ruling National

Party, by then the political instrument of Afrikaner capital, opted for 'reforms from above': a neo-apartheid solution. A crucial element included the introduction of neoliberal reforms aimed at globalizing the apartheid economy both internally and externally, mirroring a trend on the African continent. This adjustment, however, was not done in a consistent way and brought together a mix of statist neo-mercantilist policy and neoliberalism. The neoliberal moment expressed itself mainly through firm monetary policy directed at curtailing inflation, liberalizing exchange controls for a brief moment and an attempt at restructuring bloated and inefficient state parastatals. However, in the midst of this, the globalization of the South Africa economy through the mobility of capital (internal and external) became discernible. 'Capital flight' out of the economy together with outward movement by finance capital towards the late 1980s and early 1990s, displayed the first signs of internally driven globalization (Allen, 2006:49). South African capital increasingly began displaying signs of having transcended national capitalism. This trend becomes even more sharply defined in the post-apartheid context. However, prior to the democratic transition, South Africa already had various global giants within its economy. Despite sanctions and widespread disinvestment campaigns, at the time of the unbanning of political movements in the early 1990s there were more than 450 firms within South Africa, with foreign direct investment liabilities at US\$8bn and with 85% from Europe and 13% from North America (Gelb and Black, 2004:8). This points, further, to South Africa being caught in globalizing tides, from the outside coming in, as part of a process of transnational neoliberal restructuring emanating from capitalist centers from the 1970s⁴.

In addition, during the apartheid era South Africa was forced into a debt standstill in the mid 1980s when various payments became due. The apartheid regime failed to bring about economic growth and to service the debt without new capital; hence it took its debt obligations very seriously so as not to close off external sources. Allen (2006:31-68) highlights how the moratorium on \$13.62 billion owed to 233 banks only reached firm resolution by 1993, when the ANC was drawn into the final phase of these negotiations in which it accepted responsibility for the remaining debt obligations of the apartheid regime.

The main effect of the neoliberal moment during apartheid was to pass on adjustment costs to workers and the poor.

Slower growth in the 1980s accompanied by a contractionary monetary policy led to retrenchments. Unions also refused to be bought off by wage productivity trade-offs but instead strikes for wages were frequent (Gelb,1991:28). At the same time, labour market reform de-racialized collective bargaining and by 1986 influx control was abolished ensuring a steady supply of labour for monopoly capital. These economic reforms were necessary but not sufficient to address the structural weaknesses of South Africa's accumulation model. Most importantly, at a political level, the neo-apartheid solution failed and from the latter half of the 1980s the ensuing dialectic of repression and resistance propelled South Africa into a negotiated transition and a new conjuncture: the conjuncture of the democratic corporatist state.

Labour's Agenda: The Democratic Corporatist State Solution

In the first half of the 1990s a clear pattern of democratic corporatism was established through the phases of negotiations (1990–1993) and democratic advance (1994–1996). The initiative for this was spurred on by two crucial factors. The first relates to the impact of the 'Mandela factor', which refers to the moral and ethical authority Mandela acquired through his twenty-seven years in prison. Mandela's moral authority gave him a stature and leading role in South Africa's negotiated political settlement, which enabled compromise. This set in train a practice that increasingly understood negotiated compromise, at various levels of society, as being the same as reconciliation. Second, the labour movement, led by COSATU, had already engaged the apartheid state in struggles on the deregulation of labour law in the late 1980s. These engagements were subsequently institutionalized within the National Manpower Commission and then through a corporatist structure, the National Economic Forum. In the early 1990s, these tri-partite engagements already began providing some scope for labour to impact on fiscal policy such as setting the value added tax and tariff reform.

Underlying these trends was a concerted push for a democratic corporatist state from the side of labour, premised on the assumption that labour had the strategic initiative in South Africa's transition. This came through in three important developments. First, the left social democratic element in labour, through the National Labour and Economic Development Institute (NALEDI), the Sociology of Work Project (SWOP), various la-

bour lawyers and key unions such as South African Clothing and Textile Workers Union (SACTWU) and National Union of Metal Workers of South Africa (NUMSA) began elaborating a democratic corporatist state solution as part of a strategy of radical reform to achieve a class compromise with capital (Adler and Webster, 2000). This led to the formation of the National Economic Development and Labour Council (NEDLAC) in 1995. NEDLAC was legally institutionalized, through an Act of parliament, and provided for macro-level bargaining between the big three – government, labour capital – on fiscal and monetary policy, trade and industrial policy and labour market reform. A community chamber was also added into the mix. The legal mandate given to NEDLAC compelled social partners to seek consensus in this process even before legislation and policy could reach parliament.

The second important development, linked to an initiative by labour was the Industrial Strategy Project (ISP). This project envisaged a process of industrial restructuring through co-determination. The ISP also rejected an understanding of competitiveness based on lower factor costs and preferred a much more sequenced approach to trade policy (Joffe et al, 1993:91-126). Ultimately, it shared with the neoliberal thrust a commitment to a competitive economy that was export led and in the end found convergence and expression within the Afro-neoliberal shift in South Africa. Supporting this approach was a provision within the new Labour Relations Act of 1995, in chapter 5, for workplace forums. This chapter was designed to ensure plant, firm level and even sectoral level co-determination around industrial restructuring. Many within the left social democratic current of the labour movement envisaged this to be the ‘German model’ transplanted into South Africa (Adler, 2000).

