

INFORMATION TO USERS

This manuscript has been reproduced from the microfilm master. UMI films the text directly from the original or copy submitted. Thus, some thesis and dissertation copies are in typewriter face, while others may be from any type of computer printer.

The quality of this reproduction is dependent upon the quality of the copy submitted. Broken or indistinct print, colored or poor quality illustrations and photographs, print bleedthrough, substandard margins, and improper alignment can adversely affect reproduction.

In the unlikely event that the author did not send UMI a complete manuscript and there are missing pages, these will be noted. Also, if unauthorized copyright material had to be removed, a note will indicate the deletion.

Oversize materials (e.g., maps, drawings, charts) are reproduced by sectioning the original, beginning at the upper left-hand corner and continuing from left to right in equal sections with small overlaps. Each original is also photographed in one exposure and is included in reduced form at the back of the book.

Photographs included in the original manuscript have been reproduced xerographically in this copy. Higher quality 6" x 9" black and white photographic prints are available for any photographs or illustrations appearing in this copy for an additional charge. Contact UMI directly to order.

UMI

A Bell & Howell Information Company
300 North Zeeb Road, Ann Arbor MI 48106-1346 USA
313/761-4700 800/521-0600

A

**STRUCTURAL CONSTRAINTS, RESOURCES,
AND DECISION-MAKING: A STUDY OF
SOUTH AFRICA'S TRANSITION TO
DEMOCRACY**

by

ADAM HABIB

A dissertation submitted to the Graduate Faculty in Political Science in partial fulfillment of the requirements for the degree of Doctor of Philosophy, The City University of New York.

1998

UMI Number: 9820538

**UMI Microform 9820538
Copyright 1998, by UMI Company. All rights reserved.**

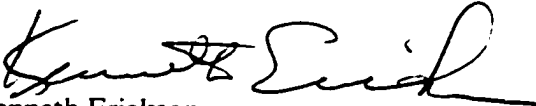
**This microform edition is protected against unauthorized
copying under Title 17, United States Code.**


UMI
300 North Zeeb Road
Ann Arbor, MI 48103

This manuscript has been read and accepted for the Graduate Faculty in Political Science in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy.

1-5-98
Date

1-5-98
Date


Kenneth Erickson
Chair of Examining Committee


Wentworth Omatsey-Kodjoe
Executive Officer

Irving L. Markovitz

Vishnu Padayachee

Howard Lentner

Carolyn Somerville
Supervisory Committee

THE CITY UNIVERSITY OF NEW YORK

PREFACE

The South African transition is regarded by many as a miracle. It has been touted by world leaders as the model which should be emulated by other countries with intractable conflicts. Yet despite this, the academic analyses of the South African transition are sparse. There is as yet not a single academic book published in the post-1994 period that explains why negotiated outcomes in the transition have taken a form so different from the one originally advanced by the now-majority party, the ANC. That is, the consensual constitutional settlement enshrined power-sharing, a neoliberal economic program, and a corporatist model of labor relations, even though the ANC's original visions and proposals advanced a majoritarian system of government, a regulatory, interventionist, and developmental economic program, and a vigorous and independent trade union movement. Academic analyses have thus not explained why negotiated outcomes in the transition have taken a form that differed from the original visions and proposals of the ANC.

This is not to deny the existence of a wealth of other material on the South African transition. There are a number of journalistic works currently available, from Allister Spark's

spell-binding *Tomorrow is Another Country* to David Ottaway's more sober *Chained Together: Mandela, De Klerk and the Struggle to Remake South Africa*. Moreover there have been a number of political histories from academics on the South African transition, some of which are reviewed in chapter 2. The most notable of these works are Steven Friedman's *The Long Journey* and Martin Murray's *The Revolution Deferred*. Both focus on developing a historical record of events and provide an exhaustive description of political developments in South Africa in the 1990's. But however admirable and useful these works have been in keeping scholars and activists up to date with the rapid pace of changing events, they do not provide an analysis of why the transition took the form that it did.

This failure of academics to provide a comprehensive analysis of the South African transition is understandable. During the negotiation process, many scholars in South Africa had the desire and opportunity to participate in the process of crafting a legitimate, post-apartheid democratic political and economic order. They thus engaged in what could be described as programmatic and advocacy work. Their publications focussed on advocating one or another programmatic solution. In the post-1994 period, academics' concerns shifted to problems of consolidating democracy in the country. Once again this prompted them to focus on advocacy and programmatic studies.

This focus on advocacy has left a gap in the academic literature on the South African transition. This dissertation hopes to fill part of this gap. Its primary focus is to explain why outcomes in the democratic transition differed so significantly from those expected and predicted in the 1980's by informed observers of South Africa's political scene. This study then explores the history of South Africa's transition, and tries to lay bare the forces and

factors that conditioned the choices made by the political elites and leaders who shaped the institutions and policies of post-apartheid South Africa. It is thus offered as a contribution towards the necessary task of understanding and coming to terms with the nature of South Africa's democratic transition.

Three other points need to be clarified. First, the necessity of judging the transition on its own terms has led me to use a procedural definition of democracy in this study, a definition most commonly identified with Joseph Schumpeter's *Capitalism, Socialism and Democracy*, and Robert Dahl's *Polyarchy: Participation and Opposition*.¹ Their minimalist definition suggests simply that a society can be defined as democratic if it meets the characteristics of universal franchise, free unimpeded political communication and organization, and competitive elections.

My use of this definition in the study must not be interpreted to mean that I think that this is the only possible form of democracy in the modern world. In fact, I believe that the jury is still out on the feasibility of different forms of democracy. A more participative democratic system enshrining both political and economic equality might thus be entirely feasible. But to use such a definition as a yardstick to judge the South African transition is both unfair and not very useful. Judging the transition on its own terms, and by its own declared goals, seems a fairer way to assess the political choices, actions and policies of the architects of South Africa's contemporary political experiment.

¹ Samuel Huntington revisited this matter in *The Third Wave* and offered some reflections on the analytic use of various definitions of democracy. He concluded his analysis by coming out decidedly in favor of a procedural definition of democracy. See Samuel Huntington (1991), *The Third Wave: Democratization in the Late Twentieth Century*, Oklahoma: University of Oklahoma Press, pp 5-13.

Second, over the last two years, some of the names of provinces, cities, streets, and public monuments have been changed to reflect the values and ideology of the new South Africa. When they need to be mentioned in this study, I use the new names and bracket the old, so that readers unfamiliar with the country do not get confused. Third, this study is based on a diverse set of sources: primary material drawn from a variety of educational institutions, government departments, and political organizations; secondary sources, most of which are housed in university and public libraries; and interviews conducted with key participants in the transition. A comprehensive list of all these sources is provided in the bibliography.

Finally some acknowledgments are in order. Like many works, this one would not have seen the light of day had it not been for the financial and intellectual resources of a range of institutions and individuals. My gratitude goes to the South African Education Program (SAEP) and the Rockefeller Foundation for funding different stages of my doctoral program, and the University of Durban-Westville for granting me leave to undertake this study. Moreover, this dissertation owes an enormous intellectual debt to friends and colleagues on both the African and American continents. They are of course, too numerous to mention by name. Suffice it to say that the evolution of my own ideas is very much a product of the stimulating interactions I have had with friends, activists, and colleagues. Had it not been for the encouragement and persuasion of close friends and colleagues in South Africa, I would never have had the courage to leave when I did and pursue this doctoral study in the United States. Friends in New York made our stay there a memorable experience, and for that both my wife, Fatima, and I are thankful.

Some people, however, need to be mentioned by name if only because of their

enormous contribution to this study. Ken Erickson who served as my supervisor receives my heartfelt thanks for his stimulating comments and for just simply putting up with me. Howard Lentner. Tom Karis. Lenny Markovitz. Vishnu Padayachee. and Carolyn Somerville. all of whom served as readers on this project at one time or another must also receive my thanks for their insightful comments. Howard Lentner and W. Ofuatey-Kodjoe also played an invaluable part in stimulating the evolution of my thinking prior to the dissertation phase of my doctoral program. Dankwart A. Rustow, who served as an advisor to this study in its initial stages, was not able to see it through, due to his untimely death. His advice at the proposal stage of this project was invaluable, and readers will notice the enormous intellectual debt I owe to his scholarship. It is impossible for me to articulate how sorely he was missed in the latter stages of this project.

Also, my gratitude must go to all of the individuals who agreed to be interviewed for this study. Many of these individuals, a list of whom is detailed in the bibliography, are now senior members of government and/or political parties. I recognize that it must have been difficult for them to have made time in their hectic schedules for what is essentially an academic study. They must also be thanked for their forthright answers to many of the difficult and often politically insensitive questions that I posed. In addition, Seema Ahmed, Andrew Lawrence, and Kate Lebow must be thanked for assisting me with administrative and other duties associated with this dissertation which my distance from New York prevented me from doing. My gratitude also goes to Brian Ashley, Bill Freund, Firoz Khan, Andrew Lawrence, and Rupert Taylor for taking the time to read and comment on parts or the whole of the manuscript. Needless to say, however, all errors of fact and interpretation are my sole

responsibility.

Finally, but not least, my eternal thanks go to three members of my family. My father who has always been a source of encouragement and financial support whenever I embarked upon studies. This work would also have not been undertaken and completed had it not been for the encouragement of Fatima, who tolerated me during the agonizing months of writing and revision. In between my writing and her own career, we took some time off to have our first child, Irfan, who has been both a joy and a pleasure ever since he invited himself into our lives. This dissertation definitely would have not been completed as quickly as it was, had it not been for the night duties he imposed on me in the first 14 months of his life. This study is dedicated to both Fatima and Irfan for simply being the beacons in what otherwise would have been a dreary existence.

Table of Contents

	Page
<i>Preface</i>	iii
<i>Tables</i>	xi
<i>Abbreviations</i>	xii
Chapter 1: Introduction	1
Chapter 2: Democratic Transitions: Structure and Agency	12
- The Character of the Conflict in South Africa	14
- Analyzing the Transition	24
- Towards a Definition of Structure	42
- Working Hypotheses and the Operationalization of Concepts	49
Chapter 3: From Liberalization to Democratization	60
- The Crisis of Apartheid	64
- Reform with Repression	72
- Repression with Reform	93
- Towards Democratization	109
Chapter 4: From National Democracy to Consensus Democracy	114
- A Historical Overview of the Negotiations Process	117
- Competing Constitutional Visions	129
- Elite Perceptions of the Structural Distribution of Capabilities	143
- Towards a Constitutional Settlement	156
- Conclusion	175
Chapter 5: From Regulated to Neoliberal Economic Policies	177
- Competing Economic Visions	180
- Elite Perceptions of the Structural Distribution of Capabilities	209
- The Economic Policy of the GNU	219
- Conclusion	235
Chapter 6: From Pluralist to Corporatist Labor Relations	238
- Differing Models of Labor Relations	243
- Explaining the Emergence of Corporatist Institutions	254
- Towards the Establishment of Corporatist Institutions	266
- Conclusion	281

Chapter 7: Shaping the Institutions and Policies of Post-Apartheid South Africa: Structural Constraints, Resources, and Decision-Making	283
<i>Bibliography</i>	292

Tables

	Page
1. Party Support & Electoral Polls 1992-1994	147
2. Integrated Scenario Projections 1996-2000	212
3. Gross Domestic Investment as a Percentage of GDP, 1981 to 1992	215

ABBREVIATIONS

AFCWU	-	African Food and Canning Workers' Union
AHI	-	Afrikaanse Handelsinstituut
AIDS	-	Acquired Immundeficiency Syndrome
ANC	-	African National Congress
APLA	-	Azanian People's Liberation Army
AUBTW	-	Amalgamated Union of Building Trade Workers
AWB	-	Afrikaanse Weerstandbeweging
AZACTU	-	Azanian Congress of Trade Unions
AZAPO	-	Azanian Peoples' Organization
BAWU	-	Black Allied Workers' Union
BC	-	Black Consciousness Movement
BLA	-	Black Local Authority
BPC	-	Black People's Convention
CAL	-	Cape Action League
CCAWU	-	Commercial, Catering and Allied Workers' Union
CDE	-	Centre for Development and Enterprise
CMBU	-	Confederation of Metal and Building Unions
CODESA	-	Convention for a Democratic South Africa
COSAG	-	Conference for Concerned South Africans
COSATU	-	Congress of South African Trade Unions

CP	-	Conservative Party
CUSA	-	Council of Unions of South Africa
DP	-	Democratic Party
ECC	-	End Conscription Campaign
EPG	-	Eminent Persons Group
ET	-	Economic Trends Group
FABCOS	-	Foundation of African Business and Consumer Services
FCI	-	South African Federated Chamber of Industries
FEDSAL	-	Federation of Salaried Staff
FOSATU	-	Federation of South African Trade Unions
GATT	-	General Agreement on Tariffs and Trade
GDP	-	Gross Domestic Product
GNU	-	Government of National Unity
GST	-	General Sales Tax
HSRC	-	Human Science Research Council
IDRC	-	Canadian International Development Research Center
IDASA	-	Institute for Democratic Alternatives for South Africa
IFP	-	Inkatha Freedom Party
IMF	-	International Monetary Fund
ISCOR	-	Iron and Steel Corporation
ISP	-	Industrial Strategy Project
JIC	-	Joint Intelligence Standing Committee

JMC	-	Joint Management Centres
JSE	-	Johannesburg Stock Exchange
KOMKOM	-	Communications Standing Committee
LRA	-	Labour Relations Act
MDM	-	Mass Democratic Movement
MERG	-	Macro-Economic Research Group
MK	-	Umkhonto We Sizwe
MWU	-	Mynwerkersunie
NACTU	-	National Council of Trade Unions
NAIL	-	New Africa Investments Limited
NALEDI	-	National Labour & Economic Development Institute
NEDLAC	-	National Economic Development and Labour Council
NEF	-	National Economic Forum
NEM	-	Normative Economic Model
NEUM	-	Non-European Unity Movement
NF	-	National Forum
NMC	-	National Manpower Commission
NQF	-	National Qualifications Framework
NP	-	National Party
NSMS	-	National Security Management System
NTB	-	National Training Board
NUM	-	National Union of Mineworkers

NUMSA	-	National Union of Metal Workers of South Africa
NUSAS	-	National Union of South African Students
OAU	-	Organization of African Unity
PAC	-	Pan Africanist Congress
PEBCO	-	Port Elizabeth Black Community Organization
PPAWU	-	Paper, Wood and Allied Workers' Union
RDP	-	Reconstruction and Development Programme
RSA	-	Republic of South Africa
RSC	-	Regional Services Councils
SABS	-	South African Boilermakers' Society
SACCOLA	-	South African Consultative Committee on Labour Affairs
SACOB	-	South African Chamber of Business
SACOL	-	South African Confederation of Labour
SACP	-	South African Communist Party
SADF	-	South African Defence Force
SAIRR	-	South African Institute of Race Relations
SANCO	-	South African National Civic Organisation
SANDF	-	South African National Defence Force
SAP	-	South African Police
SASO	-	South African Student Organisation
SBDC	-	Small Business Development Corporation
SEIFSA	-	Steel and Engineering Industries Federation of South Africa

SEMKOM	-	Constitutional, Economic and Social Standing Committee
SSC	-	State Security Council
SSRC	-	Soweto Student Representative Council
TEC	-	Transitional Executive Council
UDF	-	United Democratic Front
UN	-	United Nations
UWUSA	-	United Workers Union of South Africa
VAT	-	Value Added Tax
WCC	-	World Council of Churches
WOSA	-	Workers Organisation for Socialist Action
ZANU	-	Zimbabwe African National Union
ZAPU	-	Zimbabwe African Patriotic Union

CHAPTER 1

INTRODUCTION

It was like a fairy tale come true. On the hot summer's afternoon of February 11, 1990, Nelson Rolihlahla Mandela walked hand in hand with his wife, Winnie, out of the grounds of Victor Verster Prison near Cape Town. His walk symbolized a march to freedom that had inspired a nation and, indeed, the entire world. It was a memorable moment that will be forever captured in the hearts and minds of South Africans, both black and white, of all generations.

Four years later on April 27, 1994, in a similar dramatic moment in the unfolding drama that was spawned by his release from prison, Mandela walked into a dusty polling station in the sprawling township of Inanda in KwaZulu-Natal (Natal), where he voted for the very first time in his life. That vote, and the millions of others cast in the euphoric atmosphere of the following three days, culminated in the election of Nelson Mandela as the first black President of the Republic of South Africa. In the eyes of the world, South Africa had come of age.

The world's media displayed headlines that celebrated the victory of a successful transition. South Africa was seen to provide the evidence for what reasonable, compromising, and adept leadership could generate. Mandela and F.W. De Klerk, the leader of the National Party (NP), were viewed as the heroes of South Africa's "negotiated revolution." Without them, and their stabilizing influence, South Africa would have degenerated into an abyss of poverty, violence, and economic catastrophe.¹

But these headlines, and much of the other coverage in the popular media,² overly simplified a transition rich and complex in character. Mandela and De Klerk, and their compatriots, had been brilliant actors in the drama of South Africa's transition. They were, however, also credited with writing the script, producing the play, and directing its content. In this scenario, the millions of South Africans, and the world at large, were simply an audience to a spell-binding human drama unfolding before their eyes.

