

# **Class Struggles in South Africa**

**from Apartheid to Neo-Liberalism**

Bikisha Media Collective

2005

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The South African working class is on the retreat. It is not defeated, but is falling back in the face of a major neo-liberal offensive by the democratic government elected in 1994. A vicious “home-grown Structural Adjustment Programme,” called “GEAR” or the Growth, Employment and Redistribution strategy, is in place, and it has directly contributed to a million jobs lost, to cuts in social services, and to rapidly growing class inequality.

The disarray caused by GEAR is matched only by the political confusion prevailing within the trade union movement: having voted the ruling African National Congress (ANC) into power, the Congress of South African Trade Unions (COSATU) is massively disorientated by the ANC’s neo-liberal agenda.

## **South Africa**

South Africa is the most industrialised country in Africa. It is responsible for about 44% of the total GDP of sub-Saharan Africa, and for 52% of the region’s manufacturing output. Within southern Africa, South Africa accounts for over 90% of economic output.

Corresponding to this level of economic development, South Africa also has the largest working class in the continent: indeed, it is the only African country in which waged workers – both manual, clerical and menial- comprise the majority of the population. South Africa is also home to the most powerful national bourgeoisie in Africa. Around 60,000 large commercial farmers own over 90% of all arable rural land, whilst 5 large corporations control about 80% of all shares on the Johannesburg Stock Exchange. In 1991, the richest 10% of South Africans received over half of the total income in the country, whilst the poorest 40% received only 4%!

## **Apartheid**

Historically, South African capitalism developed on the basis of the national oppression of African people, who formed a vast reservoir of cheap labour. Internal passports (pass laws), racial segregation, the widespread use of migrant labour, and the denial of basic political and union rights to Africans provided the social infrastructure for the cheap labour system. On the mines, for example, the average real wages of African workers remained unchanged between 1910-1970, whilst the bosses also enjoyed “industrial peace”: only one general strike by African workers took place on the mines in this period, and that was in 1946. Coloured and Asian workers also provided cheap labour, although they suffered less overt national oppression than the African proletariat.

In short, the apartheid system in South Africa was the political expression of a system of “racial capitalism” based on the super-exploitation of the African working class. Capitalist relations of production were built upon relations of colonial domination, which were reinforced for the benefit of capitalism, and of a capitalist class historically derived from the local white population. White workers, militant until the 1920s, were co-opted by the racist welfare system and job reservation.

The effect was the entrenchment of deep racial divisions within the working class, and a pattern of racial inequality within the society as a whole. Apartheid society was highly authoritarian and racist, characterised by coercive workplace relations, naked racial oppression, the destabilisation of neighbouring countries, widespread censorship and the suppression of left-wing political parties and movements.

## To Neo-Liberalism

As the result of a titanic struggle by the African working class between 1973-1994, the apartheid system was overthrown, and a parliamentary democracy established and inaugurated with the April 1994 elections: the first proper bourgeois-democratic elections in the country's history.

The holding of the elections represented, on the one hand, a massive advance for the African working class, insofar as the election signified a new political order in South Africa that outlawed national oppression. On the other hand, however, the elections were the product of a compromise between big capital and the leaders of the ANC: the price was the preservation of capitalism, a concession that the ANC – whose historic class agenda was to advance the interests of the frustrated African middle class and bourgeoisie – was only too happy to make.

## And Then?

Popular expectations that social and economic redistribution would follow from the struggle and from the election of the ANC have proved an illusion.

Firstly, despite this struggle, class divisions within South Africa – and within the African population – widened rapidly. The white working class was increasingly impoverished, as its privileges were stripped away by the late apartheid government. The income of the poorest 40% of whites fell by 40% in the period 1975-1996. At the same time, economic growth and government policy led to a rapid growth in the black middle class, in particular, in the State bureaucracy. Between 1975 and 1996, the income of the richest 20% of African households grew by almost 40%, whilst the income of the poorest 40% of black households fell by around 40%.