Finally, COSATU pushed for a reconstruction accord with its allies in the tri-partite alliance to define the content of democratic governance. The reconstruction accord envisaged had three potential meanings from the side of the union federation: as a framework for ongoing action, as an election manifesto to be implemented by the new democratic government and as a very specific form of social contract (Gotz: 2000, 168-169). This reconstruction accord evolved into the Reconstruction and Development Program (RDP), which further reinforced the corporatist politics of labour. With the election of the new democratic government COSATU was well positioned to take forward its de-

mocratic corporatist solution with its former general secretary, Jay Naidoo, being given the portfolio of RDP Minister and one of its leading intellectuals, Alec Erwin, eventually becoming Minister for Trade and Industry.

Globalizing the Accumulation Model in the Conjuncture of a Democratic Corporatist State (1990 -1996)

The integration/disintegration of the racialized accumulation model as part of global restructuring began in the apartheid era. However, after apartheid the Afro-neoliberal loosening and opening up from within gave further impetus to transnationalizing South Africa's economy. In the conjuncture of the democratic corporatist state important reform happened to shift the accumulation model in a competitive direction with an exclusively export-led orientation. Ironically, this was done without having an integrated industrial policy framework in place. It would seem the economy was pushed over a cliff without a parachute except being guided by the Department of Trade and Industry policy (1995) document: *Support Measures for the Enhancement of the International Competitiveness of South Africa's Industrial Sector*. However, prior to this and in some instances alongside it, various other major reforms came into effect to support this restructuring.

First, the new democratic government allowed the Bretton Woods institutions, the IMF and World Bank, to set the parameters for post-apartheid South Africa's accumulation path and hence started indigenizing an Afro-neoliberalism through a South African voice. The IMF in 1993 intervened in public debate through its report: *Economic Policies for a New South Africa* in which it argued for a 'trickle down growth model' which resonated with various sections of South African business. At the same time, it provided a US\$850m Compensatory and Contingency Financing Facility (CFF) to the Transitional Executive Council, tied to conditions that would further liberalize the South African economy (Padayachee,1994: 589). Padayachee (1994:591-594) also highlights that this finds expression in the first 'democracy budget' of 1994/1995 which shows clear signs that macro-economic stability was not being interpreted based on the ANC-led Alliance Reconstruction and Development Program (RDP) but in line with IMF imperatives, despite the rhetoric from the Government of National Unity. The World Bank during this time engages civil society from below and draws in 'left intellec-

tuals' into various projects. The Bank also becomes the training ground for cadres from the liberation movement (Marais, 2001:128).

Second, trade policy and tariff liberalization, particularly, became a key lever for restructuring through import liberalization. This was aimed at dismantling the protections that sheltered local industry. At the same time, trade policy was understood as a key priority for government given the balance of payments constraint. It was also a crucial instrument that could be used to send the right signals to the market. The zeal for securing and achieving pro-market credentials was expressed in the commitments government made to the World Trade Organization (WTO). South Africa's offer to the WTO committed it to liberalizing its economy and its tariff phase-down schedule ensured that between 1994 and 1996 its average tariff declined from 11.7% to 6.8% (Cassim and Zarenda, 2004:106-107). While this process was understood to be part of streamlining a cumbersome tariff system, it also had devastating sectoral impacts within the economy. In 1994 the new Department of Trade and Industry, fixated with achieving 'market credibility', announced deep tariff cuts in clothing and textiles and automobile components that went far beyond what was demanded under GATT (Marais, 2001:115).

Third, fundamental labour market reform began in this period. In late 1995 South Africa's democratic parliament passed into law a new Labour Relations Act (LRA), which fundamentally transformed collective bargaining and brought about a paradigm shift in industrial relations. While deepening deracialization of the labour market, the LRA was a product of negotiated compromise and hence it steered clear of deregulation on the one extreme and full blown re-regulation of collective employment relations on the other. Instead it affirmed a paradigm of 'regulated flexibility' (Baskin and Satgar, 1996:102). This kept open the role for a power play between labour and capital to determine whether the emphasis would be towards flexibility and hence a limited scope for regulated collective bargaining or regulation with peak level bargaining setting standards for all employees and employers in a sector. Unfortunately as restructuring has occurred in the South African economy, accompanied by massive job shedding, the power balance of regulated flexibility has increasingly moved in favour of capital (Buhlungu and Webster, 2006).