Yet such simplifications were not only the preserve of the popular media. Scholars, activists, and political organizations were also responsible for reinforcing this interpretation of the South African transition. Much of the scholarly writing and the propaganda material

¹ *Time's* lead article, entitled "Time to Take Charge," referred to the transition as that miracle "brought forth by Nelson Mandela and F.W. De Klerk" It went on to suggest that the elections "represented a triumph of patience, forbearance, and political wisdom." See *Time*, May 9, 1994, p 24.

² See for instance, the books written by the Washington Post's journalist David Ottaway (1993), *Chained Together: Mandela, De Klerk, and the Struggle to Remake South Africa*, New York: Random House, and Allister Sparks (1994), *Tomorrow is Another Country*, Sandton: Strunk Book Distributors (PTY) Ltd, each of which focusses on elites to explain the character of the transition. A more recent book in this vein is Patti Waldmeir's (1997) *Anatomy of a Miracle: The End of Apartheid and the Birth of a New South Africa*, London: Viking.

of political organizations attempted to pigeon-hole the transition into one or another comparative framework. The African National Congress (ANC) and scholars associated with that party suggested that the transition was similar to the process of decolonization that occurred in earlier decades in Africa, and Asia.³ Others, like the Azanian People's Organization (AZAPO) and the Pan Africanist Congress (PAC), followed a similar line of reasoning, but concluded that the transition would culminate, as in the rest of Africa, in a neo-colonial situation where the domestic economy is dominated by multi-national corporations. Some scholars, particularly those of a Liberal bent, suggested that the transition was typical of those from authoritarianism to democracy in Latin America and Southern Europe over the last decade or two, and they applied analytical frameworks developed by scholars on those regions to South Africa.⁴ Other scholars, however, intimated that South Africa was developing a distinctive political trajectory, described as the "midway path between revolution

3 This is not surprising given the fact that the ANC and South African Communist Party (SACP) had since the 1960's conceptualized South Africa as a 'colony of a special type.' For a recent elaboration of the concept, see *The Path to Power: Program of the South African Communist Party* (1989), London: Inkululeko Publications. In recent years, there has been some debate within party circles on whether the current transition represents a national democratic revolution as had been envisaged by the party's program, or a national bourgeois revolution. For a discussion of this debate, see *The African Communist* (1993), no. 133.

4 This accounts for the widespread use of Guillermo O'Donnell, Philippe Schmitter and Lawrence Whitehead's (1986) four-volume study entitled *Transitions from Authoritarian Rule*, Baltimore: Johns Hopkins University Press. For applications of their elite-centered framework to South Africa, see F. van Zyl Slabbert's (1992), *The Quest for Democracy: South Africa in Transition*, Johannesburg: Penguin; and Andre Du Toit's (1990), *South Africa as Another Case of Transition from Authoritarian Rule*, Cape Town: IDASA, each of which focusses on the behavior and decisions of the leadership of the ANC and NP to explain the emergence and outcome of the transition.

and reformism," that had reasonably good prospects for success.⁵

Such pigeon-holing, however, is not particularly useful in understanding the transition underway in South Africa. This transition, like most others, bears some resemblance to all of the historical examples suggested above. Indeed, one of the hallmarks of the South African transition, like the decolonization process, is the ascension to political power by black political elites. But, unlike the decolonization process, it does not involve the physical retreat of a colonizing nation and a settler class. Most of South Africa's White population is indigenous to the country, and their permanence colors the transition in ways very different from the decolonization that occurred earlier on in the century.

A neo-colonial settlement is also unlikely in South Africa. The charge of neo-colonialism suggests that the post-apartheid economy will overwhelmingly be in the control of foreign hands. But, South Africa has a significant entrepreneurial class which, although mainly White and Indian, is nevertheless indigenous to the country. Moreover, the small number of monopolies that dominate and control virtually all aspects of the South African economy are also indigenous, making a foreign-owned economy an unlikely scenario for the

⁵ This is the implication in many of John Saul's recent writings. See, for instance, John Saul (1991), "South Africa: Between 'Barbarism' and 'Structural Reform'," *New Left Review*, no. 188; and John Saul (1992), "Structural Reform: A Model for the Revolutionary Transformation of South Africa," *Transformation*, no. 20. Elsewhere, and later on in this study, I have critiqued these works on the grounds that they do not explore how power relations conditioned the decisions and behavior of the leadership of the ANC, SACP, and COSATU. See Ashwin Desai and Adam Habib (1994), "Social Movements in Transitional Societies: A Case Study of the Congress of South African Trade Unions," *South African Sociological Review*, vol 6, no. 2; and (1995), "COSATU and the Democratic Transition in South Africa: Drifting Towards Corporatism?," *South Asia Bulletin: Comparative Studies of South Asia, Africa and the Middle East*, vol. XV, no. 1.

post-apartheid era.⁶ One possibility is an increasing penetration of the economy by foreign capital through joint ventures and investment, so that a close symbiotic relationship emerges between indigenous and foreign entrepreneurs. Such an alliance, highlighted by Latin American dependency writers, results in economies marked by a significant interpenetration of national and foreign capital - economies, which although dependent, are nevertheless significantly different from the primarily agricultural or mining based economies of post-colonial Africa.⁷

Suggestions that the transition is typical of those underway in Latin America and Southern Europe are also unhelpful. Similarities are clearly there. The repression experienced by the black population (African, Colored, and Indian) in South Africa was similar to that experienced by a population living under military regimes. Moreover, political pacts, corporatist decision-making arrangements, and other cooperative arrangements among elites, coincide in both the Latin American/Southern Europe and the South African cases. The South African transition, however, did not emerge from a military regime. The country's White

6 It should be noted that AZAPO conceptualizes the white minority as a settler-colonial class, and will therefore maintain that white control of the economy represents a neo-colonial outcome. This conceptualization, however, is an oversimplification and does not appreciate the birthright of a sector of South Africa's population.

7 See, for instance, Fernando Henrique Cardoso and Enzo Faletto (1979), *Dependency and Development in Latin America*, Berkeley: University of California Press. For an application of this perspective, see Kenneth Erickson and Patrick Peppe (1976), "Dependent Capitalist Development, U.S. Foreign Policy, and Repression of the Working Class in Chile and Brazil," *Latin American Perspectives*, winter edition. These authors argue that the massive inflow of foreign capital into Latin America in the mid-to late-fifties "significantly diminished for industrialists the utility of political cooperation with the working class," thereby establishing one of the foundational elements on which the military regimes' resided (p 26).

population has always enjoyed Liberal democratic freedoms, even in the 1980's under the political reign of P.W. Botha who provided the military with a central role in governance of the country. The central character of this transition is different - it does not involve the retreat of the military from political power - but rather an end to the monopoly of political power by a White civilian elite.

Finally, while analyses suggesting the distinctiveness of South Africa's political evolution manage to capture the 'exceptionalism' of the country's conflict and the innovativeness of its social movements, they have not demonstrated what is unique in this transition's trajectory. Too often, these analyses glibly take for granted the rhetoric of the leadership and activist cadres of social and political movements. In the process, what is said is interpreted as what is true. However, while this rhetoric of the "transfer of power," an "alternative route to socialism," the "midway path between reform and revolution," may provide a radical legitimacy to the transition, it tends to inhibit fruitful and scholarly analysis. The net result is that the forces underlying the transition, its character, and its possibilities and limitations, all become hidden in the mountain of propaganda that attempts to legitimize the current political trajectory of the transition.

This is not to deny any scholarly utility to these analyses. Indeed, they possess a number of distinct strengths. But the fundamental problem with them is that by emphasizing either the 'normalcy' or the 'exceptionalism' of the transition, they over-simplify a complex process, and are therefore incapable of developing an accurate assessment of the transition. Viewing the transition through one or another historical lens may blind one to some distinctive features of this transition, as well as to its similarities with those of others. Any

attempt to understand the transition in South Africa then, must simultaneously recognize the distinctiveness of the country's conflict and the nature of its resolution, while being flexible enough to capture the similarities of aspects of this transition with those that have occurred at different times, in various parts of the world.

This is precisely what this study attempts to do. Its analytical starting point is the peculiar historical development of the country and the distinctiveness of its conflict. Yet such a focus does not preclude the study from locating the transition in a global context. This then enables it to draw out parallels with other examples of regime transitions elsewhere in the world. The study is primarily analytical. It seeks to explain why negotiated outcomes in the democratic transition differed so significantly from the political visions and policies advocated by the major opposition movement before it came to power. Prior to 1992, the ANC was committed to a majoritarian democracy, a regulated economy with strong state intervention, and a labor movement that was vigorous and autonomous from the government. Yet the negotiated outcome in the South African transition took the form of a consensual democratic system which enshrined power-sharing for five years. Moreover, the ANC as the leading partner in the Government of National Unity adopted and implemented neoliberal economic policies and strategies, and established a corporatist set of labor relations that created a national partnership among government, labor, and business. Explaining this disjuncture between the negotiated outcomes in the democratic transition and the initial vision of the ANC is thus the focus of this study.

This study is also different from others in the methodological approach it adopts. Its analysis, unlike many others on democratization, cannot be comfortably located in either an

agency or a structural paradigm. Structural analyses, which dominated the early democratization literature of the 1950's, 1960's and 1970's, explained social and political phenomena as a result of factors such as the level of economic development, cultural prerequisites, and the imperatives of capitalist industrialization. Agency analyses, which have dominated this literature since the early 1980's, explain the emergence and character of current democratization initiatives through focussing on the behavior and decisions of elites, political parties, and social movements. The earlier structural studies were criticized for positing an inevitable causal relationship between economic/cultural factors and democratization. Agency studies, however, are criticized for not enabling us to understand the motivations behind actor behavior and decisions. This study avoids the weaknesses associated with both schools by linking agency and structural variables and demonstrating how changing structures constrain or shape the options for actors.

The definition of structure in this study is distinctive. Earlier works on democratization defined structure in economic and cultural terms. This study, however, defines structure as the relations of power (distribution of capabilities) among actors. These relations of power conditioned the behavior and decisions of actors and prompted them, and in particular the ANC, to make concessions in key policy areas that led to outcomes very different from their proposals and the original vision of the ANC. In effect, the analysis here explains the particular trajectory of the transition through a focus on agents (elites, political parties, social movements) and the relations of power among them.

This dissertation, then, develops an analysis of the South African transition that captures the role of both agency and structure. Agents or actors developed the substantive

features of South Africa's democratic system, but they did this within the constraints and possibilities permitted by the structural distribution of power. This structural distribution of capabilities led them to envisage an array of feasible options and, hence, to select whole policy sets quite different from what their earlier pronouncements (or the pronouncements of their parties, unions, movements, or other organizations) had claimed that they would select or implement. The current trajectory of the transition is thus the result of a dynamic interplay between agency and the structural distribution of power.

This dissertation is composed of seven chapters. Chapter 2 reviews the various methodological approaches that have been utilized to explain regime transitions in the last three decades. On the basis of this review it develops a dynamic model of democratic transitions which captures the roles of both agency and structure. The chapter concludes by identifying the working hypotheses of, and operationalizing the concepts utilized in, this study. Chapter 3 provides a historical background to the democratic phase of the transition. It focusses on the dynamic interplay between political resistance and state reform in South Africa over the last two decades. The chapter also analyzes the principal features of the liberalization phase of the transition, and the historical context within which the political democratization emerged.

Chapters 4, 5, and 6 focus on the constitutional negotiations, the political economy, and state-labor relations, respectively. All three cases represent important aspects of South Africa's negotiated democratic system. Analyzing why negotiated outcomes in each of these areas differed from the initial proposals advocated by the ANC prior to its ascension to office enables us to test the validity of the central hypothesis of this study, namely, that the

substantive features of the democratic transition in South Africa were determined by elites and other actors whose perceived choices and options were constrained and conditioned by a transformed structural distribution of power.

This goal informs the organizational structure of chapters 4, 5, and 6. Chapter 4 begins by providing a brief historical narrative of the negotiations process. It follows this with an investigation of the original constitutional proposals advocated by the NP and ANC. Thereafter, the chapter explores the distribution of capabilities between parties, and political elites' perceptions of this structural distribution of capabilities. It then demonstrates how these perceptions influenced political elites in the ANC and NP to compromise on their original constitutional proposals, and it explores the nature of the interim constitution that was subsequently adopted in 1994. Finally, the chapter concludes by summarizing the findings of the analysis.

Chapter 5 follows a similar format. It begins by identifying the competing explanations that have emerged to explain South Africa's economic crisis. Within this backdrop, the chapter describes and categorizes the original economic proposals of the NP and ANC. Thereafter, it explores economic actors' perceptions of the structural distribution of capabilities, and how these perceptions influenced the ANC, in government, to implement an economic program that differed significantly from the one it had advocated prior to its ascension to office. The chapter concludes by summarizing the findings of its analysis.

Chapter 6 begins by defining and identifying the pluralist and corporatist models of labor relations. It then explores union, business and state elites' perceptions of the structural distribution of capabilities, and how these prompted them to establish a corporatist set of

labor relations in post-apartheid South Africa. Once again, the chapter concludes by summarizing the findings of its analysis. Chapter 7 concludes the study by drawing together the findings and major threads of the analysis.

CHAPTER 2

DEMOCRATIC TRANSITIONS: STRUCTURE AND AGENCY

Many of the scholarly studies on South Africa's democratic transition have been essentially descriptive. Their priority has been to record the central political processes and decisions that informed this historical transformation of South African society. This was partly necessitated by the rapid pace of events. Such studies are thus extremely useful in that they capture the diverse set of processes that influenced and/or constituted this transition so that scholars, political activists, and others, both in South Africa and elsewhere, can at least keep pace with the rapid political change that the country was and is still undergoing. Given this focus, however, these studies do not provide an adequate explanation of why the transition took the form that it did.

Yet explanations, rather than descriptions, of the transition are now becoming necessary in South Africa. Explanations could enable scholars and policy-makers to understand the limits of what is possible in the country. Moreover, it is also necessary for those scholars and activists who are unhappy with the limited economic and socio-economic

potential of this transition. It is not enough for such scholars simply to detail alternative policy proposals. They also have to understand why these policy proposals were not adopted by political elites, even though some of these elites advocated such proposals prior to their ascension to office. Finally, these scholars and activists have to consider whether their alternative policy proposals are feasible in contemporary South Africa. Thus, it is becoming imperative for scholarly studies to undertake explanations rather than mere descriptions of South Africa's transition.

Such explanations should be directed to answering why negotiated outcomes in the South African transition differed from the original constitutional vision of the ANC. They should explain why the constitutional settlement took the form of a consensus democracy enshrining power-sharing for five years, when the ANC had originally advocated a majoritarian system of government. Moreover, they should explain why the ANC in government adopted and implemented neoliberal economic policies, and a set of corporatist labor relations, processes, and institutions, when its initial proposals and vision envisaged a regulated economy with strong state intervention, and a vigorous and independent trade union movement. To undertake these tasks, however, requires the development of an explanatory approach or model of transitions. Such a model must identify the variables that should be investigated in the study of South Africa's transition to democracy.

A model attempting to explain the transition in South Africa must, of necessity, address two central questions. These are:

- * What were the principal elements that defined the conflict in South Africa?
- * How do we account, theoretically, for the form, pace and content of the transition?

These questions are inter-related. For instance, an understanding of the former is crucial to that of the latter, particularly because the conflict defines the context within which the democratic transition evolved. A model of the transition then, must address issues of the nature of the conflict, and extrapolate the forces and factors that influence and direct the transition. This chapter develops such an analytic model, and subsequent chapters use it to address these key questions.

The Character of the Conflict in South Africa

Since the 1970's there has been a lively debate in academic and political journals and forums about the principal character of the conflict in South Africa. Two schools of thought have predominated in this debate. On the one hand, theorists associated with the Liberal school have suggested that the principle struggle is one among racial or national groups - the racial character of class inequality is a product of the white monopoly of political power. Marxist and neo-Marxist scholars, on the other hand, have suggested that the principal conflict in the country is one of class, and that race is the means through which class has expressed itself in South Africa.

Both schools have evolved complex theoretical explanations, supported by empirical research, to justify their analysis. Liberal theorists suggest that apartheid and capitalism were and are incompatible, since the former has always stunted the efficient functioning of the latter. They argue that apartheid's refusal to educate the black population, and its establishment of a cheap labor system, directly contributed to a skills shortage and a stunted

home market that adversely affected capitalists in the country.¹ Michael O'Dowd, one of the early representatives of this school, also suggested that South Africa's highly repressive labor system was typical of advanced capitalist democracies in an earlier stage of their development. He thus concluded, by analogy, that the rationalizing imperatives of capital accumulation would, over time, erode apartheid and the repressive labor system that it maintained. In this view, democracy was perfectly compatible with capitalism in South Africa, and further, that its realization would be a product of evolutionary change.²

Marxist and neo-Marxist theorists tended to describe the relationship between capitalism and apartheid as a functional one.³ They maintained that capitalist development in South Africa, which primarily took a mining and agricultural form in the earlier decades of the twentieth century, was dependent on the availability of cheap labor. The state ingeniously adapted and modified the existing reserve system⁴ which was dominated by pre-capitalist subsistence agriculture, to support workers' families as they traveled as migrant workers to

1 See Merle Lipton (1986), *Capitalism and Apartheid: South Africa, 1910-1984*, Washington: Gower Publishing Company Ltd; and Norman Bromberger and Kenneth Hughes (1987), "Capitalism and Underdevelopment in South Africa," Jeffrey Butler, Richard Elphick and David Welsh (eds.), *Democratic Liberalism in South Africa: Its History and Prospect*, Cape Town: David Philip (Pty) Ltd.