Secondly, the ANC, as a bourgeois-nationalist party, adopted a hard-line neo-liberal approach once in office. The party had previously been sympathetic to a social-democratic programme. However, it had been shifting towards neo-liberalism throughout the 1990s: as a bourgeois-nationalist party, it could only realise its historic class agenda within the framework of the latest phase of capitalism i.e. neo-liberalism, which has swept the world since the 1970s. As part and parcel of the capitalist class, its leadership, furthermore, recognises the importance of neo-liberalism to the restoration of the rate of profit.

The ANC's neo-liberalism is codified in GEAR, which was released in June 1996. GEAR's key strategic aims are:

- The privatisation and commercialisation of state-owned companies and utilities, including electricity, water, steel, and telecommunications
- Cutbacks in social spending and in the size of the public sector workforce
- The deregulation of trade, imports, capital movements and prices
- The promotion of labour market flexibility, and the development of a layer of precarious workers
- An overall reduction in state spending and strict neo-liberal monetary policies

- Investment and job creation must be led by private business, and, in particular, foreign investors

What this means in practice has become clear over the past five years. It means cuts in state pensions, massive layoffs, declining public hospitals, schools and roads, a general decline in wage levels, daily electricity and water cut-offs in poor communities, and deindustrialisation under the impact of intensified global competition. GEAR promised 400, 000 new jobs a year by 2000: instead, over a million jobs were lost, and total employment has shrunk to the levels of the early 1980s. Welfare spending has fell consistently over the last five years, whilst tax on large companies has been cut such that tax on company profits now makes up less than 15% of overall government income (down from over 50% in the 1970s).

## **Resistance**

Resistance has been hampered by political confusion prevailing within COSATU. Many union officials, and ordinary members, retain their loyalty to the ANC, and so fail to correctly grasp the class agenda and class nature of the ANC. There has been no co-ordinated response to GEAR, or even an official review of COSATU's ongoing alliance with that party.

By failing to understand the role of the ANC in the war on the working class, COSATU has been unable to formulate a coherent and effective response, and has instead falling back on pleading with the ANC to "consult" the unions more when developing policy. This is a far cry from the revolutionary and combatitive COSATU of the 1980s, which fought the apartheid State to a standstill.

COSATU's failure to give a lead to other sections of the working class in the fight against neo-liberalism has undermined the possibility of a countrywide, working class-based campaign against neo-liberalism.

However, there have been a number of important local struggles that clearly demonstrate the willingness of workers to fight privatisation and austerity. A wave of new community organisations has sprung up to fight against neo-liberal attacks by local municipalities. In Chatsworth township near Durban, African and Indian workers and their families have fought back against evictions and service cut-offs. In Soweto, the Electricity Crisis Committee has mobilised resistance to electricity cut-offs and outrageous service charges.

At the University of the Witwatersrand, militant academics, students, and above all, workers in the National Education Health and Allied Workers Union (NEHAWU) fought a courageous, but ultimately unsuccessful, six-month battle against 613 retrenchments in 2000. In Johannesburg and other cities, the mainly African South African Municipal Union (SAMWU) and the mainly white and Coloured Independent Municipal and Allied Trade Union (IMATU) have campaigned against the privatisation of municipal services. Despite being a COSATU affiliate, SAMWU has taken a principled stand against GEAR and privatisation, and has not been afraid to tackle the ANC directly.

The most important recent development has been the unification of anti-neo-liberal campaigns in Soweto, at the University of the Witwatersrand, and in Johannesburg in the Anti-Privatisation Forum in July 2000. The new coalition – to which Bikisha Media Collective is also affiliated- has sought to link union and community struggles through joint actions and strike support; a rolling campaign will also be launched in 2001.

## **Conclusion**

Bloodied, bowed, but as yet undefeated, the South African working class holds the key to social and economic transformation – to revolution – in South Africa, and, indeed, in Africa, more generally. Its' victory will shake the world; its defeat will strengthen capital the world over.

But there can be no “South African road to anarchism,” no “national revolution.” Our victory is only possible on the basis of international support and international solidarity. The struggle against neo-liberalism is our struggle, and yours too: we must meet the globalisation of capital with the globalisation of labour. The conference is an important step in the necessary direction: a working class united will never be defeated.

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