Hence, for the social democratic politics of COSATU, its dream of a democratic corporatist state, underpinned by a class compromise, was born in a global context in which social democracy was moving to the right and increasingly being assimilated by transnational neoliberalism. Similar shifts were already discernable in the South African context. By 1996 an Afro-neoliberal shift that was in the making for a few years (going back to ‘talks about negotiations’ in the pre-1990 period) through the twists and turns and shifting relations of force underpinning South Africa’s negotiated political settlement became more explicit. This was clearly expressed with the adoption of the *Growth, Employment and Redistribution* (GEAR) macro-economic policy framework in 1996. Ironically, this Afro-neoliberal macro-economic framework was the result of self-induced change. An earlier move to begin reform of exchange controls prompted a run on and massive devaluation of the South African Rand, providing the ideal opportunity to impose GEAR without consultation within the ANC-led Alliance but even more broadly with stakeholders in NEDLAC. GEAR conformed not only to key prescriptions of transnational neoliberalism but also resonated with ideas put forward by monopoly capital⁵. This conservative macro-economic framework was more than a stabilization package, but actually provided the most important and unambiguous signal to monopoly and transnational capital about the direction the new ANC government was taking the South African economy and further confirmed commitment to restructuring the economy according to the requirements of a globalizing neoliberal capitalism.

The Unravelling of ANC-Led Alliance Hegemony

This perspective on the roots of passive revolution is all about explaining why in the post-apartheid context things have changed, but have also stayed the same. That is how a working class led struggle for national liberation with its own projects for social transformation lost the initiative to lead post-apartheid transformation and was replaced by a top down, technocratic and elitist Afro-neoliberal project⁶. It is about trying to understand how a national liberation movement with mass support, moral authority and a clear vision for social transformation turned its back on the historical possibility of fundamental transformation in the interests of the workers and the poor who supported it and

instead chose to surrender the initiative to transform South Africa to a transnationalizing white monopoly capitalist class. Hence we have to also bring into view changes in the power dynamics that have affected civil society. Post-apartheid state-civil society relations have been recast and remade in various ways such that consent for the strategic, moral and intellectual leadership of society has become increasingly passive and indirect. Mass initiative has increasingly become constrained and kept out of the policy and political process.

While the ANC has won three consecutive elections since the advent of narrow electoral democracy, this is not a gauge of hegemony. Liberal interpretations suggest that these elections are an indication of the depth of legitimacy and consent given to the government. From a Gramscian point of view, elections are not determining in obtaining consent to rule a society. While elections are important, it is the relationship between the masses and leaders, rulers and ruled in a dynamic process of articulating a political project that is defining of the authority to lead society. Legitimacy and consent crystallize in the process of organizing hegemony on the terrain of civil society and then expresses itself through organs of the state. Breaking this link between leaders and led, between hegemony and civil society, opens the way for a different logic to politics. Instead of hegemony the logic of dominance prevails. What follows is an attempt to historicize state-civil society relations through two phases of the democratic corporatist conjuncture to show how ANC-led Alliance hegemony unraveled on the terrain of civil society as an indigenized variant of Afro-neoliberalism began defining the direction and content of change in post-apartheid South Africa.

The Negotiations Phase (1990 – 1993)

In the democratic corporatist conjuncture (1990—1996), the negotiation phase (1990—93), and the subsequent phase of democratic advance (1994—1996) witnessed state-civil society relations change from demobilization to instrumentalization to bureaucratization. Mediating this was the hegemonic practices of the ANC-led tri-partite Alliance on the terrain of civil society and later expressed through political society. The first aspect of hegemonic practice asserted by the ANC-led Alliance since the release and unbanning of the ANC, SACP and other political organizations was the consolidation of the grassroots Congress movement

organized through the United Democratic Front (UDF) under the leadership of ANC-led tri-partite Alliance.

Pre-1990 South African civil society was loosely bifurcated into two broad camps: anti-apartheid and pro-apartheid. The latter included civil society organizations incorporated into or aligned to institutions of the apartheid state. Within the anti-apartheid camp a range of civil society organizations – religious, sports, youth, women's, activist groups and so on – developed counter-hegemonic capacities, including ideological coherence and participatory democratic practices through the leadership of the UDF (Seekings, 2000). The radical potential of this coordination was also expressed in the link between the factory floor and community struggles organized through trade unions and civic organizations. The South African National Civic Organization (SANCO) aligned civics were crucial in creating conditions of ungovernability in various townships in response to local government reforms and probably was one of the most radical civic movements in the 20th Century. Moreover, the political consciousness within the UDF ensured effective mobilization of resistance to various tactics of repression and by 1988 the UDF was banned but revived again from below through rolling mass mobilizations across all key major city centres in South Africa during 1989.

The stalemate in the shifting relations of coercion and mass mobilization was a crucial factor that propelled South Africa into the phase of negotiation. However, the disbanding of the UDF, with the re-emergence of the exiled leadership and imprisoned leadership of the ANC, SACTU and SACP, while informed by various political and strategic considerations, had the consequence of undermining and disabling the participatory democratic impulse within civil society. At the same time, some of the radical leadership elements in the UDF leadership were either sidelined or selectively brought into the centre of the ANC-led tri-partite Alliance. This reorganization of national liberation forces and leadership, inside the country, was enabled by the moral authority of those at the centre. This was a leadership that sacrificed by going to prison, working in the underground and going into exile. It had a tried and tested record in the 'eyes of the people'. The demobilization of anti-apartheid civil society through disbanding the UDF simultaneously re-channeled the activist and 'organic intellectual cadre' into building ANC and SACP branch

structures. The consolidation of ANC-led Alliance leadership over mass forces was completed and redefined the relationship between leaders and led, within a framework of a more commandist and bureaucratic centralist institutional practice.