2 See Michael O'Dowd (1978), "South Africa in the Light of the Stages of Economic Growth," Lawrence Schlemmer and Eddie Webster (eds.), *Change, Reform and Economic Growth in South Africa*, Johannesburg: Ravan Press.

3 For one of the earlier critiques of the Liberal thesis, and an explanation of the Marxist one, see Frederick Johnstone (1976), *Class, Race and Gold: A Study of Class Relations and Racial Discrimination in South Africa*, London: Routledge & Kegan Paul.

4 The reserves were established by the 1913 Land Act which shunted Africans, who comprised 87 percent of the population, into 13 percent of the land. These reserves served as the basis for the establishment of the homelands after 1958.

service the expanding mining industry of the country. In effect, the reserves served to reduce the cost of reproducing black labor power.⁵

Neville Alexander notes that the Union of South Africa's drastic curtailment and denial of franchise rights for blacks, "measures which were interpreted and explained on grounds of race," served the interests of mining capital by providing it with the political and legal space to maximize the exploitation of black mineworkers. He also argues that segregation, and later apartheid, were the political forms of control through which the state addressed the conflict that arose between primary and secondary industry around "their differential needs for labor of differential quality."⁶ In this perspective, democracy in South Africa was incompatible with a market economy because it undermined the authoritarian forms of political control that were necessary to maintain the endless supply of cheap labor that sustained the country's capitalist system.⁷ Democracy could thus only emerge through revolutionary means in which both the apartheid state and the capitalist mode of production would be overthrown, and replaced with a democratic socialist order.

Both schools, however, underwent major revisions as they became subjected to the

5 See Harold Wolpe (1972), "Capitalism and Cheap Labor-Power in South Africa: From Segregation to Apartheid," *Economy and Society*, vol 1, no. 4; Martin Legassick (1974), "South Africa: Capital Accumulation and Violence", *Economy and Society*, vol.3, no. 3; and Martin Legassick (1975), "South Africa: Forced Labor, Industrialization and Racial Differentiation," Richard Harris (ed.), *The Political Economy of Africa*, London: John Wiley & Son.

6 No Sizwe (1979), *One Azania, One Nation: The National Question in South Africa*, London: Zed Press: p 156. Note that No Sizwe was the pen name of Neville Alexander.

7 See Martin Legassick (1985), "South Africa in Crisis: What Route to Democracy," *African Affairs*, vol. 84, no. 334.

scrutiny of critics and historical circumstance. Merle Lipton's *Capitalism and Apartheid* and Stanley Greenberg's *Race and State in Capitalist Development: South Africa in Comparative Perspective*, contributed to the sophistication of Liberal analyses, and acknowledged that both mining and agricultural capital had benefitted, and indeed in some cases demanded, measures that reinforced apartheid's labor controls. However, they also argued that manufacturing and commercial capital could not be implicated in the creation of apartheid, and concluded that by the 1980's all major groups of capitalists opposed the racial political order and were engaged in attempts to reform it.⁸

Marxist analyses benefitted from the publication of Harold Wolpe's *Race, Class, and the Apartheid State*, which subjected both Liberal and Marxist historiography to scathing criticism. Wolpe's central thesis is that earlier Marxist analyses, including his own, tended to suggest that capitalist relations in South Africa would inevitably have to adopt a racial form because of capital's need for authoritarian control over black labor. Criticizing this conception, since it "functions to close off questions about the possible separation of and

8 See Merle Lipton, *Capitalism and Apartheid*; and Stanley Greenberg's (1980), *Race and State in Capitalist Development: South Africa in Comparative Perspective*, New Haven: Yale University Press. Lipton's approach is criticized by David Yudelman on the grounds that it reduces the state to a simple instrument of class fractions. See David Yudelman (1987), "State and Capital in South Africa," Jeffrey Butler, Richard Elpick, and David Welsh (eds.), *Democratic Liberalism in South Africa: Its History and Prospect*, p 252. Greenberg later recognized that his treatment of the state as an undifferentiated and functional entity, and his neglect of African workers and how they impacted on labor institutions, were problematic. He addressed these problems in a subsequent study where he explored the tensions among, and varying responses of, different sectors of the state bureaucracy to the implementation of influx control, and showed how workers subverted this system and ultimately forced its dissolution in the mid-1980's. See Stanley Greenberg (1987), *Legitimizing the Illegitimate: State, Markets and Resistance in South Africa*, Berkeley: University of California Press.

contradictions between capitalism and racism," he argues that it might be more accurate to describe the relationship between apartheid and capitalism as "contingent." Such a description, he suggests, allows us to accede to the reality that contradictions do exist between apartheid and certain fractions of capital, and that in principle, capitalism and racism are separable, whilst enabling us to retain the understanding that "the inter-penetration which has occurred in practice and, most importantly, the vested interests of powerful groups and class forces in racial domination, are such as to make the de-racialization of capitalism unrealizable."⁹

While this academic controversy about the relationship between racism and capitalism reached an impasse towards the late 1980's, developments in the political arena signaled that far-reaching changes were soon to be underway. With the release of the senior leadership of the ANC, and the political negotiations that subsequently ensued, the transition to a post-apartheid order began in earnest. These political developments, which occurred largely because of the changing structural conditions upon which this study concentrates, rendered obsolete some of the conclusions of earlier analyses of both schools. Liberal theorists who predicted the evolutionary development of capitalism to a less stratified order were hard put to explain the political strikes and other forms of intensified conflict that challenged capitalism in the post-1973 phase. Similarly, Marxist scholars who had denied that it would be possible to establish democracy within the framework of a market-based economic and social system struggled to explain the emergence of the new, democratically elected post-apartheid

⁹ Harold Wolpe (1988), *Race, Class and the Apartheid State*, Amsterdam: UNESCO Press: p 32.

regime.¹⁰

It should be noted that progress in this debate requires changes in the theoretical models traditionally utilized by analysts of both schools. Political and socio-economic conditions have dramatically changed, necessitating new analytic models or paradigms for social analysis. Despite this, however, investigations of the transition to democracy in South Africa require us to return to the original controversy between the Liberal and Marxist theorists: what is the principal character of the conflict in South Africa? Is it a problem among contending racial groups? Is it, as Giliomee and Schlemmer maintain, a conflict between Afrikaner and African nationalism?¹¹ Is it, as Horowitz and Lijphart would argue, a conflict among different ethnic groups?¹² Is it, as most Marxists would have it, a class conflict manifesting itself in a racial form? Or is it, as David Welsh would argue, a multiplicity of conflicts, none of which can be conceived as the primary one?¹³

10 On balance, it might seem as if the Liberal theories were more accurate in their analyses and predictions. After all, a democratic political order was indeed established within the framework of a market economy. Moreover, this was achieved not through a revolutionary upheaval as radicals had predicted, but rather through a process of "peaceful" negotiations.

11 See Hermann Giliomee and Lawrence Schlemmer (eds.) (1989), *Negotiating South Africa's Future*, New York: St. Martin's Press.

12 See Donald Horowitz (1991), *A Democratic South Africa? Constitutional Engineering in a Divided Society*, Berkeley: University of California Press; and Arend Lijphart (1985), "Power-Sharing in South Africa," *Institute of International Studies: Policy Papers in International Affairs*: no. 24. A cogent critique of these works is provided in Michael MacDonald's (1992), "The Siren's Song: The Political Logic of Power-Sharing in South Africa," *Journal of Southern African Studies*, vol. 18, no. 4; and Rupert Taylor's (1992), "South Africa: A Consociational Path to Peace?," *Transformation*, no. 17.

13 See David Welsh (1987), "Democratic Liberalism and Theories of Racial Stratification," Jeffrey Butler, Richard Elphick and David Welsh (eds.), *Democratic*

It might be useful at this point to acknowledge that people simultaneously hold several identities, and their behavior in everyday life may be motivated by any one, or an amalgam of, these identities.¹⁴ But identities do not necessarily have to manifest themselves in a conflictual form. Moreover, not all conflictual identities manifest themselves in the political realm. For example, the Muslim population in South Africa is, at one level, stratified along the lines of caste and ancestry. Memen Muslims would often oppose the marriage of their children to descendants of surti, urdu, or any other Muslim or non-Muslim category. Yet this conflictual relationship that they display to other categories of Muslims and non-Muslims is not extended to the political realm. They do not demand a political identity, but rather are content to manifest this identity in their own personal lives.

This example underscores the point that while there might be a multiplicity of conflicts, not all conflicts have the same degree of political saliency. Which conflict, or amalgam of conflicts, displays a dominant political saliency can only be determined through a specific analysis of the situational context upon which one is focussing. In the case of the South African transition, the issue of relevance is which conflict, or amalgam of conflicts, generated the intensive resistance of the 1980's, and forced in the political transition of the

Liberalism in South Africa: Its History and Prospect.

¹⁴ Most of these identities are what Benedict Anderson would refer to as "imagined communities"; that is, unlike classes, they do not exist as a result of "a structured position in society." Benedict Anderson (1983), *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, London: Verso. For a useful introductory discussion of one such imagined identity, ethnicity, see Gerhard Mare (1993), *Ethnicity and Politics in South Africa*, London: Zed Books.

1990's? Moreover, how did the forces that opposed the racial political order, and their counterparts, conceptualize their respective identities?

It should be noted that recognizing that there is a multiplicity of identities and conflicts in society, need not imply that there is no central dynamic to the conflict in South Africa. The outward manifestation of conflict does not necessarily reflect what may be the primary contradiction within society. This incorrect assumption is often made by consociational (and many Liberal) theorists, as they assume from the presence of ethnic strife that there is primordial ethnic sentiment within the population.¹⁵ Their solutions are thus to codify ethnic representation in the form of consociational political arrangements.

By contrast this study recognizes that outward manifestations of conflict may deviate significantly from the causal contradictions within society. For example, class identities and struggles may, under certain conditions, manifest themselves in ethnic forms. This is because in the complex world of reality, identities often overlap with one another. In particular historical contexts, workers and bosses might primarily be black and white, respectively. Class conflicts between the two then, might be interpreted by analysts, and even conceived by the participants, as a racial conflict since this is the most easily recognizable feature of the interaction.¹⁶

¹⁵ See Arend Lijphart (1977), *Democracy in Plural Societies: A Comparative Exploration*, New Haven: Yale University Press, and Nicholaas Rhodie and Hermanus Venter (1960), *Apartheid: A Socio-Historical Exposition of the Origin and Development of the Apartheid Idea*, Pretoria: Haum. A similar, but more sophisticated analysis of ethnicity can be found in Hermann Giliomee and Lawrence Schlemmer (1989), *From Apartheid to Nation-Building*, Cape Town: Oxford University Press.

¹⁶ For a similar argument, see Rupert Taylor (1992), "South Africa: A Consociational Path to Peace."

Moreover, it must be noted that what Benedict Anderson refers to as "imagined identities" are malleable; they recede and re-emerge, their significance increases and decreases. Thus, the life and intensity of "imagined identities" is often dependent upon political choices. Certain policies may promote some identities and undermine others; other policies might achieve the reverse. This then suggests that governments, and political and social movements, must make appropriate choices (in the form of policies, decisions, and behavior), to serve those identities they wish to promote and to weaken others they wish to undermine.

Analyses that simply reduce the conflict in South Africa to a multiplicity of conflicts with no primary contradiction, as well as those that reduce the conflict to nationalist, ethnic, or class categories, oversimplify a complex struggle and misrepresent its essential character. At a general level, the South African conflict represented a national liberation struggle against a racial political order that disenfranchised the vast majority of the populace. But nationalist struggles can take a variety of forms, represent a range of social forces, and aspire to a number of contradictory goals.¹⁷ Their essential content is determined by the specific social and class forces that dominate in the leadership and governance of the social movement. Given the contingent relationship between class and racial categories in South Africa, and the strength of the organized workers' movement in the national liberation struggle, it should come as no surprise that the nationalist struggle has reflected both national and class aspirations. The conflict in the country has been and remains composed of both national and

¹⁷ This is the central argument in No Sizwe, *One Azania, One Nation: The National Question in South Africa*; and in Neville Alexander's (1986), "Approaches to the National Question in South Africa," *Transformation*, no. 1.

class dimensions.

What of ethnicity, however? Ethnicity, like nationalism, is an "imagined identity." But whereas ethnicity is a sub-national identity, nationalism can be, and most often is, a multi-ethnic identity of a community of people who aspire to territoriality and statehood.¹⁸ In South Africa, the struggle of the black population for democracy and the right to be recognized as citizens of the country is interpreted as a nationalist struggle. Ethnicity, however, is conceived as those sub-national identities historically associated with tribal, language, and religious affiliations, and which do not reflect a collective aspiration for separate statehood.

Since the state had historically reified and used ethnic divisions to facilitate white domination, radical scholars, concerned with maximizing opposition against apartheid, traditionally underplayed ethnicity. Also, ethnicity does not have as prominent a saliency for South Africa's black population as does for instance, nationalism. Nevertheless, in particular conflicts and situations, especially in the violence that racked the Gauteng (Pretoria-Witwatersrand-Vereeniging) region in the period that preceded the elections, ethnic conflict did rear its head. Moreover, the Inkatha Freedom Party (Inkatha) has openly mobilized on an ethnic ticket, and has been successful in generating a small, but significant, constituency base. Simply to deny ethnic manifestations of the conflict then, does not enable scholars to come to terms with the conflict in the country.¹⁹

18 Gerhard Mare (1993), *Ethnicity and Politics in South Africa*, p 43.

19 Gerhard Mare makes a strong case for not ignoring ethnicity as an explanatory factor of people's actions. He argues that there is a need to "contextualize ethnicity within a context of material conditions and class relations. Political and economic mobilization of ethnic sentiments occurs within a context of class relations and class power. Ethnic mobilization frequently occurs in situations of uneven development, of colonial

Recognizing that the conflict in particular contexts has manifested itself in an ethnic form does not mean that ethnicity must be conceived as one of the primary immutable social stratifications of South African society. Rather it is a recognition that ethnicity, as an "imagined identity," is malleable. If appropriate political choices are made, its significance could be undermined or its divisiveness reduced. The essential task of the national liberation movement, as reflected in party propaganda, programs, and manifestoes, has always been:

- * To subsume ethnic, racial, and other identities into a broader South African identity;
- * To undermine the political saliency of ethnic and racial identities;
- * To address the national (democratic) and class aspirations of its constituencies.

Its success in fulfilling these tasks will determine the possibilities of consolidating democracy in South Africa.

Analyzing the Transition

Much of the scholarly literature on the current transition in South Africa has taken a programmatic or descriptive form. This is partly understandable given the contemporariness of the transition and the desire of, and opportunity provided to, scholars to participate in the process of crafting a legitimate, post-apartheid, democratic political order.²⁰ The result,

exploitation, and of political and economic domination. This factor has to form part of the investigation of the origins of ethnic identity, the re-awakening of ethnic sentiments, and the operation of ethnic manipulators." See Gerhard Mare (1993), *Ethnicity and Politics in South Africa*, pp 40-41.

²⁰ This was done through the establishment of a number of policy institutes, funded by the private sector, from which scholars advised the central political actors, and intervened through media contributions. The most well known of these institutes are the Centre for Policy Studies, the Institute for Democratic Alternatives for South Africa, and the Institute of Multi-Party Democracy.

however. is that much of this scholarly literature is not able to provide a comprehensive analysis, even though it is useful for describing the events, and arguing for one or another ideological or programmatic solution. It lacks an analytical focus, and this prevents it from telling us why particular choices have been made, what are the forces and factors that have prompted these choices, and what are the possibilities and limitations of this transition. In short, this literature lacks depth and explanatory power.

Any model that purports to provide a framework to explain the transition currently underway in the country must confront the perennial problem of structure versus agency. This problem is one of developing theory that addresses the demands imposed by, in the words of David Dessler, "... the two uncontentious truths about social life: first, that human agency is the only moving force behind the actions, events, and outcomes of the social world; and second, that human agency can be realized only in concrete historical circumstances that condition the possibilities for action and influence its course."²¹ Despite being the focus of study of some of the best minds in the social sciences,²² this problem has not been satisfactorily resolved. Indeed, scholars in the social sciences have continued to emphasize either agency or structural variables in their analyses. The result is a methodological schism

21 David Dessler (1989). "What's at Stake in the Agent-Structure Debate?," *International Organization*, no. 43, p 443.

22 See, for instance, Gabriel Almond and Stephen Genco (1977), "Clouds, Clocks, and the Study of Politics," *World Politics*, no. 29; Anthony Giddens (1984), *The Constitution of Society: Outline of a Theory of Structuration*, Cambridge: Polity Press; Anthony Giddens (1979), *Central Problems in Social Theory: Action, Structure, and Contradiction in Social Analysis*, Berkeley: University of California Press; and William Sewell, Jr (1992), "A Theory of Structure: Duality, Agency, and Transformation," *American Journal of Sociology*, vol. 98, no. 1.

in the social sciences between structural and agency accounts of social and political phenomena.²³

Structural accounts explain social and political phenomena through an analysis of macro factors such as the level of economic development, structures of economic activity, international political economy, political dependency, the class structure of the society, and cultural prerequisites. They tend to portray a unilinear relationship between structures and political outcomes. Structures, in such accounts, serve as the independent variable whereas the particular social and/or political outcome is the dependent variable. Where actors are considered in these explanations, their decisions and behavior are simply treated as being determined by structural factors. Actors within the structural setting are thus oversocialized and not granted any capacity to exercise independent choice. They are treated merely as an intermediate variable whose decisions and behavior are determined by structural factors. Structural accounts have thus been criticized for offering over-deterministic explanations of political and social phenomena.²⁴

Agency explanations, by contrast, focus their attention on actors such as elites, political parties, and social movements. These accounts depict actor behavior and decisions

23 For a useful summary of the distinction between structural and agency-oriented analyses, see Herbert Kitschelt (1992), "Political Regime Change: Structure and Process-Driven Explanations?" *American Political Science Review*, vol. 86, no. 4, pp 1028-1029.