A second important aspect of ANC-led Alliance hegemonic practice during this period related to the leveraging of mass power for negotiations. The bargaining and pacting going on at a leadership level increasingly instrumentalized civil society. The ANC-led Alliance deployment of the mass tactic assisted with winning gains at the negotiating table, as it was used to countervail violent initiatives by the regime and also realign forces in the apartheid homelands. For instance, during the negotiations the assassination of Chris Hani, General Secretary of the SACP, on April 10, 1993, nearly brought South Africa to the brink of civil war. This was averted by the leadership provided by the ANC-led Alliance. Mass anger and protest action were used as a pressure point in the negotiations process such that a date was set for the first democratic elections. This decision was then brought to the masses; emotions were pacified and elite pacting continued. Mass mobilization was switched on and off at decisive moments.

A third aspect of ANC-led Alliance hegemonic practice related to organizing civil society for the purpose of preparing to govern. Due to the insistence of COSATU a process to develop the Reconstruction and Developmental Program (RDP) brought in an array of progressive forces. The RDP was a crucial programmatic platform to take on board concerns and interests from across civil society and built a consensus around economic transformation in and outside the Alliance. In the RDP's mix of objectives and Keynesian prescriptions, a prominent place was defined for 'participatory development' and a 'people driven RDP' (ANC, 1994:131-132).

Finally, the first democratic elections were used to consolidate strategic, moral and intellectual leadership over society. The ANC's election nomination lists brought in a non-racial mix, was sectorally balanced, and included top leadership from the Alliance including SANCO. The downside of this was a leadership, with years of experience and capacity, leaving mass organizations including the Alliance as they moved to parliament and into the government bureaucracy. The challenge of reproducing high caliber leadership within these organizations still remains a

challenge particularly given that the electoralist dynamic and careerist impulses have increasingly come to the fore. This has been exacerbated by the subsequent emergence of a practice of cooption amongst mass forces even in the ranks of the once radical civic movement (Heller and Ntlokonkulu, 2001). In short, demobilization of anti-apartheid mass forces began in the negotiations phase and a tendency towards centralizing leadership and instrumentalizing social forces became more discernible. Hegemonic leadership began showing morbid symptoms such that it increasingly became about centralizing control through subordinating national liberation forces to the discipline of bureaucratic centralism, cooption of leadership and limiting room for participatory, bottom up practices.

The Phase of Democratic Advance (1994-1996)

With the democratic opening of 1994, through the first democratic elections in April, a shift in the political relations of force inaugurated a phase of democratic advance. The formation of the ANC-led Government of National Unity completed the 'moment of hegemony'; that is the strategic, moral and intellectual leadership of society by the ANC-Alliance was in place. However, hegemonic leadership of society is never static and as the underlying conditions shift, the struggle to maintain hegemony continues. In a mature political context rival hegemonic projects also disrupt established hegemonies. Moreover, the hegemonic leadership of society can also unravel, particularly when the mechanisms of hegemony, like political parties, degenerate such that the gap between leaders and the led, rulers and ruled widens. In such instances, active and direct consent rooted in civil society is attenuated. This increasingly became the reality after 1994 until 1996, when the transition from an instrumentalized to a bureaucratized civil society became more apparent. Such a restructuring of state-civil society relations was not inevitable, given that freedom for associational activity was enhanced and legally buttressed by the constitution; coercive legal prohibitions were dismantled (Habib, 2003). Underlying this shift in state-civil society were four crucial factors related to hegemonic state practice and effects on civil society relations.

The first relates to what Gramsci would refer to as the 'educative function' of the hegemonic state. In this regard the role of the Mandela factor is important. Some analyses on the Left,

with a Gramscian gloss, have treated the Mandela factor as a benevolent and positive Bonapartist/Cesarist factor that rises above class struggle to ensure progressive change; thus juxtaposing him with the negative or reactionary Mbeki Presidency more closely aligned with capital⁷. The practical import of such analyses has lent itself to the search for a substitute: our benevolent Bonaparte/Cesar, with a disposition to the left mainly through an authoritarian populist politics. However, the Mandela factor in this analysis is understood as a moment in the educative function of the Government of National Unity and ultimately the democratic corporatist state. Such a function expressed itself positively and negatively.

On the one hand, the historical task and role played by the Mandela factor in national reconciliation can never be overestimated. This was an extremely positive educative function of the democratic corporatist state. The 'Mandela magic' on rugby fields, in volatile hot spots in the province of Kwazulu-Natal in which the prospects of civil war loomed large, through expressing the moral authority of the new South Africa in diplomatic engagements with the world and holding together a multi-party government was an essential ingredient in national consciousness. It took on iconic and mythological proportions in the national common sense. It epitomized the righteousness of national liberation and showed to South Africans and the world what non-racialism meant; this was despite its appropriations into 'rainbowism' and multi-culturalism. This function was further buttressed by the role of the Truth and Reconciliation Commission (TRC) and the adoption of a new democratic constitution, enshrining human, civil and socio-economic rights of all South Africans and guaranteeing formal equality amongst all citizens. On the other hand, the stabilizing role of the Mandela factor also impacted negatively on class struggles as the concerns and interests of business dovetailed with Mandela's role in calling on workers to support nation building by ending economic struggles. This fed into a practice of corporatist bargaining and deal-making and which points to the second factor of hegemonic state practice implicated in bureaucratizing state-civil society relations.