24 See Douglas Bennett & Kenneth Sharpe (1985), *Transnational Corporations Versus the State: The Political Economy of the Mexican Auto Industry*, Princeton: Princeton University Press, p 9; Terry Lynn Karl (1990), "Dilemmas of Democratization in Latin America," *Comparative Politics*, vol 23, no. 1, pp 2-5; Adam Przeworski (1991), *Democracy and the Market*, Cambridge: Cambridge University Press, p 96; and Karen Remmer (1991), "New Wine or Old Bottlenecks?: The Study of Latin American Democracy," *Comparative Politics*, vol. 23, no. 4, p 479.

in a voluntarist manner that grants elites, political parties, and social movements a free will to determine political and social outcomes. Such explanations also depict a unilinear causal relationship, but in this case, actors serve as the independent variable and social and political outcomes the dependent variable. Structural factors are often not considered in such accounts. Actors are treated as autonomous variables unconstrained by structural or historical factors. Agency explanations have thus been criticized for offering voluntarist accounts of social and political phenomena.²⁵ Structural and agency theoretical approaches, then, focus on separate sets of variables to explain causal processes, with the result that each is vulnerable to a different type of criticism.

Many of the studies on democratic transitions or their converse, can be placed in either a structural or an agency paradigm. Structural accounts were characteristic of much of the earlier literature published in the 1950's, 1960's and 1970's. Perhaps the most famous example of such accounts was Barrington Moore, Jr.'s *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*, which explained the origins of modern democratic and totalitarian regimes as the product of particular class relations that resulted from transformations in the modes of production. Moore contended that the prospects for democracy were particularly high in societies where the commercialization of agriculture transformed a traditional peasantry into either a class of

25 See Douglas Bennett & Kenneth Sharpe (1985), *Transnational Corporations Versus the State: The Political Economy of the Mexican Auto Industry*, p 9; Nancy Bermeo (1990), "Rethinking Regime Change," *Comparative Politics*, vol. 22, no. 3, pp 366-367; Gerardo Munck (1994), "Democratic Transitions in Comparative Perspective," *Comparative Politics*, vol. 26, no. 3, pp 370-371; and Karen Remmer (1991), "New Wine or Old Bottlenecks?: The Study of Latin American Democracy," pp 483-485.

small farmers or a rural proletariat.²⁶ Another well-known, but different structural account of regime transitions was Seymour Martin Lipset's *Political Man*, which concluded with the thesis that the possibilities of a nation sustaining democracy are conditioned by the state of its economic development. The more economically developed a nation, according to Lipset, the greater the chances that it will sustain democracy.²⁷

This modernizationist thesis that equated democracy with economic development was soon under critical scrutiny. Although critics of these studies reached very different conclusions, they nevertheless adopted a similar structuralist methodological approach in their studies. Guillermo O'Donnell's *Modernization and Bureaucratic Authoritarianism*, published in the 1970's, challenged Lipset's equation between economic development and political democracy. Focussing on economic development and class conflict as his principle explanatory variables, he demonstrated why there was an "elective affinity" between "bureaucratic authoritarianism and high modernization."²⁸ In a similar vein, Philippe

26 See Barrington Moore, Jr (1966), *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*, Boston: Beacon Press.

27 See Seymour Martin Lipset (1960), *Political Man*, Garden City: Doubleday, and Seymour Martin Lipset (1959), "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review*, vol. 53. This deterministic portrayal of Lipset's argument can be challenged even though he was careful to speak of "requisites" not "preconditions" of democracy. As Dankwart Rustow maintains, Lipset's repeated "slips from the language of correlation into the language of causality..." lend themselves to interpretations that treat "economic and social conditions as the independent, and democracy the dependent, variable." Dankwart A. Rustow (1970), "Transitions to Democracy: Towards a Dynamic Model," *Comparative Politics*, vol. 2, no. 3, p 342.

28 Guillermo O'Donnell (1979), *Modernization and Bureaucratic-Authoritarianism*, Berkeley: University of California.

Schmitter's "Still the Century of Corporatism," suggested that the corporatist political order of many authoritarian systems was determined by "the specific nature of capitalist imperatives" on the one hand, and "the international context of capitalism" on the other.²⁹

Scholars on regime transition underwent a significant methodological conversion in the last two decades. Arguing that structural accounts of regime transition often implied a kind of inevitability thesis, they tended towards providing agency-focussed explanations of transitions to or away from democracy. One of the landmarks for this new literature was Dankwart A. Rustow's "Transitions to Democracy: Towards a Dynamic Model," which argued that, despite the correlation that functionalist writers demonstrated between structural factors and democracy, such correlations did not necessarily prove causation. In Rustow's words,

"... correlation is evidently not the same as causation - it provides at best a clue to some sort of causal connection without indicating its direction. Lipset's data leave it entirely open, for example, whether affluent literate citizens make the better democrats; whether democracies provide superior schools and a more bracing climate for economic growth; whether there is some sort of reciprocal connection so that a given increase in affluence or literacy and in democracy will produce a corresponding increment in the other; or whether there is some further set of factors, such as the industrial economy perhaps, that causes both democracy and affluence and literacy."³⁰

He concluded by developing an alternative model for understanding democratic transitions, one he termed "genetic" because of its concern with the genesis or origins of democratic systems. This model analyses democratic transitions through focussing on the behavior and

29 Philippe Schmitter (1974), "Still the Century of Corporatism?," *The Review of Politics*, vol. 36, no. 1.

30 Dankwart A. Rustow (1970), "Transitions to Democracy: Toward a Dynamic Model," p 342.

decisions of elites, political and social movements, administrators, and the wider population. Despite this focus on actors, however, Rustow consciously predicated his model on conflict and stalemate, structural features which subsequent interpretations of his work often ignore.

Rustow's work was soon supported by another pioneering study, authored by Robert Dahl, *Polyarchy: Participation and Opposition*. Dahl, after reviewing the evidence, concluded that it simply "did not sustain the hypothesis that a high level of socio-economic development is either a necessary or a sufficient condition for competitive politics nor the converse hypothesis that competitive politics is either a necessary or a sufficient condition for a high level of socio-economic development."³¹

These critiques of earlier functionalist and structuralist studies soon opened up the way for a series of agency analyses of regime transitions. Two of the more influential of such explanations were Juan Linz and Alfred Stepan's edited collection entitled *The Breakdown of Democratic Regimes*, catalyzed by a wave of military take-overs in Latin America, and O'Donnell, Schmitter, and Whitehead's four volumes entitled *Transitions from Authoritarian Rule*, catalyzed in turn by the replacement of those same regimes in the 1980's. The former, in response to earlier structuralist explanations, focussed primarily on elite behavior and suggested that the earlier systemic breakdown of democracy must be understood as a result of shortsighted democratic leadership.³² O'Donnell, Schmitter, and Whitehead approached the

31 Robert Dahl (1971), *Polyarchy: Participation and Opposition*, New Haven: Yale University Press, p 71.

32 See Juan Linz and Alfred Stepan (1978), *The Breakdown of Democratic Regimes: Crisis, Breakdown, and Re-equilibration*, Baltimore: Johns Hopkins University Press, p 12.

democratic openings underway in the 1970's and 1980's in a similar methodological vein, arguing that "what actors do and do not do seems much less tightly determined by "macro" structural factors during the [current] transitions ... than during the breakdown of democratic regimes."³³ Their work thus emphasizes "elite dispositions, calculations and pacts" to understand the emergence of transitions and "the parameters on the extent of possible liberalization and eventual democratization."³⁴

In the wake of the publication of *Transitions from Authoritarian Rule*, agency explanations of democratic transitions came into vogue.³⁵ This dominance of agency explanations of democratic transitions masked an underlying tension within this methodological approach. Should agency accounts stress, as Rustow seemed to indicate, the role of social actors, mass movements, political organizations, politicians and administrators.³⁶

33 Guillermo O'Donnell and Philippe Schmitter, *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies*, vol. 4, p 19.

34 Ibid, p 48. Note the interesting irony, highlighted by Nancy Bermeo, that O' Donnell and Schmitter, who were the most prominent structuralists of the 1970's, became the leading agency scholars whose methodological approach emphasized actors in the 1980's. See Nancy Bermeo (1990), "Rethinking Regime Change."

35 For further examples of such agency-oriented analyses, see Guisepe Di Palma (1990), *To Craft Democracies: An Essay on Democratic Transitions*, Berkeley: University of California Press; and John Higley & Richard Gunther (1992), *Elites and Democratic Consolidation in Latin America and Southern Europe*, Cambridge: Cambridge University Press.

36 Geoffrey Pridham, in his discussion of Rustow's dynamic model of democratic transitions, argues that its strength lies in the fact that it allows "for the possibility that different groups - e.g. now the citizens and now the rulers, now the forces in favor of change and now those eager to preserve the past - may furnish the crucial impulse toward democracy;" and that it suggests that "the advent of democracy must not ... be understood as occurring in a single year, and that since the emergence of new social groups and the formation of new habits are involved, one generation is probably the minimum period of

or should individual decision-makers be treated, as Linz, Stepan, O'Donnell, Schmitter and Whitehead prefer, as the key independent variables?³⁷ This tension continues to exist and remains the central distinguishing characteristic among studies on democratization located in the genetic mold.

It should thus come as no surprise that the dominant methodological approach in the South African literature concerned with the transition underway in the country is an agency one.³⁸ And, that the essential tension in this literature is on whether to treat the behavior and decisions of elites as the sole independent variable, or to broaden the analytical prism to incorporate social movements and other social actors as independent variables who influence the openings of the transition, its substantive content, and the prospects of its consolidation.

This methodological divide has taken the form of a contest between mainstream (mainly Liberal) and radical (mainly Marxist) scholars. Mainstream scholars, represented by Heribert Adam, Doreen Atkinson, Steven Friedman, Hermann Giliomee, Robin Lee, Kogila

transition." Geoffrey Pridham (ed.) (1984), *The New Mediterranean Democracies: Regime Transition in Spain, Greece and Portugal*, London: Frank Cass and Company Ltd: pp 24. For another work influenced by Rustow's model of democratic transitions, see Georg Sorensen (1993), *Democracy and Democratization: Processes and Prospects in a Changing World*, Boulder: Westview Press.

37 For one recent example of the use of this approach, see John Higley and Richard Gunther (1992), *Elites and Democratic Consolidation in Latin America and Southern Europe*.

38 There have been some exceptions to this genetic trend. See, for instance, Hermann Giliomee, Lawrence Schlemmer, & Sarita Hauptfleisch [eds.] (1994), *The Bold Experiment: South Africa's New Democracy*. It should also be noted that agency studies often mention the collapse of communism and/or other global and national political developments in their analyses. Very few, if any of them however, go on to explore how these developments impacted on the negotiated outcome and conditioned the substantive aspects of the transition - a key goal of the present study.

Moodley, Johannes Rantete, Lawrence Schlemmer, Frederick van Zyl Slabbert, Andre Du Toit, and David Welsh, tend to focus their analyses on the major political parties, and the political pacts that were being forged in the Multi-Party Negotiating Forum.³⁹ Steven Friedman's *The Long Journey* and David Welsh's "Holding the Centre" were essentially historical narratives of the political negotiations in the Convention for a Democratic South Africa (CODESA) and the Multi-Party Negotiating Forum, respectively. As Friedman maintained in his preface, analysis was confined to explaining the "clashes of interest concealed behind technical submissions and counter proposals."⁴⁰ In line with their intended aim of ensuring that "... the citizenry (understood) what was being agreed to ... in the negotiations."⁴¹ both works merely focussed on outlining and explaining the political interests

39 For just some of their works. See Andre Du Toit (1990) *South Africa as Another Case of Transition from Authoritarian Rule*; Robin Lee and Lawrence Schlemmer [eds.] (1991), *Transition to Democracy: Policy Perspectives 1991*; Frederick van Zyl Slabbert (1992), *The Quest for Democracy*; Johannes Rantete & Hermann Giliomee (1992) "Transition to Democracy Through Transaction?: Bilateral Negotiations Between the ANC and NP in South Africa," *African Affairs*, no. 91; Heribert Adam and Kogila Moodley (1993), *The Opening of the Apartheid Mind: Options for the New South Africa*, Berkeley: University of California Press; Steven Friedman (ed.) (1993), *The Long Journey: South Africa's Quest for a Negotiated Settlement*, Johannesburg: Ravan Press; David Welsh (1993), "Holding the Centre," *Towards Democracy*, 2nd Quarter; Steven Friedman and Doreen Atkinson (eds.) (1994), *South African Review 7: The Small Miracle - South Africa's Negotiated Settlement*, Johannesburg: Ravan Press. Also note that recently Steven Friedman has criticized the South African transition literature's narrow use of O'Donnell, Schmitter, and Whitehead's methodological approach, and has made some attempts to use Dankwart Rustow's model to understand developments in South Africa. See Steven Friedman (1993), "South Africa's Reluctant Transition," *Journal of Democracy*: John Hopkins University Press: April edition.

40 Steven Friedman (ed.) (1993), *The Long Journey: South Africa's Quest for a Negotiated Settlement*, p vi.

41 Ibid.

behind the constitutional proposals of the various political parties. Friedman's and Atkinson's edited sequel to *The Long Journey*, entitled *The Small Miracle: South Africa's Negotiated Settlement*, was written in a similar vein. Its aim was " ... to tell a coherent story ... with the message ... that negotiations were in essence a pact between the two major parties ... who came to accept many compromises, and principles, which seemed unattainable not long before."⁴² The book did not explore or address why these parties made such compromises. Rather, it simply described these compromises and how they facilitated the constitutional settlement. The result was a descriptive study largely focussing on the behavior and decisions of political elites and parties.

The two other major works from this group of scholars were written with a slightly different purpose in mind. Frederick van Zyl Slabbert's *The Quest for Democracy* is, as he himself admitted in the introduction, a much more advocacy-orientated work.⁴³ Largely written for the uninitiated observer of South African politics, the book attempted to introduce the reader to the political actors involved in South Africa's constitutional negotiations, the tasks that needed to be undertaken in the democratization of South Africa, and to explaining why democratization was in the interests of all the country's citizens. Heribert Adam's and Kogila Moodley's *The Negotiated Revolution* was, as they maintain in the introduction, a "... pragmatically orientated ... (study)... of strategic debate,"⁴⁴ that analyzed the political

42 Steven Friedman and Doreen Atkinson (eds.) (1994), *South African Review 7: The Small Miracle - South Africa's Negotiated Settlement*, p xii.

43 Frederick van Zyl Slabbert (1992), *The Quest for Democracy*, p vi.

44 Heribert Adam and Kogila Moodley (1993), *The Negotiated Revolution: Society and Politics in Post-Apartheid South Africa*, p 5.

strategies of, the internal tensions within, and the relationships among, the ANC, PAC, AZAPO, and Inkatha. While this work explicitly attributed the political negotiations and the democratic transition to the emergence of a balance of power in South Africa, it did not investigate how these power relations influenced the evolution of parties' constitutional and economic proposals. Instead, its focus was to describe and thereafter criticize the political strategies of the major black political parties in South Africa. In this sense, the work tended to take an advocacy form, analyzing and debating with political parties about the appropriateness of their political strategies.

Agency-orientated studies of the South African transition are not confined to mainstream scholars. Radical scholars such as John Saul, Karl van Holdt, Jeremy Cronin, Eddie Webster, and Glenn Adler, have similarly advanced agency-oriented analyses. Their analytical focus, however, has been on social movements, since they maintain that the emphasis on political parties and elites leads scholars "... to misunderstand the role of popular movements and struggle in the origin, development, and outcome of actual transitions."⁴⁵ John Saul's "South Africa: Between Barbarism and Structural Reform" and "Structural Reform: A Model for the Revolutionary Transformation of South Africa," were essentially written as responses to critics of the ANC who asserted that the organization's leadership had capitulated on their original political and socio-economic programs in order to facilitate an elite settlement with the apartheid regime.⁴⁶ Saul contested these critics by illustrating how

45 Glenn Adler and Eddie Webster (1994), "Challenging Transition Theory: The Labour Movement, Radical Reform, and the Transition to Democracy in South Africa," pp 2-3.