This second factor relates to the institutionalizing of macro-level decision-making through the National Labour and Economic Development Council (NEDLAC), as a key element in labour's strategy to achieve a democratic corporatist state. Such

corporatist arrangements have been disempowering to civil society given that these institutional arrangements are built around powerful, organized, resourced and capacitated interests. Actually, since its inception and throughout its existence civil society representation in NEDLAC's community chamber was handled clumsily and based on arbitrary criteria, to say the least, and reflects the extent to which such an institutional space was merely an add on. Moreover, the bureaucratization logic of such neo – corporatist arrangements is pointedly captured by Friedman and Reitzes (1996:240):

Their purpose is not to empower civil society but to formalize the participation of interests which already have power and the demands of which the state needs to incorporate if its is to govern effectively.

Such a bureaucratizing logic fed into the third factor shaping state-civil society relations in this period: the RDP Ministry's promotion of local development forums. These committees were envisaged as 'coordinators of development' (Friedman and Reitzes, 1996:233-234). However, in a context in which massive demobilization had happened, particularly with the disbanding of the UDF, the political capacity of community based organizations to effectively participate in such institutions was displaced. Moreover, key 'organic intellectual cadre' from civil society were already being sucked into the state bureaucracy. Hence, a 'people driven RDP' increasingly took on a bureaucratic rationality. This bureaucratic flirtation, albeit with a top down approach to participatory democracy, was short lived in this period as the RDP Office was unceremoniously shut down as the Afro-neoliberal shift took hold and the finance department was positioned to be the 'state within the state'. These developments also heralded the beginning of a move from bureaucratizing civil society towards unleashing the market on society. With neoliberal reforms the market was increasingly disembedded. The logic of liberalization, privation and deregulation re-allocated resources to more efficient and competitive parts of the economy. This meant cost-cutting and pressures against workers, it meant higher costs for services like water in some communities and higher food prices as the agricultural sector was completely deregulated through the dismantling of marketing boards. Ultimately South Africa's version of Afro-neoliberalism began to foster a schism between the state and

civil society. The state has increasingly become insulated from mass protests and from 'voices from below' as a part of projecting the democratic state as pro-business, while at the same time, patronage has become the order of the day as part of fostering a new black capitalist class through Black Economic Empowerment (BEE) (Southall, 2005, 2006 & 2007).

In the conjuncture of the democratic corporatist state the restructuring of state-civil society relations denuded counter-hegemonic capacities in civil society. Mass demobilization, instrumentalization and bureaucratization were shaped by ANC-led Alliance hegemonic practices and state effects. Most importantly, participatory democratic practices and tendencies within the anti-apartheid camp in civil society were eviscerated. At the same time, parts of the anti-apartheid camp in civil society were increasingly assimilated into institutional politics within the state. Furthermore, as an aggressive Afro-neoliberalism became more dominant a restructured civil society began emerging in the context of a growing schism between state and civil society (Atkinson, 2007 & Ndletyana, 2007). New interests, fault-lines and organizational forms began coming to the fore in relation to the Afro-neoliberal state form: the internationalized competition state (1996 – to the present)⁸. Such a state form is different from the interventionist developmental state of East Asia or the Western Welfarist State, for example. Instead, such a state form displays the following features: (i) it is co-opted within public and private transnational neoliberal institutions like the World Bank and World Economic Forum; (ii) it firmly embraces a monetarist macro-economic policy approach which has geared the economy around international financial markets and flows; (iii) it has dismantled self-sufficiency in strategic sectors of the economy and state responses are guided by the need to support competitive advantage; and (iv) micro-policy interventions foster business and reduce costs of doing business. In short, this is a state governed by the market, is a product of global capitalism and is a post-Westphalian imposition by transnational capital.

The Rise of a Transnational Fraction of the South African Ruling Class and the Afro-Neoliberal Historical Bloc

The politics of passive revolution that drove South Africa down an Afro-neoliberal path were not in full view even with the defeat of labour's democratic corporatist solution. The rhetoric of

the National Democratic Revolution was being trumpeted at high pitch in the midst of rolling back the working class. Neither did the politics of passive revolution spring automatically from an externally oriented accumulation model and a shift to a politics of dominance in state-civil society relations. Behind these shifts an important role has to also be given to social agency. In this respect our analysis has to take on board class formation in the post-apartheid context, within the process of transnationalizing South African capitalism. The Afro-neoliberal class project in post-apartheid South Africa was championed by a transnational fraction of South Africa's ruling class. This fraction was engendered structurally in three ways.

First through neoliberal reforms that gave South Africa's accumulation process an external orientation. The rush to be globally competitive adjusted all key sectors, reallocated resources and placed South Africa on an export led trajectory, which has produced an enclave economy (Makgetla, 2004). The racialized import-substitution accumulation model, linked to South Africa's minerals and energy complex was dismantled. In key sectors, from agriculture, to mining and manufacturing deepening exports became key as part of building a competitive economy. Moreover, South Africa's parastatal sector was redirected as well. Restructuring through privatization and commercialization attempted to place all key parastatals on a globally competitive footing. All of this ruptured and displaced any commitment to an internally based accumulation model and development strategy. Neoliberal restructuring was not about the right balance between import-substitution and export-led accumulation; it turned its back on a national development strategy. Class forces emanating from these restructuring processes developed an outlook and interest beyond the South African market. This has contributed to transnational class formation and fractionation.

The second structural determinant of class formation, and transnational fractionation, relates to the movement of South African monopoly capital outward. This began in the early 1990s. According to the Edge Institute's database outward expansion involves the full spectrum of South African business – 82 of the Top 100 listed companies on the Johannesburg Stock Exchange (JSE) are included in the 340 companies involved in outward investment, and a substantial majority of all JSE-listed companies, together with numerous major unlisted corporations and all major

state corporations⁹. According to a survey done on Africa's Top 500 companies operating on the continent, over 150, the majority are South African (Africa Report, 2008, 54-60 & 78-92). These giants are dominant in all sectors, from power, mining, logistics, retail, telecoms except energy. Many of the leading companies are South African parastatals that are building a significant presence on the continent and which are at the vanguard of Black Economic Empowerment in South Africa, in the context of parastatal restructuring.

Many of these transnationalized corporations have moved into Africa in the context of other African governments attempting to attract foreign direct investment, after their own experiences of Afro-neoliberalization for almost three decades. However, at the same time, some of South Africa's former top companies have now listed off-shore such as Anglo American, Old Mutual, SA Breweries, Billiton, Dimension Data and Liberty Life have moved their financial listings and headquarters to London. This has led to massive outflows through profits, dividends and interest payments (Makgetla, 2004: 276). At the same time, with these companies assets denominated in more secure hard currency their asset values and share prices have gone up (Carmody, 2002:263). Moreover, many of South Africa's former monopolies that have transnationalized are now operating with the same risk concerns and interests as any other transnational. Various strategies and practices are evolving which bring globalization in and extend it outward. This would include movements by financial capital out of South Africa as far a field as the US economy (like Old Mutual), mergers at a global scale (Billiton with Australian mining house BHP), outsourcing and strategic partnerships. Besides the transnationalizing of the South African economy from within, over 30% of the Johannesburg Stock Exchange is foreign owned (Rumney, 2005:415).

The third structural determinant of class formation, particularly transnational fractionation, has been through attracting foreign direct investment. In this regard fiscal policy has also aligned around tight management so as not to 'crowd out' investors. The South African macro-economic policy framework's deficit reduction targets have ensured a decline in deficit spending and since 1999 has been kept below 3 percent of GDP (Gelb, 2005:374). Complimenting this effort to bring in investment has been the creation of numerous investment promotion agencies

and initiatives in national, provincial and local government: all declaring “South Africa is open for business’. Gelb and Black (2004:8) suggest there are more than 35 incentive schemes for investors, commitments to treat all investors the same in South Africa regarding foreign exchange for import, export and access (based on commitments made by South Africa under TRIMS) and there are over 30 bi-lateral investment treaties mainly with OECD countries. Despite this Afro-neoliberal approach to macro-economic management, FDI flows have been dismal in comparative terms and as a share of global flows (Gelb and Black, 2004:9-10). However, this does not detract from the fact that South Africa has had various global giants already within its economy, even prior to the democratic transition. This point was alluded to earlier.

In the context of South Africa’s political economy, engendering a transnational fraction and linking to global accumulation circuits through FDI was not sufficient for a right wing shift in post-apartheid South Africa. Such a fraction had to foster consent for Afro-neoliberalism amongst key social and political forces. It had to utilize both its structural and direct power to constitute a historical bloc of social forces capable of advancing the Afro-neoliberal project and deepening South Africa’s passive revolution. In this respect two historical factors are important. The first is dialogue with and contestation of the ANC. This happened in the 1980s when business began a dialogue with the exiled ANC about the future of South Africa and its economic policy options. In the 1990s monopoly capital went on the offensive and a flurry of scenario planning exercises were unleashed by key financial and mining houses mainly targeted at the ANC (Bond, 2000: 53-88). Key leaders of the ANC were brought into these processes and a consensus began to emerge about South Africa’s economic choices. This fed into the second important historical factor that clinched support for an Afro-neoliberal solution in South Africa.

The second factor is the shift within the dominant faction in the ANC, a petty bourgeois element, towards embracing an Afro-neoliberal consensus. This is reflected in two important developments that reveal themselves in the conjuncture of macro-restructuring but evolve beyond. The first is a commitment to deracializing South African monopoly capitalism rather than transforming it in an anti-capitalist or socialist direction as envis-

aged in the ANC's historical program, the *Freedom Charter*. Nationalization, decommodification and socialized forms of ownership were key thrusts of the ANC's *Freedom Charter*. These policies were placed on the back burner and were replaced by various reforms that attempted to develop a new layer of black capitalists. The main policy framework to achieve this was Black Economic Empowerment (BEE). It gained impetus from the mid- 1990s as major South African conglomerates began unbundling and deconcentrating the ownership structure of the South African economy.