46 See John Saul (1991), "South Africa: Between Barbarism and Structural Reform." For an analysis critical of the ANC, see Alex Callinicos (1988), *South Africa: Between Reform*

social movements like the Congress of South African Trade Unions (COSATU) and the South African National Civic Organisation (SANCO) influenced the ANC to adopt political and socio-economic policies that were part of a program of transitional reforms. Such reforms, he maintained, are " ... not comfortably self-contained, ... but instead (are) allowed self-consciously to implicate other necessary reforms that flow from it as part of an emerging project of structural transformation."⁴⁷ Saul argued that the proposals advanced by union activists for a social contract, and economic proposals advanced by COSATU-aligned economists were some examples of such 'structural reform' initiatives in South Africa. He failed to demonstrate how social contracts and the concrete policies of the growth-through-redistribution strategy actually realized popular empowerment, and prompted the transitional reforms that were the distinctive feature of his structural reform project. Neither did he address the question of how viable such a strategy was in relation to the distribution of power (capabilities) among actors in the South Africa of the early 1990's. Saul's analysis, then, largely focussed on describing the strategies of and economic policies advocated by social movements like COSATU and SANCO.

Glenn Adler's and Eddie Webster's "Challenging Transition Theory: The Labour Movement, Radical Reform, and the Transition to Democracy in South Africa," similarly showed how social movements, and in particular COSATU, played an instrumental role in mobilizing for and "shaping the institutions, policies, and practices of the transition process

and Revolution, London: Bookmarks.

47 John Saul (1991), "South Africa: Between Barbarism and Structural Reform," p 5.

in South Africa."⁴⁸ Their work usefully demonstrated that COSATU's mobilization was instrumental in forcing the apartheid regime to set an election date, and to establish the National Economic Forum (NEF). Moreover, they illustrated COSATU's influence on the negotiations process and on the ANC by reflecting on the union federation's participation in the National Manpower Commission (NMC) and how these deliberations helped secure clauses in the Bill of Rights and the Transitional Constitution, the inclusion of its leaders on the ANC electoral slate, and its role in the drafting of the Reconstruction and Development Program (RDP). These activities, they argued, were consistent with the radical reform strategy that the independent trade union movement had developed in the 1970's and 1980's.⁴⁹ In this sense, the implication of Adler's and Webster's work is that COSATU did not engage in a fundamental strategic shift in the late 1980's, and that its activities and policies in the 1990's were largely consistent with the political strategy it implemented in earlier decades.

The work of Adler and Webster, and even those of Saul, are useful in that they highlight the role of social movements in the transition process. But, like mainstream scholars, their focus was largely on agency, albeit an agency not normally considered by the mainstream democratization literature. The result is that the works of both mainstream and radical scholars are vulnerable to methodological criticisms levelled at studies located within an agency paradigm. Agency applications have ably described the concessions made by, and the ideological conversion of, both individual decision-makers and social movements. And, they

48 Glenn Adler and Eddie Webster (1994), "Challenging Transition Theory: The Labour Movement, Radical Reform, and the Transition to Democracy in South Africa," p 3.

49 Ibid, p 15.

have usefully outlined the decision processes that facilitate the transition.

They have not, however, persuasively enabled us to understand why decision-makers and social movements suddenly changed their ideological viewpoints and moderated their views, a principal task of this study. Moreover, agency applications have not accounted for the similarities in the settlements of a variety of transition cases - they have not explained why a variety of countries within this particular historical epoch have, despite their distinctive histories and national contexts, achieved settlements so similar in their essential character. Finally, agency applications have informed the debate on the prospects of consolidating democracy only to the extent of suggesting decisions and behavior by actors that will facilitate this process - they have not informed us as to whether the national and international political and socio-economic context is conducive to the consolidation of democracy. The transition has been treated as an autonomous process - divorced from developments outside the negotiating forums and the organizational structures of individual decision-makers and social movements.

This study steers clear of these pitfalls and develops a methodological approach that draws on useful elements from both the agency and structural paradigms. It thus locates itself in the tradition of, and builds on a third generation of studies "with an integrative agenda which requires striking a balance between structural and agential factors that shape regime transformations."⁵⁰ Two useful works in this third generation of scholarship are Samuel

50 James Mahoney & Richard Snyder (nd), "Rethinking Agency and Structure in the Study of Regime Change," unpublished manuscript, p 1. Other scholars have also called for such an integrative research agenda. See Terry Lynn Karl (1990), "Dilemmas of Democratization in Latin America," pp 1, 5-8; and Gerardo Munck (1994), "Democratic Transitions in Comparative Perspective," p 371.

Huntington's *The Third Wave: Democratization in the Late Twentieth Century*, and Ruth Collier's and David Collier's *Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America*.⁵¹

Huntington's study of what he terms the "third wave of democratization" is organized around a distinction between "causes" and "causers" of democracy. "Causes" represent structural factors that facilitate democratization. Huntington identified five such factors. These were: the declining performance and increasing delegitimacy of authoritarian regimes; global economic growth that raised living standards, increased education, and expanded the middle classes; changes in the doctrine and activities of the Catholic Church in support of democratization; changes in the policies of external actors like the European Union, the United States and the Soviet Union in support of democratization; and finally, a "snowballing dynamic" which was facilitated by new forms of communication technology.⁵² These factors created a context conducive to, but did not necessarily lead to democratization. As Huntington argued, "A democratic regime is not installed by trends but by people. Democracies are created not by causes but by causers."⁵³

These "causers" are political leaders and social groups whose strategies, decisions,

51 See Samuel Huntington (1991), *The Third Wave: Democratization in the Late Twentieth Century*; Ruth Collier and David Collier (1991), *Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America*, Princeton: Princeton University Press.

52 Samuel Huntington (1991), *The Third Wave: Democratization in the Late Twentieth Century*, pp 46-108. Note that Huntington identifies the first wave as having occurred between 1828 and 1926, and the second wave between 1943 and 1962.

53 *Ibid.*, p 107.

and behavior promoted democratization.⁵⁴ This part of Huntington's analysis, then, focussed on the strategic interactions among actors,⁵⁵ an analytical focus similar to that of agency-oriented approaches. But he avoids an excessive voluntarism by locating his analysis of these interactions among actors within a framework of opportunities and constraints generated by the structural features he identified earlier. In this way, Huntington offered a sophisticated analysis that integrated structural and agency variables.

Ruth Collier's and David Collier's *Shaping the Political Arena* explained the emergence of different types of political systems in eight Latin American countries through an analysis of a critical juncture, namely, the incorporation of labor into the national political arena. The need for labor incorporation arose, in their view, from the growth and increasing strength of the working class that resulted from economic development in the first half of the twentieth century. This development weakened old modes of domination that had traditionally involved repressive responses to labor mobilization in Latin America. Political leaders were thus forced to investigate and establish new mechanisms to manage industrial relations. The different types of labor incorporation were conceived as the product of the choices and decisions of political leaders. As Collier and Collier maintained, "If one wishes to explain why the incorporation periods took the specific form they did in each country, the answer will focus on the dynamics of intralite politics and choices by actors within the state."⁵⁶ The

54 Ibid., p 108.

55 Ibid., pp 121-122.

56 Ruth Collier and David Collier (1991), *Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America*, p 50.

institutions that arose from the different forms of labor incorporation created new opportunities and constraints for political actions and thereby led to distinct regime outcomes. Collier's and Collier's study, then, which focussed on both the economic structures in the genesis of critical junctures, and the choices and decisions of political elites in the evolution of forms of labor incorporation, integrated structural and agency variables in its analysis of regime transformation.

Both Huntington's and Collier's and Collier's integrative studies have been subjected to criticism. Gerardo Munck, for instance, has criticized Huntington for segregating structure from process and for not building mechanisms that link his structural and agency variables.⁵⁷ Collier's and Collier's study has been criticized by James Mahoney and Richard Snyder because "... it tends to privilege structure over agency in analyzing both the genesis of critical junctures and the paths linking these junctures to subsequent regime outcomes."⁵⁸ Despite these weaknesses, however, both Huntington's and Collier's and Collier's studies are useful attempts to integrate structural and agency variables. This study follows a similar methodological approach and develops an explanatory model of the transition to democracy in South Africa that locates itself within the perspective of Karl Marx's maxim enunciated in *The Eighteenth Brumaire of Louis Bonaparte*: "Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by

57 Gerardo Munck (1994), "Democratic Transitions in Comparative Perspective," p 357.

58 James Mahoney & Richard Snyder (nd), "Rethinking Agency and Structure in the Study of Regime Change," p 21.

themselves, but under circumstances directly found, given and transmitted from the past."⁵⁹

The mode of social science enquiry most appropriate to realizing the approach underlying Marx's maxim is a historical-structural one. This approach, in the words of Cardoso and Faletto, "emphasizes not just the structural conditioning of social life, but also the historical transformation of structures by conflict, social movements and class struggles."⁶⁰ It is also perfectly consistent with Rustow's original genetic model of democratic transitions. Structures condition actors' behavior and choices, but they themselves can be transformed under certain conditions. This is because structures generate contradictions and social tensions, which under certain historical circumstances establish a dynamic that enables individual and institutional actors to alter them, opening up new possibilities and limits to change. A historical-structuralist approach, then, facilitates the development of a dynamic model of democratic transitions, avoiding both the voluntarism inherent in most agency applications, and the determinism characteristic of earlier structuralist explanations.

Towards a Definition of Structure

How then should we define structure? Structure may be defined at a general level as an abstract entity that conditions the behavior and choices of actors, as well as outcomes in a given setting. Dependency theorists tend to conceive the international capitalist economy

59 Karl Marx (1972), "The Eighteenth Brumaire of Louis Bonaparte," Robert Tucker (ed.), *The Marx-Engels Reader*, New York: W. W. Norton: p 437.

60 Fernando Henrique Cardoso and Enzo Faletto (1979), *Dependency and Development in Latin America*, p x.

as a structure that conditions a nation's economic development and its social and political processes.⁶¹ While this may have been appropriate for studies concerned with the "underdevelopment of peripheral economies," this is only one factor in conditioning the pace, content, and outcome of democratic transitions in domestic contexts. Earlier structural analyses, particularly those of O'Donnell and Schmitter, focussed on the global and national economies in understanding the transitions in Latin America to bureaucratic authoritarianism and state corporatism respectively. Once again, while these are significant variables in conditioning the behavior and choices of domestic actors, they are by no means the only independent variables influencing democratic transitions.

A useful conception of structure is one provided by the realist theorist, Kenneth Waltz, who defines it "as the arrangement, or the ordering, of the parts of a system."⁶² A domestic political structure, according to Waltz, is the arrangement of institutions and agencies that comprise the political system. This arrangement is "... defined first, according to the principle by which it is ordered; second, by the specification of functions of formally

61 For explications of the dependency approach, see Peter Evans (1979), *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil*, Princeton: Princeton University Press; Andre Gunder Frank (1967), *Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil*, New York: Monthly Review Press; James Petras (1973), *Latin America: From Dependence to Revolution*, New York: John Wiley; Fernando Henrique Cardoso and Enzo Faletto (1979), *Dependency and Development in Latin America*; and Kenneth Erickson & Patrick Peppe (1976), "Dependent Capitalist Development, U.S. Foreign Policy, and Repression of the Working Class in Chile and Brazil."

62 Kenneth Waltz (1986), "Political Structures," Robert Keohane (ed.), *Neorealism and its Critics*, New York: Columbia University Press, p 73.

differentiated units; and third, by the distribution of capabilities across those units."⁶³ The ordering principle of domestic politics is hierarchy: the institutions and agencies that comprise the political system relate to each other from superior and subordinate positions. This hierarchy among institutions, their defined functions, and their relative capabilities, define the structure of the political system.

The strength of this succinct definition is that it clearly separates structure from process, thereby enabling us to determine the effects of one on the other. Its problem, for our purposes, is that it is limited to the formal political arena. And given that the focus of our study is the South African transition, which has reshaped not only the formal political arena, but the entire landscape of political, economic, and societal relations, the definition is too constrictive to serve as the linchpin for our investigation. Nevertheless, it can be adapted for our investigative purposes.

Such an adaptation requires us to expand the definitions of unit and system. Whereas Waltz was referring to the executive, legislature, judiciary, and state agencies that comprise the political system, we are equally concerned with the units of classes, racial and other social groups, political parties and social movements, foreign investors, foreign governments and international financial agencies, all of which collectively comprise the societal system. Societal structure thus represents the arrangements of these units. The principles that define the political structure remain relevant to a definition of the overall societal structure. This structure is hierarchically ordered and there exists a specification of functions for the differentiated units: states (or their components) are responsible for deciding on and

63 Ibid, p 74.

implementing legislation which is binding on all individuals, organizations, social groups, and agencies within the society. Different classes and organizations serve different functions in society: the proletariat works in, and capitalists own, manage, and make decisions for, industrial and commercial enterprises. Political parties and civil society organizations, including social movements, are subject to the authority of the state, and their functions are determined by their constitutions and the interest groups they represent. Foreign investors are also subject to the authority of the state, and their functions are determined by their corporate offices and by laws that govern their entry into the market. The functions of representatives of foreign governments and international financial agencies are determined by official protocols negotiated between the domestic state and the respective foreign actors.

Nevertheless, despite the significance of Waltz's principles for a general definition of societal structure, the applicability of his criteria of hierarchy and specificity of function was severely qualified by the nature of the transition underway in South Africa. Although these principles remained in effect in *de jure* terms, their *de facto* status can be questioned. For instance, the ANC, a political party, often played a quasi-state role in the post-1992 period. On a number of occasions, international financial agencies bypassed official state structures and entered into direct negotiations with the ANC. The establishment of the Transitional Executive Council (TEC) in December 1993 effectively enabled the ANC to co-manage South Africa with the De Klerk regime in the five months prior to the April 1994 elections. Moreover, social movements like COSATU, the National Council of Trade Unions (NACTU), and SANCO, often questioned the legitimacy and authority of the state. These examples indicate that the hierarchic ordering principle of domestic society and the

specification of functions do not adequately convey the arrangement of societal units, and thereby a definition of societal structure. For this reason, focus will be placed on the third principle of the definition of societal structure, namely, the distribution of capabilities (defined below) across units, which is ultimately determined by the resources available to each of them.

The differing resource availabilities and, hence, differing capabilities of the state, classes and other social groups, political and other organizations, foreign investors, foreign governments, and international financial agencies crucially influenced the pace, content, and outcome of the transition. These capabilities are not only generated as a result of the differentiated functions allocated to the units, but also by other factors both within and outside individual units' control. For instance, the delegitimation of communist discourse that resulted from the collapse of Eastern Europe and the Soviet Union crucially influenced actor capabilities in the South African transition. The domestic and global environment within which the transition was occurring also conditioned the capabilities of the units in the transition.

Structure, for our purposes then, is defined as the hierarchic ordering, functional differentiation, and the relative capabilities of the state, classes, social groups, political parties, social movements, foreign investors, foreign governments, international financial agencies, and other relevant collective categories, that determine the arrangement of these units with one another. Focus will be placed on the changing resource distribution and relative capabilities (for reasons discussed above), in order to shed light on the interactions among the various units, and their changing analyses of, and proposed solutions to, the conflict in the country. This analytical process should ultimately demonstrate the logic shaping the adoption

of contemporary South African institutions of political participation, decision-making, industrial relations, and political economy.

One final point to note is this model's approach to the state. The state, like classes, social groups and other units, is conceived as an independent actor with interests and power of its own. This conception deviates from both the behavioralist/pluralist and many contemporary Marxist approaches to the state. Both of these schools view the state as the expresser of others' interests. For pluralists, the state is a neutral entity within which a variety of groups do battle to translate their interests into state policy.⁶⁴ Instrumentalist Marxists treat the state as the simple expresser of ruling class interests and desires.⁶⁵ Both schools deny the state any independent interests or power - rather, these are seen as exogenously derived from constituents of civil society.

Another strand of Marxism which focussed on the relative autonomy of the state attempted to address this deficiency by suggesting that the state's primary task is to rationalize the contradictions among various fractions of capital.⁶⁶ In this conception, the state is

64 For an influential example of this work, see Robert Dahl (1961), *Who Governs?*, New Haven: Yale University Press.

65 See, for example, Alfred Stepan (1978), *The State and Society: Peru in Comparative Perspective*, Princeton: Princeton University Press; and Ralph Miliband (1969), *The State in Capitalist Society*, New York: Basic Books. Although Miliband recognizes that states can sometimes exhibit some autonomy, the work focusses on demonstrating the mechanisms by which the ruling class constrains state action.

66 The classic works in this tradition are Nicos Poulantzas (1973), *Political Power and Social Classes*, London: New Left Books; and Louis Althusser (1971), "Ideology and Ideological State Apparatuses," in his *Lenin and Philosophy and Other Essays*, New York: Monthly Review Press. For a good example of such an approach to the South African state, see Dan O'Meara (1983), *Volkskapitalisme: Class, Capital and Ideology in the Development of Afrikaner Nationalism 1934-1948*, Cambridge: Cambridge University

conceived as having the interest and power to act against one or another fraction of capital so as to stabilize the overall capitalist system. Its weakness, however, is that it is unable to explain why and how the state comes to express one interest, and not another. Nor does it explain the extent or limits of state power. The essential problem, in the words of Max Weber, is that "the state cannot be defined in terms of its ends. There is scarcely any task that some political association has not taken in hand, and there is no task that one could say has always been exclusive and peculiar to those associations which are designated as political ones.... Ultimately one can define the modern state sociologically only in terms of the specific means peculiar to it ... namely, the use of physical force."⁶⁷

The present study's approach to the state, then, is one adopted by Douglas Bennett and Kenneth Sharpe, who use Cardoso and Faletto's historical-structural approach to investigate the relationship between the Mexican state and transnational corporations in the automobile industry.⁶⁸ Following Weber, they conceive of the state as a system of administration composed of legal, bureaucratic and coercive components. But, unlike other adherents of Weber such as state autonomy theorists⁶⁹ who focus solely on institutional structures and ignore class alliances, social interests, and the class content of policies of the

Press.