This BEE process has gone through various phases (Rumney, 2005). The first phase dates from the mid-1990s with private sector attempts to cut debt financed ownership deals. By 1998, with over 230 such deals on the Johannesburg Stock Exchange, valued at R37 billion, the stock market crashed with most BEE ventures going down with it. A second phase was restarted in 1999, spearheaded by black business associations and government. This initiative led to the establishment of a non-statutory Black Economic Commission and a strategy. Deriving from this intervention has been a third phase which kicked in with BEE charters, the first being put in place in the liquid fuels industry and the subsequent promulgation of the Broad Based Black Economic Empowerment Act (2004). This policy and process of BEE envisages various forms of empowerment including, direct ownership and control of enterprises and assets, de-racializing management at senior levels, human resource development and employment equity and indirect empowerment through procurement. By all accounts this process is not happening smoothly, with uneven de-racialization across sectors. This is happening in a context in which historically white monopoly capital has been moving off-shore since the early 1990s (Carmody,2002: 262 &Daniels et al, 2003).

The second important development and shift within the dominant ANC faction, and which has been mentioned, is the embrace of neoliberal reforms for the purpose of macroeconomic stabilization and adjustment. This process began with the apartheid regime and was taken on board by the new democratic government. While we can be generous and suggest that low growth rates and high unemployment necessitated some of these reforms in the short term. Unfortunately these reforms continued as the basis of a clear class project. A virtue was made of necessity and South Africa's Finance Ministry (now known as the Treasury)

began wielding undue influence in government such that it defined government's approach to economic policy over the past thirteen years. South Africa's Finance Minister, Trevor Manuel, performed his job so well he became a darling of the Bretton Woods Institutions. He became the chair of the IMF/World Bank board of governors in 1999-2000 and chair of the IMF/World Bank Development Committee in 2001-02 (Bond, 2005:2). However, the reform strategy from within has not worked, even if there were revolutionary intentions lurking beneath the Afro-neoliberal consensus. Today, South Africa is locked into the global power structure rather than manoeuvring to secure space for a genuine national development project. South Africa is a member of the G20 group of countries, formed in Washington D.C. on 25 September 1999 by the G7. Soederberg (2004:81) concludes that this suggests:

Taken together, the constitution of the G20 demonstrates renewed attempts at core-periphery coercion by inviting these countries into the highly exclusive G7/G8, or, put more bluntly, by co-opting them into the rules and standards of the core-alliance coercion by ensuring official, and thus more tightly integrated relations with the IMF and World Bank.

In short, South Africa's Afro-neoliberal 'reforms from within' have ensured it a place within the process of managing a new international financial architecture for the world. It is one of the many poster nations that has to play a role in managing a complex and volatile global financial system in the interests of transnational but particularly finance capital.

Moreover, the Afro-neoliberal consensus that crystallized from these structural and politico-ideological shifts points to an elite bargain at the heart of South Africa's passive revolution. This bargain is made up of the following elements: (i) ensuring neoliberal reform such that South Africa's economy has an external orientation to ensure that monopoly capital can transnationalize to recover and increase profit rates and transnational capital can come in on its terms, with minimal risk; (ii) deracializing of monopoly capital to ensure an emergent black capitalist class has a stake in the economy. This consensus did not unfold smoothly but required policy reform trade offs: more neoliberal reforms in exchange for a greater BEE stake in the transnationalizing com-

manding heights. At each stage of advancing BEE policy the government had to provide signals through its economic reforms of moving in a neoliberal direction. For instance, the Afro-neoliberal macro-reform framework was complimented by a micro-reform agenda: the *Accelerated Shared Growth Initiative for South Africa* (ASGISA, 2006). This micro-reform agenda is mainly about cutting the costs of doing business in South Africa and tackling constraints that stand in the way of making South Africa globally competitive. In short, BEE policy was directly linked to transnationalizing South African capitalism.

The interests of these class forces and their reproduction lies in a capitalist South Africa that is locked into the global economy on the terms of South Africa's transnational fraction and transnational capital. Hence, to advance its interests as the 'general interests' of South African society transnational capital in South Africa constituted an 'Afro-neoliberal class project'. The social forces that come together to advance this project constitute a non-hegemonic historical bloc, led by the transnational fraction, and is made up of the following social elements:

- Transnationalized South African corporations, private and parastatals;
- Global transnationals operating within global production, financial and trade structures;
- Technocrats within the state bureaucracy, particularly those departments at the inter-face with the global economy, as well as, managers in provincial and local government wanting to 'globalize';
- the new Black capitalist class (including managers) both in the private sector and public sector;
- a faction within the ruling ANC, including various intellectuals that hover around the party giving 'advice', and other parties adhering to an agenda to promote global capitalism;
- a fraction of the working class whose interests are realized through union investment companies and through employment within transnational corporations and transnationalized South African corporations;
- Most mainstream corporate owned media, in particular financial journalists.