67 Hans H. Gerth and Charles W. Mills (1948), *From Max Weber: Essays in Sociology*, London: Routledge, pp 77-78.

68 See Douglas Bennett and Kenneth Sharpe (1985), *Transnational Corporations versus the State: The Political Economy of the Mexican Auto Industry*.

69 See, for example, Peter Evans, Dietrich Rueschemeyer and Theda Skocpol [eds.] (1985), *Bringing the State Back In*, Cambridge: Cambridge University Press.

state. Bennett and Sharpe acknowledge that "the state's interests are likely to have been shaped in ways that lead it generally to act in concert with dominant classes or social forces." They argue, however, that analyses should not take these as given, but rather should "explain how these ends were taken on historically and how the state institutionalized the capacity to pursue them."⁷⁰ In their words,

"Understanding how the state acquires its interests and power means understanding the state as an actor involved in national and international structures... This approach is necessarily historical, because the state's experiences with other actors and structures will determine whether the state is coherent or fragmented in its actions and what specific interests, what power or weaknesses, it has. At the same time, the approach is inherently structural; it denies the voluntarism that sees the state as an actor that chooses and acts wholly freely, viewing the state instead as an actor whose interests and power are shaped by structures. It can transform structures, but only within limits that are themselves historically structured."⁷¹

Working Hypotheses and the Operationalization of Concepts

The central question underlying this study is why did negotiated outcomes in the South African transition take the form of a consensual democratic system with power-sharing, a neoliberal economic program, and a corporatist model of labor relations, when the ANC had originally advocated and advanced a majoritarian system of government, a regulated and developmentalist economic program, and a vigorous and independent trade union movement? The overall hypothesis is that structural factors, and in particular a transformed distribution of capabilities among political and economic elites, the state, social forces, political parties,

70 Douglas Bennett and Kenneth Sharpe, *Transnational Corporations versus the State: The Political Economy of the Mexican Auto Industry*, p 42.

71 Ibid.

social movements, foreign investors, foreign governments and international financial agencies, conditioned the behavior and choices of these units, thereby shaping the institutions, policies, and processes that emerged during the transition.

This distribution of capabilities across units was reshaped by both international and domestic factors. The collapse of the Soviet Union and the delegitimation of communism that accompanied it weakened the radical wing of, and reduced the influence of communists in, the ANC. Having lost their ideological rationale, the political, institutional, and socio-economic proposals of communist activists and leaders became vulnerable to ideological attacks from a variety of quarters, thereby reducing their influence on ANC policy. This prompted communist leaders like Joe Slovo to distance themselves from the commandist socialist societies of Eastern Europe and the Soviet Union, and to voice their support for political pluralism and a mixed economy with a substantial private sector.⁷² The collapse of the Soviet Union also ended its financial contributions to the ANC, making the ANC more dependent on financial donations from advanced industrialized countries and South African business. This enhanced the influence of industrialized nations and South African business on the ANC, and greatly strengthened the moderate wing of the organization.

A subsidiary hypothesis is that the relative capabilities of foreign and national capital were increased in the context of the long-term crisis of the South African economy and the globalization of capital. Political actors in South Africa, including the ANC, realized that foreign (and in some cases domestic) capital could easily establish operations in other countries where governmental policies were more conducive to realizing profits. Given that

72 Joe Slovo (1990), "Has Socialism Failed?"

significant capital was required for reforming the economic arena, political actors began reviewing their political and socio-economic policies so that South Africa could become attractive to foreign and domestic investment.

Other political actors like the National Party were similarly conditioned by the redistribution of capabilities across units. The collapse of the Soviet Union reduced the strategic role of South Africa for Western democracies, and they were now more willing to impose penalties on the white government for its refusal to negotiate with credible black political leaders. Moreover, the support enjoyed by the ANC among most of the black population made it an indispensable player in the resolution of the conflict in South Africa. However, the ANC was constrained by its weak military position and its inability to overthrow the apartheid regime. These factors then, created a "capability stalemate" between the ANC and the NP.

Outlining these hypotheses, however, still leaves open the problem of defining and operationalizing the terms "elites" and "capability." Following Higley and Gunther, elites are identified in this study "as persons who are able, by virtue of their strategic positions in powerful organizations, to affect national policy outcomes regularly and substantially. They are the principal decision-makers in the largest and most resource-rich political, governmental, economic, military, professional, communications, and cultural organizations and movements in a society."⁷³ Two sets of elites are identified in this study. First, political elites are those individuals located in senior leadership positions in government (like cabinet ministers) and/or

73 John Higley and Richard Gunther (1992), *Elites and Democratic Consolidation in Latin America and Southern Europe*, p 8.

political parties like the ANC and NP. Second, sectoral elites are those individuals located in powerful leadership positions of business and professional organizations like the South African Chamber of Business (SACOB), and the South Africa Foundation, and in social movements like COSATU and its nationally based affiliates, and SANCO.

It needs to be noted that the ANC is essentially a broad church incorporating a variety of political and ideological strains within its midst. This 'church-like' character of the ANC has inevitably meant that shifts in organizational policy have provoked serious tensions and divisions within the ANC. Indeed, some individuals and groups within the organization have objected to, and advocated policies contrary to those of the national leadership. This study, while having reflected on some of these tensions and divisions, has nevertheless focussed its attention primarily on the formal policies of the organization. Since the substantive decision-making in this regard has been made by national leaders, this study has concentrated on these individuals and has conceived of them as forming the core of ANC political elites. Twelve interviews were conducted for this study. The interviewees are by no means a representative sample of political and/or sectoral elites. Instead, they were chosen either because they were involved in articulating the shifts in the ANC's policy, or were at least aware of the motivations behind such shifts in policy.

Capabilities have been defined in the literature either in terms of the resources of units or their abilities to bring about intended effects.⁷⁴ Since the latter definition is essentially a tautology, capability has been defined in this study as the aggregate of specific resources at the disposal of individual units to achieve their goals and enable them to advance their

74 See Robert Keohane (1986), *Neorealism and its Critics*, p 11.

interests in a continuing political contestation. It needs to be noted that in some cases capability is also determined by a unit's dependence on the resources of other units. In such cases, the relative capabilities of units in control of these resources increase, while those of units dependent on such resources decrease.

Operationalizing "capability" also involves specifying which resources comprise the capabilities of individual units. Clearly, it would be impossible to identify and measure the entire arsenal of resources that inform actor capabilities in the South African transition. Instead, this study, for the purposes of practicality and manageable research, has determined the distribution of capabilities across units through simple measurements and assessments of units' independent possession or control of, and/or their dependence on other units' access to, military, political, economic, diplomatic, and ideological resources.⁷⁵

The criteria for identifying, measuring, and assessing resources follow, each with a brief illustration:⁷⁶

Military Resources: The military capabilities of the South African state, the ANC and the PAC are determined by calculating the number of personnel in the South African Defense Force (SADF), Umkhonto We Sizwe (MK), and the Azanian People's Liberation Army

⁷⁵ Tatu Vanhanen's comparative study on democratization is premised on a similar hypothesis, and he determines the "distribution of power" by measuring the spread of economic and intellectual resources amongst the population of 147 countries. See Tatu Vanhanen (1990), *The Process of Democratization: A Comparative Study of 147 States*, New York: Taylor & Francis New York Inc, pp 51-65. Note that this study uses three additional variables (diplomatic, military, and political) to measure the distribution of capabilities across units.

⁷⁶ These illustrations have been kept brief because the following chapters take these issues up in depth.

(APLA), respectively. This is supplemented with an analysis of the studies of independent military analysts who have assessed the projected capabilities of all these military formations.

To illustrate, the behavior of and choices available to the ANC were conditioned by the fact that the state's military apparatus had remained intact, and that the country's geographical layout was not conducive to a classic rural-based guerrilla struggle. The SACP's political program, *The Path To Power*, recognized that these factors conditioned its options and those of the ANC.⁷⁷ Cheryl Carolus, the Deputy-General Secretary of the ANC, concurred with this assessment, and identified the apartheid regime's control over its security apparatus as one of the features that defined the stalemate that led to the political negotiations in South Africa.⁷⁸

Political Resources: The political support enjoyed by the ANC, NP, Inkatha and others, is determined through an analysis of a variety of surveys conducted by the Human Science Research Council between 1992 and 1994. Calculations of such support are verified through an analysis of the results of the April 1994 elections. The political resources of these parties and of social forces and movements are also determined through an analysis of their organizational expressions. This involves calculating the membership of organizations like COSATU, and assessing their support and impact through calculations of attendance at their protests, demonstrations, meetings, and other activities.

To illustrate, the behavior of and choices available to the De Klerk regime were conditioned by the fact that the ANC enjoyed widespread political support. Nine of the 12

77 For a discussion of this, see the SACP's latest program, *The Path to Power*, p 50.

78 Interview with Cheryl Carolus, August 24, 1995.

interviews conducted with political elites, including those with Ando Donkers and Johann Jacobs, who served as advisors to the apartheid regime in the CODESA negotiations, recognized that it was the ANC's widespread political support which prompted De Klerk to make constitutional concessions and accept its demand for an elected constituent assembly and an interim government.

Economic Resources: The economic capabilities of international financial agencies, foreign governments, domestic and foreign capital, and the South African state are determined through an analysis of a number of organizational and government documents that calculate the country's financial debt, the proportion of the GDP that goes to the servicing of this debt, the estimated levels of public expenditure required for structural economic reforms, and the amount of private financial investment that would be necessary if the economy is to achieve a sustainable growth rate sufficient to absorb the existing unemployed and to address the levels of inequality among the population. The economic resources of the ANC are also determined through an analysis of the organization's financial status and the change in its principal sources of funding.

To illustrate, the economic crisis of South Africa, the huge national debt bequeathed to the country by the apartheid regime, and the need for large scale financial resources to restructure the economy and narrow the levels of inequality among racial groups, increased the South African state's dependency on the loan monies and direct investment resources of international financial agencies, foreign governments, and domestic and foreign capital. Recognition of this dependency strengthened the moderate wing of the ANC, and gave greater credence to the argument of some of its leaders who advocated an economic program

of privatization, deregulation, and fiscal restraint. These developments, the internationalization of capital, and the dominance of neoliberal economic thinking globally (in the wake of Reagan's and Thatcher's economic programs), also enhanced the capabilities of domestic capital, leading the sociologist, Ari Sitas, to conclude that "its interests and claims appear natural and legitimate. ... and in every calculation and consideration its profitability and performance is at the centre of everyone's [political elites, parties, and labor movements] worries."⁷⁹

Diplomatic Resources: The diplomatic capabilities of foreign governments are determined through an analysis of the transformation of the international system that enables assessments of foreign governments' support for or opposition to a negotiated resolution of South Africa's conflict, and their willingness to use sanctions as a leverage to facilitate this goal.

To illustrate, the weakening and ultimate collapse of communism and the Soviet economy led Soviet officials to make clear that they would no longer be able to provide financial, military, and political support to the ANC and that they hoped the ANC would consider a negotiated resolution to the conflict in the country.⁸⁰ As chapter 4 demonstrates, this decision of the Soviet Union increased the ANC's dependency on the financial and political support of transnational organizations and western governments, thereby enhancing their abilities to pressure the ANC to consider constitutional negotiations. Chapter 4 also

79 Ari Sitas (1993), "Managing the Democratic Revolution," *South African Labour Bulletin*, vol. 17, no. 2, p 75.

80 See Howard Barrell (1987), "Soviet Policy in Southern Africa," *Work in Progress*, no. 48; and Allister Sparks (1990), *The Mind of South Africa*, p 365.

demonstrates that western governments, and the US in particular, were only more willing to use further sanctions as the means to influence the De Klerk regime to liberalize the political process, once it became apparent that the collapse of the communist bloc was inevitable. De Klerk conceded that his decisions and behavior were influenced by the transformation of the international system when, in his opening address to parliament in February 1990, he credited his decision to unban the ANC, PAC, and the SACP, to the fact "that events in the Soviet Union and Eastern Europe, weaken(ed) the capability of these organizations which were previously supported from those quarters," and that, "the activities of the organizations from which the prohibitions are now being lifted, no longer entail the same degree of threat to internal security which initially necessitated the impositions of the prohibitions."⁸¹

Ideological Resources: The ideological capabilities of international financial agencies, domestic and foreign capital, and the ANC, SACP, and COSATU are determined through an analysis of how the collapse of Eastern Europe and the Soviet Union influenced these units' advocacy of and/or support for policies of political pluralism and neoliberal market reforms that encourage foreign direct investment, privatization, deregulation, and fiscal restraint.

To illustrate, the delegitimation of communist ideology significantly reduced the rhetorical and propagandistic capabilities of the ANC, SACP, and COSATU. The collapse of the communist bloc prompted Joe Slovo and other leaders within the ANC to reassess communist theory and practice. Previously, Slovo had been at the forefront of defending the political and economic systems of the communist bloc. In 1990, however, he authored two

81 Frederick Willem De Klerk (1990), "Presidential Address to Parliament on February 2," p 10.

widely-read articles in which he criticized the commandist socialist societies of Eastern Europe and the Soviet Union, and voiced his support for both political pluralism and a mixed economy with a substantial private sector.⁸² Pravin Gordan, a leading member of the ANC's negotiating team and a co-chair of the Multi-Party Negotiating Forum, argued "that glasnost and perestroika had a significant influence on the manner in which problem resolution was conceived in the late 1980's. It was no longer a winner-take-all conception, nor was it one of marching into the union buildings."⁸³

In any case, simply measuring and assessing these resources would only prove correlation between the structural distribution of capabilities and negotiated outcomes in the democratic transition. Establishing their causal relations requires, as is done in the above illustrations and in the following chapters, the linkage of agency and structure, in order to demonstrate that the decisions and behavior of political elites' were conditioned and constrained by the distribution of capabilities (in relation to the resources identified above) among them. This is done by examining actor perceptions of the structural distribution of capabilities through analyses of data derived from interviews conducted by the author with political elites, articles authored and speeches delivered by key political leaders, and organizational and other policy documents.

82 Joe Slovo (1990), "Has Socialism Failed?" *South African Labour Bulletin*, vol. 14, no. 6, and Joe Slovo (1990), "Nudging the Balance From Free to Plan," *Weekly Mail*, March 30- April 7. For a response to these articles, and an analysis of the future evolution of the SACP, see Adam Habib (1991), "The SACP's Restructuring of Communist Theory and Practice: A Shift to the Right," *Transformation*, no. 14.

83 Interview with Pravin Gordan, November 28, 1995. The union buildings house senior officials and Ministers and symbolically represent the seat of government.

As indicated earlier, the empirical chapters of this study will focus on the constitutional negotiations, the political economy, and the labor relations model, of the transition. These were the three key sectors where the contests among political elites, parties, and social movements were most prominent and controversial. Moreover, they are also important for establishing relationships between citizens and the state, and among social classes. If one could demonstrate that the reason negotiated outcomes in these areas differed from the original proposals advocated by political elites, parties, and social movements was because the structural distribution of capabilities led these actors' to make concessions, then the hypothesis of this study would be validated. It is the task of this dissertation to demonstrate that the architects of the negotiated outcomes in the democratic transition in South Africa were political actors whose choices, decisions and behavior were conditioned by the structural distribution of capabilities. The necessity of analyzing both agency and structural variables to understand democratic transitions would thus be demonstrated.

CHAPTER 3

FROM LIBERALIZATION TO DEMOCRATIZATION

It is always difficult to trace the origins of contemporary political processes because of the fluid nature of human existence. The developments of today are conditioned by the behavior and choices of yesterday, and these were influenced by those of the day before. Political and social life is thus a continuous process constantly evolving and being conditioned by the successes, mistakes, and failures of our past. Perhaps it was this observation that led English historian Cicely V. Wedgwood to comment in her biography of William of Orange that "history is lived forward, but it is written in retrospect.... We know the end before we consider the beginning and we can never wholly recapture what it was to know the beginning only."¹

Nevertheless, despite the dilemma posed by this historical dynamic of human

¹ Quoted in James Atlas's fascinating article entitled "Pinpointing a Moment on the Map of History," published in *The New York Times*, March 19, 1995, p E1. For the original source, see Cicely V. Wedgwood (1945), *William the Silent, William of Nassau, Prince of Orange, 1533-1584*, New Haven, Yale University Press.

existence. scholars, journalists and social commentators daily make judgments that pinpoint particular moments in history to mark off one era from another. This is of course done to make analytical sense of complex phenomena. But the necessity of the task should not obscure the fact that such pinpointing is arbitrary. As prisoners of the present, our definitions of the beginning and end points are colored by what we perceive to be the truths of our epoch. These truths and definitions of the beginning and end, therefore, are always vulnerable to being exposed as fallacies by the forever forward march of human existence and of historical research.

These difficulties apart, the task of making analytical sense of contemporary developments in South Africa necessitates that at least a provisional judgment be made on the origin of the country's current democratic transition. If a guess is to be made, then perhaps the most appropriate one would be September 28, 1978. On this day, P.W. Botha, the Minister of Defense and regional leader of the National Party in the Western Cape, assumed the national leadership of the NP and the office of Prime Minister of the Republic of South Africa. It is indeed an irony to mark the beginning of South Africa's most momentous democratic political development in this century with the day on which one of its most authoritarian leaders assumed power. But such are the quirks of history.²

Botha's regime did mark the beginning of the end of apartheid, and it did preside over the liberalization of the South African polity and economy. This liberalization was by no means absolute. But then, as O'Donnell and Schmitter recognize, the process of liberalization

² It is also an irony that Botha, who was associated with fascist currents in the 1940's, was responsible for pioneering the liberalization of the South African polity.

- which involves the redefinition and extension of both individual and group rights - is never complete and unconditional, but rather sporadic, punctuated by retreats and advances.³ In South Africa, this process combined the relaxation of some traditional apartheid legislation in the form of the repeal of the pass laws and the immorality act, with an extension of the repressive actions of the state, reflected in the declaration of the state of emergency, the banning of political and other social movements, and the detention (and sometimes murder) of key activists.

Botha's rise to power was preceded by significant realignments within the camp of the ruling elite. These realignments were largely prompted by the differing solutions offered by two key groups of political elites, commonly referred to as *verligtes* and *verkramptes*.⁴ to the 1973 worker strikes, the Soweto rebellion of 1976, and the transformed regional and international environment of the mid- and late-1970's. The re-emergence of mass resistance and rebellion in South Africa tended to create a crisis of confidence by reminding apartheid's ideologues and leaders about their vulnerability. It also prompted a wide-ranging debate about, and decisive struggle over, the future of white rule within the heart of the NP and the state apparatus. The conflict culminated in the victory of the *verligtes* with Botha assuming

3 Guillermo O'Donnell & Philippe C. Schmitter (1986), *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies*, vol 4, USA: John Hopkins University Press, p 7.

4 The term '*verligte*' means enlightened, and referred to what was seen as the progressive wing of the NP. '*Verkrampte*' literally means cramped, and was therefore used to describe the conservative strand within the organization. It should be noted that these terms must be understood in the context of apartheid South Africa; 'enlightened' should not be interpreted in its literal global meaning. These *verligte* leaders can in no way be described as progressive. They did not support the dismantling of apartheid, but rather merely wanted its reformulation and modernization.

the leadership of both party and state, and led to the subsequent breakaway of 18 verkrampte Members of Parliament to form the Conservative Party in 1982.

This chapter provides a brief historical background to the transition to democracy in South Africa in the 1990's. It does not present original material. Rather, it is based on secondary sources and serves as stage-setting for the analytic case-studies that follow in subsequent chapters. The chapter explores how the political and socio-economic transformation of the country in the 1960's and 1970's realigned the resource availabilities and, hence, the distribution of capabilities between rulers and ruled. Industrialization, urbanization, economic recession, the emergence of a black political organization within the country, and an emboldened spirit generated by the achievement of national liberation in Angola and Mozambique, enhanced the capabilities of the black population and facilitated the emergence of wide-scale political resistance. This resistance changed state elite's perceptions of the distribution of capabilities between themselves and the black population, and prompted the apartheid regime to embark on a liberalization of the South African polity.

The state's liberalization initiatives enabled the opposition movement to utilize the newly emerged political space to mobilize and undermine the control of the apartheid regime, further enhancing the capabilities of the black population. This culminated in a national rebellion between 1984 and 1986. The sense of national crisis created by this rebellion, and the international condemnation that flowed from it, once again transformed the perceptions of state elites, weakened the reformers in the regime, and prompted the hardliners to embark on a repressive strategy to regain the initiative. Their success in smashing resistance demonstrated that the apartheid regime's military capacity represented its key resource. The

failure of the hardliners to legitimize the state, however, indicated that the key resource of the opposition movement was the support it enjoyed among the country's black population. Realization of this structural distribution of capabilities prompted state elites to legalize political movements in 1990 and begin the democratization of South Africa. The political dynamic between state elites and their political opposition in the 1980's then, created the structural stalemate that Dankwart Rustow identified as crucial for the genesis of democracy.

The Crisis of Apartheid

A wide range of explanations has been offered for the emergence of resistance and rebellion in the 1970's.⁵ Most analysts have acknowledged that the changing socio-economic context contributed to militant mass resistance. The political and industrial quiescence of the 1960's, largely realized through repression, created an ideal climate for massive foreign and domestic investment - the latter by both the private sector and, most significantly, the state. This increased investment translated into GDP more than doubling in the decade, growing at a real average rate of 5.9 percent per annum. Real GDP per capita grew at 2.9 percent per

5 For four distinct explanations of the Soweto revolt, see John Kane-Berman (1978), *Soweto: Black Revolt, White Reaction*, Johannesburg: Ravan; Baruch Hirson (1979), *Year of Fire, Year of Ash*, London: Zed Press; Jeremy Brickhill & Alan Brooks (1980), *Whirlwind Before the Storm*, London: International Defense and Aid Fund for Southern Africa; Republic of South Africa (1980), *Report of the Commission of Inquiry Into the Riots at Soweto and Elsewhere*, Pretoria: Government Printer. A useful review of these works is provided in Tom Lodge (1983), *Black Politics in South Africa since 1945*, New York: Longman Group Ltd. For recent accounts of the Soweto revolt and resistance in the 1970's, see Anthony W. Marx (1992) *Lessons of Struggle: South African Internal Opposition, 1960-1990*, New York: Oxford University Press; and Robert M. Price (1991), *The Apartheid State in Crisis: Political Transformation in South Africa, 1975-1990*, New York: Oxford University Press.

annum.⁶ The manufacturing sector performed even better, with output growing at an average of 8.7 percent per annum.⁷ Total manufacturing employment increased from 641,753 (i.e. 13 percent of total employment) in 1960 to 1,110,450 (i.e. 17 percent of total employment) in 1970.⁸

Urbanization increased rapidly as poverty-stricken rural residents, attracted by the new jobs, flocked to South Africa's urban townships. The number of African urban residents increased from 10,928,000 in 1960 to 15,340,000 in 1970.⁹ Moreover, African workers' bargaining positions vis-a-vis employers were greatly strengthened as a result of the fact that they began to occupy semi-skilled and skilled positions in the industrial hierarchy. Between 1965 and 1985, the number of Africans in skilled and semi-skilled categories of work more than doubled from 755,538 to 1,523,307.¹⁰ All in all, apartheid confronted a greatly strengthened, more urbanized, and collectively conscious African population in the 1970's.

Out of this explosive mix surfaced an increase in the relative deprivation of the African

6 *Africa - South of the Sahara 1995*, 24th edition, England: Europa Publications Ltd, p 851. Also see Macro-Economic Research Group [MERG] (1993), *Making Democracy Work: A Framework for Macroeconomic Policy in South Africa*, South Africa: Centre for Development Studies, Table 7.1p 239.

7 See MERG, *Making Democracy Work*, Table 7.1, p 239.

8 Central Statistical Service [CSS] (1991), *South African Statistics*, p 12.4. See also Doug Hindson (1991), "The Restructuring of Labour Markets in South Africa: 1970's and 1980's," in S. Gelb (ed.), *South Africa's Economic Crisis*, Cape Town: David Philip, pp 228-29.

9 CSS (1994), *South African Statistics*, p 13.5.

10 D. Hindson & O. Cranshaw (1990), "Occupational Racial Structure in South African Industry, 1965-1987," vol. 4, Table 5, unpublished data based on the Manpower Surveys, Central Statistical Services, Pretoria.

population. As a result of deficiencies in the domestic economy (a small domestic market, skills shortage, low levels of productivity, and a primary-commodity export economy), instability in international financial markets, and global recession, the South African economy began slowing down, and by the mid-1970's entered into a recession. Real GDP grew at an average of only 3.9 percent per annum between 1970 and 1980, and this rate of growth was largely stimulated by the excessively high price of gold in 1973-74 and 1980.¹¹ Stagflation, that phenomenon of high unemployment and inflation which made its appearance worldwide in the 1970's, also afflicted South Africa.¹² Between 1969 and 1978 the rate of increase in the consumer price indicator averaged 9.5 percent per annum. In the three years immediately preceding the Soweto revolt, this index increased by an average of 12 percent per annum.¹³ Its rent component increased between 10 and 100 percent per annum in an effort to enable Black Affairs Administration Boards, who administered the townships, to balance their books.¹⁴ While unemployment figures are difficult to calculate, given the apartheid

11 See *Africa-South of the Sahara 1995*, p 851. According to MERG calculations, the average annual increase in GDP in this period is 3.7%. See MERG, *Making Democracy Work*, Table 7.1, p 239.

12 For a detailed account of the domestic and global factors that caused a slowdown of the South African economy in the early 1970's, see S. Gelb [ed.] (1991), *South Africa's Economic Crisis*, chapter 1.

13 Calculated from United Nations (1981), *United Nations Statistical Yearbook 1979/80*, New York: United Nations Press, Table 168, p 725.

14 For a review of the rent increases, see the South African Institute of Race Relations' *Annual Race Relations Survey*, in this period. The Black Affairs Administration Boards' need to balance the books emerged from the losses they sustained as a result of the government's decision to allow the private sector to sell liquor to the black population. Previously, the Administration Boards were granted a monopoly over this trade, and this enabled them to keep their expenditure in line with their income.

government's refusal to acknowledge the legitimacy of African residence in South Africa. estimates suggest that the rate of unemployment hovered around the 20 percent mark by the late 1970's.¹⁵

But material grievances were not the only variable that facilitated mass resistance. A number of analysts have indicated the crucial role played by the Black Consciousness Movement (BC) in the Soweto rebellion of 1976.¹⁶ BC emerged in 1969 when black students in the mainly white, Liberal-dominated National Union of South African Students (NUSAS) broke away to form the South African Student Organization (SASO). In subsequent years, other organizations like the Black Allied Workers' Union (BAWU) and the Black Peoples Convention (BPC) were formed, all of which are collectively referred to as BC. The movement itself was based on the belief that black oppression was a result of black peoples' feelings of inferiority. Thus, the movement's essential task was defined as generating black pride. This involved speaking up against white oppression, educating both young and old, popularizing black history, establishing black businesses and community projects, and generally creating a feeling of self-worth amongst the black population.¹⁷

15 This estimate is that of Charles Simkins and is quoted in Doug Hindson, "The Restructuring of Labour Markets in South Africa: 1970's and 1980's" 235.

16 See, for example, John Kane-Berman, *Soweto: black revolt, white reaction*; Tom Lodge, *Black Politics in South Africa since 1945*; Anthony W. Marx, *Lessons of Struggle*; Robert M. Price, *The Apartheid State in Crisis*. For analyses critical of BC's contribution, see Baruch Hirson, *Year of Fire, Year of Ash*; and Jeremy Brickhill & Alan Brooks, *Whirlwind Before the Storm*.

17 For a useful study of BC, see Gail Gerhart (1978), *Black Power in South Africa*, Berkeley: University of California Press. It should be noted that BC defined black to mean all persons of color.

Although BC itself was not responsible for organizing the Soweto uprising, its ideas, slogans, and sometimes cadres, were involved in the demonstrations. As Steve Biko, the charismatic leader of the Black Consciousness Movement, put it when asked by a government prosecutor about the support his movement enjoyed. "In one word - Soweto. The boldness, dedication, sense of purpose, and clarity of analysis of the situation - all of these are the direct result of BC ideas among the young. This is not quantifiably analyzable, for the power of a movement lies in the fact that it can indeed change the habits of people. The change is not the result of force but of dedication, of moral persuasion."¹⁸

A third set of variables that influenced resistance and in particular the Soweto rebellion, was the emergence of a different mindset amongst the black population. This was partly a result of the fact that a new generation had emerged onto the political scene - a younger generation of people who had not directly experienced the repression of the 1960's, and who were thus more willing to confront what they perceived as an oppressive state.¹⁹ They were also emboldened by regional developments after 1974. With the military coup in Portugal in April of that year, Mozambique and Angola were soon granted national independence. The guerrilla armies of ZANU and ZAPU were making significant advances in Rhodesia, and the optimism of these developments infused the young : "If others could do it, why couldn't they?"

The stage was thus set: the emergence of an urbanized and more skilled workforce, a significant increase in relative deprivation, the spread of radical ideas, and an emboldened

18 Quoted in Anthony Marx, *Lessons of Struggle*, p 170.

19 This point is stressed in Robert Price, *The Apartheid State in Crisis*, p 49.

spirit among the black community. These developments changed black peoples's perceptions of their own abilities and organizational resources and increased their capacity and willingness to engage in resistance. The results of this changed distribution of capabilities were the 1973 strike wave and the 1976 Soweto student rebellion.

The strike wave came as a complete surprise to capital and the state. Since the Sharpeville clampdown in 1960, industrial strikes had involved only about 2000 workers per annum. In 1973, however, there were 370 work stoppages involving 98,378 workers. The following year witnessed 384 work stoppages involving 59,244 people.²⁰ These spontaneous strikes developed a momentum of their own, and employers (in a scramble to get production back on line) made a significant number of wage concessions. But the long-term importance of the strike wave lay in the fact that, since it represented the political awakening of the African working class, it laid the foundation for the re-emergence of a black trade union movement.²¹ This movement was to grow significantly in the next decade and by the mid-1980's, was to provide the organizational muscle for the struggle against apartheid.

The Soweto rebellion was also largely spontaneous. It emerged around the imposition of Afrikaans as a medium of instruction in African schools.²² When 15,000 students, organized under the leadership of the Soweto Student Representative Council (SSRC),

20 See National Manpower Commission (1986), *Certain Aspects of Strikes in the RSA*, Pretoria: Government Printer, Annexure C, Table 1, pp 85-88.

21 For an analysis of these strikes, see Alex Callinicos (1988), *South Africa: Between Reform and Revolution*, London: Bookmarks, pp 1-3; 88-90.

22 Note that Afrikaans was to replace English and indigenous African languages as a medium of instruction in the schools.

protested this decision through a peaceful demonstration on June 16, 1976. police opened fire, leaving two dead and scores injured. This attack, and an unprovoked one later in the day against commuters arriving from work, deepened the anger of residents and prompted widespread rioting in the township. During the next few days the revolt spread across the Pretoria-Witwatersrand-Vereeniging region leading the Minister of Bantu Education to close schools on June 18. Some peace returned thereafter, but the protests and demonstrations against the educational and political authorities re-emerged with the opening of schools in August.

A number of successful political stayaways were called in August and September of 1976.²³ One such stayaway called by the Soweto Student Representative Council (SSRC) in the middle of September led to serious clashes between youth and migrant workers because of the attempts of the former to prevent the latter from going to work. Thereafter, the student leadership made it a policy to consult with older residents and the leadership of migrant workers in the hostels, whenever stayaways were called. This had the benefit of generating migrant workers' support, and often led to larger turnouts in favor of the demonstrations. From August 1976, the revolt began to spread to the Eastern and Western Cape, with clashes between students and the police being registered in most urban centers. By the end of the year, almost all regions of the country had been exposed to the political unrest.

²³ Stayaways are essentially boycotts which involve participants remaining at home, and not engaging in any of their daily duties. The logic of this strategy was that the loss of income to the country as a result of workers withholding their labor power would force the state to intervene and make concessions that would address the grievances of people.

The police simply responded with force. In an effort to smash the revolt, they killed, injured, and detained individuals, and banned political organizations and activity. By May 11, 1977, a total of 617 blacks were killed, 85 of whom were children and youth. Of these 53 were shot. By April 1, 1977 some 461 people were detained without trial, and 110 people were charged and sentenced to an aggregate of 666 years imprisonment.²⁴ In September of that year, Steve Biko was tortured and subsequently murdered in a police cell in Port Elizabeth. By the end of the year, the Black Consciousness movement was banned. The revolt slowly simmered down.

The repression of course had come at a cost. On June 19, 1976, the United Nations Security Council condemned the South African regime's repressive actions, and called for the dismantling of Apartheid.²⁵ In November 1977, the Security Council imposed a mandatory arms boycott against the country.²⁶ World attention was now focussed on apartheid and its denial of democratic rights to the black majority. Foreign investors once again began getting nervous and started to withdraw their investments from the country. Between 1977 and 1980, some R641.5 million flowed out of the country, leading to negative levels of foreign direct

24 *Keesings Contemporary Archives*, July 1977, p 2840.

25 United Nations Security Council Resolution 392, June 19, 1976, published in *The United Nations and Apartheid 1948-1994*, New York: United Nations Department of Public Information, pp 339-40.

26 United Nations Security Council Resolution 418, November 4, 1977, published in *The United Nations and Apartheid*, New York: United Nations Department of Public Information, p 348.

investment.²⁷ Black resistance had subsided, but was not dead. In the aftermath of 1976, thousands of students left the country to join the military wings of the African National Congress (ANC), and to a lesser extent, the Pan Africanist Congress (PAC).