The passive revolution inaugurated by this transnational fraction, has brought about deep changes in South Africa's political

economy which have engendered these class and social forces and has created the conditions for its reproduction. Moreover, it is the shared articulation of an Afro-neoliberal solution for restructuring post-apartheid capitalism that brings this fraction and its historic bloc into existence.

Conclusion

South Africa's transition to democracy coincided with the second decade of global neoliberal restructuring. An analysis of the roots of South Africa's passive revolution reveals how the indigenization of neo-liberalism begins in the apartheid era and is deepened in the context of narrow electoral democracy. The conjunctural scale and depth of this is reflected in the eclipsing of a democratic corporatist state solution articulated by the organized labour movement in response to the organic and conjunctural crisis of South African capitalism, the globalization of a deracializing import-substitution model, the unraveling of ANC hegemony and the emergence of a transnational fraction of South Africa's ruling class. This has laid the basis for the emergence of an Afro-neoliberalism that sutures together elements of national liberation ideology and transnational neo-liberalism.

This Afro-neoliberal class project has brought to the fore a passive revolution. This has, in the first place, redirected and co-opted South Africa's national liberation project and struggle for socialism. It has fostered a non-hegemonic historic bloc in support of this class project. This Afro-neoliberal historic bloc, led by the transnational fraction of South Africa's ruling class, has utilized Afro-neoliberal restructuring and the globalization of the South African economy to advance its interests while at the same time blocking fundamental transformation. Second, it has unleashed a new form of elite politics on South African society. Such a politics has reduced democracy to narrow electoralism and leaves citizens disempowered beyond elections processes, which has further fuelled deep-seated disaffection. Understanding the structural and politico-ideological roots of South Africa's passive revolution assists in understanding the right wing shift in post-apartheid South Africa. It also assists in understanding how a racialized monopoly capital, that was nationally bounded, has now transnationalized.

Endnotes

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- 2 See Hall (1982). In some quarters it might be easy to reduce the social and political thought of Antonio Gramsci to that of an Italian tradition, and for some the appropriations of Gramsci have reduced him to a theorist of 'revolution in the West'. This further strengthens and feeds into Africanist dismissals of radical thought. Antonio Gramsci, was a 'theorist of the political', and a non-economistic reading assists in recognising that for Gramsci the politics of hegemony – active consent for strategic, moral and intellectual leadership – is a challenge for ruling classes in developed and developing societies.
- 3 Within critical international political economy the work of Robert Cox, Stephen Gill and David Morton amongst others have popularised this understanding of Gramsci's historicism.
- 4 It should be noted that in the 1980s Ronald Reagan came to power in the USA and Margaret Thatcher in the UK. Both were committed to a transnational neoliberal project to solve the accumulation crisis experienced in Western economies since around 1973. They encouraged the transnationalizing of capital to deal with declining profit rates. Moreover, we should not forget that neoliberalism's first experiment in a Third World country was in Chile after the 1973 coup. These doctrines were imposed in the context of military dictatorship. This should help shed some light on why Reagan and Thatcher were also extremely sympathetic to the apartheid regime. They did not encourage disinvestment despite the important mass pressure from the anti-apartheid movement.
- 5 In the Department of Finance (Summary Document) (1996:1-2) there were 11 key elements in the proposed package. These contained commitment to privatization to tariff reductions and inflation driven monetary policy and so on.
- 6 Besides the democratic corporatist project of COSATU, other visions and projects for post-apartheid transformation also inhabited the national liberation movement. This ranged from Sovietised socialism in the SACP and revolutionary nationalism in the mainstream of the ANC.
- 7 This kind of analysis has been very common in the ranks for the South African Communist Party over the past few years.
- 8 I draw on Soederberg et al (2005) who have analysed the global convergence around the neoliberal state form: the competition state. However, I also bring into view the international dimension.
- 9 The Edge Institute is a leading economic policy think tank in South

Africa. It has worked closely with the South African government on various economic and foreign policy initiatives.

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Le spectre de la dette en Afrique du Sud

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Résumé

Cet article se penche sur l'utilisation d'un discours qui a fait planer le « spectre de la dette » pour promouvoir une restructuration néo-libérale dans une Afrique du Sud démocratique. L'objectif est d'étudier la façon dont ce « spectre de la dette » a été manipulé pour bâtir un consensus, justifier des politiques, et même finir par présenter des solutions de rechange au programme économique du gouvernement. Je soutiendrai que la répétition d'une mise en garde — que la dette extérieure de l'Afrique du Sud deviendrait écrasante et entraînerait des conséquences désastreuses sans une prise en main immédiate — a donné naissance au « spectre de la dette ». Cette tactique a servi à obtenir le consensus nécessaire, au sein des membres et partisans du Congrès national africain (ANC), pour appuyer un programme de restructuration néo-libéral. L'article adopte une lecture néo-gramscienne pour interpréter l'influence du discours de la dette sur les débats menés autour du programme économique de l'Afrique du Sud, post apartheid. Il suggère que ce discours a été utilisé pour bâtir des zones de compréhension et d'accord communs (« sens commun ») tout en camouflant l'objectif plus large de faciliter une restructuration capitaliste vers une rentabilité renouvelée.