The lessons of the revolt had been brought home. The Soweto uprising prompted key figures in the regime to perceive a decline in the state's abilities and resources, and led them to contemplate a different array of options to that of strengthening grand apartheid. These figures, collectively known as *verligtes* or enlightened reformers, now recognized that traditional apartheid was unworkable and they advocated a reform of the political system. This prompted a conflict within the heart of the state apparatus, that eventually culminated in the victory of the *verligte* wing. P.W. Botha's election as prime minister marked this victory and served as the opening scene in the drama of South Africa's transition to democratic rule.

Reform with Repression

Botha's ascension to the prime ministership of the Republic was distinguished by the adoption of a new political project by the apartheid state. This project, founded on the support of big business, the military, and reformist elements within the National Party, was based on the belief that South Africa was confronted by a "total onslaught" masterminded by Moscow. Its strategic response was thus to develop a "Total Strategy" to counteract the assault on the Republic.

27 Calculated from John Dunning & John Cantwell (1987), *Directory of Statistics of International Investment & Production*, England: Macmillan Publishers Ltd, Table A3, p 310. It is also interesting to note that the IMF provided South Africa with vital injections of credits in the midst of the 1976 crisis. See V. Padayachee (1987), "Apartheid South Africa and the International Monetary Fund," in *Transformation*, no. 3.

This Total Strategy response was substantially influenced by the writings of a French General, Andre Beaufré, who developed many of his ideas as a participant in the French military's struggle against the anti-colonial forces in Vietnam and Algeria. Beaufré argued that the French colonial governments were confronted with multi-faceted attacks on the political, economic, diplomatic and military fronts, and their success in defending their rule depended on their ability to wage a coordinated response on all these levels. Thus, he coined the term Total Strategy which represented the coordinated response of the French military in its struggle against guerrilla insurgents in the colonies.²⁸

Another distinctive feature of Total Strategy was its simultaneous employment of both reformist and repressive measures. Allister Sparks, for instance, notes that Beaufré often adopted brutal measures, including massacres in some areas, while simultaneously making resources available for the socio-economic development of other areas.²⁹ This "carrot and stick" approach was intended to destroy the confidence and military capacity of the enemy, while simultaneously demonstrating to the broader populace the benefits of cooperation with the colonial authorities.

The apartheid state's variant of Total Strategy was also marked by a combination of reform and repression measures. But a tension existed among the state's strategists regarding which element should form the dominant thrust of the state's Total Strategy. Reform-minded elements led by the Minister of Constitutional Development and Planning, Chris Heunis, and the Minister of Foreign Affairs, Pik Botha, argued for reformist measures' occupying the

28 Andre Beaufré (1963), *Introduction to Strategy*, New York: Praeger, pp 29-30.

29 Allister Sparks (1990), *The Mind of South Africa*, New York: Ballantine Books, p 311.

central thrust of the state's new strategic initiative. Militarists, commonly referred to in South Africa as securocrats, and led by the newly appointed Minister of Defense, Magnus Malan, suggested that reform would only be viable if it remained subservient to the overall goal of national security. Both groups, of course, recognized that a dual strategy of reform and repression was necessary: their differences emerged over the prioritization of reform or repression.

The first stage of P.W. Botha's new political initiative was dominated by the reform-minded strategists within his administration. Reform thus became the buzzword of the late 1970's and early 1980's. Three interrelated, but distinguishable elements, can be identified in this reform project. First, there was a significant attempt by political elites to liberalize the South African polity in race relations, tolerance of social movements, and acceptance of African trade unions. Second, state strategists attempted to enhance the legitimacy of the apartheid state by reorganizing the organs of governance within the country. Finally, the state engaged in a selective redistribution of resources in an effort to create class schisms within the black populace, and thereby weaken black opposition movements.

The liberalization of the South African polity involved the repeal of some apartheid legislation, the legalization and acceptance of some political and social movements, and a restructuring of the urban labor market. A collection of laws governing the segregation of social amenities was repealed in the early 1980's, significantly opening up black people's access to a range of social and recreational services. The Immorality Act which declared all sexual relations across the color line as illegal, and the Prohibition of Mixed Marriages Act, were no longer enforced, and they were subsequently abolished in 1985. The idea was simply

to broaden the base of support for the state by getting rid of the cruder features of traditional apartheid that most affronted elements of the black populace who were willing to collaborate with the state's reform initiatives.

Liberalization also involved the state's acceptance of the emergence of a more vibrant and challenging civil society. Political Fronts like the United Democratic Front (UDF) and the National Forum (NF) were launched in 1983 and were allowed to mobilize around a diverse set of political and socio-economic issues.³⁰ Other organizations like the End Conscription Campaign (ECC) also emerged in 1983 and challenged the conscription of young white males in the military services. Black student organizations in secondary and tertiary educational institutions were allowed to canvass and mobilize around educational grievances. Alternative journals and newspapers were allowed to emerge and advocate a more confrontational approach to the reform initiative. Civil society was greatly strengthened in this period, enabling black people to articulate their grievances for the first time in decades.

The vitality of civil society in the early 1980's was also facilitated by the state's restructuring of the urban labor market and its legalization of black trade unions. Its initiatives in the urban labor market were largely informed by the recommendations of a commission it established in the late 1970's. Chaired by P.J. Riekert, the commission advocated that state policy towards Africans should draw a distinction between 'insiders' and 'outsiders.' The former were to comprise a narrowly-defined group of Africans who were to be granted

30 The UDF aligned itself with the Charterist tradition led by the ANC, while the NF represented a front of left movements like the Cape Action League (CAL), and BC aligned organizations like AZAPO. For an in-depth discussion of the differences between the UDF and NF, see Anthony W. Marx, *Lessons of Struggle*.

residence rights under Section 10 of the Urban Areas Act, and allowed free mobility subject to the availability of employment and housing. The latter category was to encompass the majority of the African population who were to be shunted into Apartheid's Bantustans, and their access to, and movements in, urban South Africa were to be policed much more rigorously.³¹ In this sense, Riekert's proposals increased and strengthened influx control measures against the majority of the African population.

The new measures, however, were designed to remove the state from an active role in the monitoring of the mobility of black labor. Riekert advocated the abolition of the 72-hour rule and an end to the mass arrests of pass law offenders.³² In its stead, he recommended a large increase in the fines for those convicted of illegal employment and residence. In this way he hoped, as Doug Hindson suggests, to place the burden of influx control on employers and township dwellers.³³ The central purpose of this reform then, was to depoliticize African residential life, and protect 'insiders' from 'outsiders', in the hope that the former could be won over to a new form of territorial segregation.

This restructuring of the urban labor market was accompanied by the legalization of black trade unions. In line with the recommendations of the Wiehahn Commission, whose

31 See Republic of South Africa (1979), "Report of the Commission of Inquiry into Legislation Affecting the Utilisation of Manpower," Pretoria: Government Printer.

32 All Africans were required by law to have identity documents on their persons at all times. Such documentation stipulated their place of residence and work, and Africans were not entitled to be outside their place of residence and/or work for longer than 72 hours.

33 D. Hindson (1987), *Pass Controls and the Urban African Proletariat*, Johannesburg: Ravan Press, p 85.

report was published in May 1979, the state permitted the formation and registration of black trade unions under the Industrial Conciliation Act. Many of these unions emerged as a result of the 1973 strike wave, and were unregistered and illegal. Wiehahn's recommendation was informed by his belief that the *de facto* existence of black trade unions constituted a threat to the statutory system of collective bargaining, and that their illegal character granted them the freedom to participate in broader activities that challenged the political and economic foundations of apartheid South Africa. The registration of the unions, it was felt, would encourage their institutionalization and bureaucratization, and "... inculcate (within them) a sense of responsibility and loyalty to the free market system."³⁴ In this sense, the reform was intended as an attempt to replace crude and racially overt forms of control with technically more sophisticated ones.

This desire to avoid blatantly racist forms of control also motivated the state to restructure the organs of governance within the country. In an effort to enhance its legitimacy, the state passed a new Constitution in 1983 that restructured national political representation to allow for the participation of the previously disenfranchised Colored and Indian communities. The majority African population was firmly excluded from this reform initiative on the grounds that its national political representation was accommodated in the 'independent states and homelands' - commonly referred to as the Bantustans.

The Tricameral Parliament, which was established through the promulgation of the new Constitution, was founded on a distinction made between 'own' and 'general' affairs. The

34 Republic of South Africa (1979), "Report of the Commission of Inquiry into Labor Legislation," Pretoria: Government Printer, pp 18-19.

three racially based chambers of parliament (Assembly for Whites, Representatives for Coloreds, and Delegates for Indians) were independently responsible for affairs that only concerned one's own racial group. Those matters that affected the entire population fell under the category of 'general affairs,' and were dealt with by all three chambers in either separate or joint sittings.

The apparent democratic facade of the Tricameral parliament (even within its own terms) falls away when one considers that the representation of the White, Colored and Indian communities occurred on the proportional basis of 4:2:1. In effect this meant that the House of Assembly could dominate on all matters concerning 'general affairs.' An additional safeguard was, of course, the concentration of power in the Presidency and the establishment of the President's Council (with proportional representation from all three chambers) which could effectively pronounce on all matters coming before parliament. The Tricameral Parliament, then, was a racially-based restructuring of national political representation, and it maintained the dominance of white interests in the parliamentary political system.

While the African population was denied a voice in national political affairs, state strategists, in line with Riekert's aim to minimize the central state's role in the arena of collective consumption, conceded local government in African townships to elected African representatives.³⁵ These Black Local Authorities (BLA's), which were granted greater powers and more autonomy than the Community Councils which preceded them, took over many of the functions of the Administration Boards including the general administration of urban

³⁵ For an in-depth discussion of local government reform in the 1980's, see J. Grest (1988), "The Crisis of Local Government in South Africa," in Philip Frankel et al (ed.), *State, Resistance and Change in South Africa*, Johannesburg: Southern Book Publishers.

African residential areas. The Boards (renamed Development Boards), however, still remained under the control of the Department of Co-operation and Development which retained significant powers with regards to financial decisions, township and housing development. In any case, the political purpose underlying the decentralization of administrative control to these newly established, and empowered BLA's was, once again, the desire to depoliticize daily life in African townships.

Finally, Botha's reform package also involved the promulgation of policies that facilitated the development of a black middle class.³⁶ State strategists were convinced that if such class schisms could be engendered within the black population, then the black middle class and the 'insider' working class would develop a stake in the status quo and not throw in their lot with revolutionary elements committed to the overthrow of the system. Reform planners thus attempted progressively to abolish the legal impediments that had become obstacles to the emergence of African entrepreneurs. In 1978 legislation was passed that enabled blacks to buy 99-year leaseholds in urban areas. Simultaneously, state officials relaxed regulations that had confined black firms to operations in African townships and the homelands.

These initiatives were supported by a limited redistribution of resources to elements of the black population. The electrification of Soweto became a top priority for state officials, and governmental and private loans were made available to finance this project. Between

36 A useful review of the state's initiatives in this regard is provided in P. Hudson & M. Sarakinsky (1986), "Class Interests and Politics: The Case of the Urban African Bourgeoisie," in South African Research Service (ed.), *South African Review* 3, Johannesburg: Ravan Press.

1975 and 1985, the proportion of the budget devoted to African education increased by more than 1000 percent, from R66.3 million to R709.3 million.³⁷ The state, in alliance with the private sector, also established the Small Business Development Corporation (SBDC) in 1980, which encouraged the development of small businesses among all population groups by making loans available, facilitating the training of personnel, and underwriting bank credit.

The business community, as junior partner in Total Strategy, supported the state's initiatives by pursuing a black advancement initiative within corporate managerial structures.³⁸ In 1976 prominent businessmen established the Urban Foundation which spent millions of rands in either launching or participating in educational, housing, and business development projects. Some of the major corporations in South Africa, including Anglo-American, Mobil, Coca-Cola, Volkswagen and Standard Building Society, increased the profile of their social responsibility programs and independently funded similar projects. All of these initiatives were designed to develop a layer within the black population with a stake in the system. As Anton Rupert of the Rembrandt group summarized it at the founding conference of the Urban Foundation: "a prerequisite for achieving our overall objectives should be the adoption of free enterprise values by the urban blacks."³⁹

37 These figures are drawn from the 1977 and 1984 editions of the Race Relations Survey. See South African Institute of Race Relations (1977), *Race Relations Survey*, Johannesburg: SAIRR, p 461; South African Institute of Race Relations (1984), *Race Relations Survey*, Johannesburg: SAIRR, pp 647.

38 For an overview of capital's reformist initiatives, see M. Mann (1988), "The Giant Stirs: South African Business in the Age of Reform," in Frankel et al (eds.), *State, Resistance and Change in South Africa*.

39 *Financial Mail*, 3 December 1976.

It should be noted that despite the fact that reform occupied the dominant thrust of the state's initiatives in the early 1980's, repression was by no means absent in the country. As indicated earlier, the status of the military was enhanced under P.W. Botha's presidency, and the institution was granted a central decision making role in the Total Strategy program.⁴⁰ Moreover, as resistance to the reforms intensified (the reasons for which are explained later), the military began to play a greater role in maintaining security and keeping the lid on resistance. After November 1984, the military was stationed in many of the 'troubled' townships of the Vaal Triangle in an effort, as Law and Order Minister Louis Le Grange put it, "to root out revolutionaries." Scores of activists and civilians were detained, tortured, and sometimes killed. The South African Defense Force (SADF) had on a number of occasions opened fire (often with live ammunition) on peaceful marches and protests. In essence the military's role was that of the reformers' "big bad brother," and the black population was expected either to accept reform on the state's terms or to confront the brutal force of its repressive apparatus.

Initially, it seemed as if the state would not need to resort to repressive actions. Black political organizations were still trying to find their feet after the last wave of repression in 1976 and 1977. Prominent figures from big business, both English and Afrikaner, had indicated their support for the state's reform program in both the Carlton and Good Hope conferences, held in 1979 and 1981 respectively.⁴¹ The economy in 1980/81 experienced one

40 It needs to be noted that Botha spent more than a decade collaborating with the military, as Minister of Defense.

41 For a discussion of these, see M. Mann (1988), "The Giant Stirs: South African Business in the Age of Reform."

of its fastest growth spurts. Some black political leaders had agreed to participate in the reform initiative. For a while it seemed as if the Total Strategy was going to work.

But after 1983 the reform initiative began to unravel. Two factors contributed to this. First, the global economic recession sparked by the oil shock of 1979, the decline in the gold price, and the credit constraints that emerged for developing nations in the international financial markets in the wake of the Latin American debt crisis had a severe negative impact on the South African economy, particularly as a result of economic reforms embarked upon by the state in the late 1970's. Botha's political victory had signaled the demise of apartheid's traditional economists who had pursued an autarchic, import-substitution development strategy. The vacuum that had emerged in the corridors of economic power and policy was filled by a new brand of neo-conservative economists who, in line with Thatcherite and Reaganite policies, pursued a monetarist program that involved the slow liberalization of the South African economy through reforms that cut taxes and increased interest rates, reduced the state's role in the provision of certain services, abolished exchange controls on non-residents, reduced import surcharges thereby exposing certain firms to international competition, and floating the rand on the international currency markets.⁴² The net effect of this monetarist program was, of course, the transference of the global recession into the South African economy, with disastrous results.

Much of the burden of this recession fell on the manufacturing sector whose output contracted by an average of 1.2 percent per annum between 1981 and 1985. Unemployment

⁴² For a critical analysis of this monetarist program, see M. Morris & V. Padayachee (1989), "Hegemonic Projects, Accumulation Strategies and State Reform Policy in South Africa," in *Labor, Capital and Society*, vol. 22, no. 1.

increased dramatically as the contraction of manufacturing resulted in an average 1 percent per annum employment reduction in this sector.⁴³ Total unemployment for Africans was estimated at 43 percent by 1985.⁴⁴ Inflation soared and the consumer price index registered average increases of 12.8 percent per annum between 1981 and 1986.⁴⁵ By the middle of the 1980's, research into poverty levels suggested that some 15.5 million people representing 42.8 percent of the population lived below the poverty line.⁴⁶

Second, the early Total Strategy reforms were largely undermined due to internal contradictions of the program itself. These began to manifest themselves soon after the implementation of the reforms. The central contradiction was, ironically, that the reforms, designed to win the black population to capitalism, aggravated the material impoverishment generated by the economic crisis, while simultaneously providing the political space and organizational infrastructure with which to protest the reforms. Once again, the black population's and opposition movements' perceptions of their own abilities and organizational resources were heightened, enhancing their capacity and willingness to resist the state's reform initiatives. The effect was to propel South Africa into the throes of yet another national rebellion that dwarfed its predecessors in both scope and intensity.

43 MERG, *Making Democracy Work*, Table 7.1, p 239.

44 This estimate is that of Charles Simkins, and is quoted in D. Hindson (1991), "The Restructuring of Labor Markets in South Africa: 1970's and 1980's," p 235.

45 Calculated from United Nations (1992), *United Nations Statistical Yearbook 1990/91*, New York: United Nations Press, Table 40, p 357.

46 A. Whiteford & M. McGrath (nd), *Distribution of Income in South Africa*, Pretoria: Human Science Research Council, Table 7.4, p 63.

The contradictions of the reform program were manifested at a number of levels. In the political realm, the Total Strategy had ushered in a severely limited constitutional provision in the form of the Tricameral Parliament and the BLA's, which excluded the participation of the majority of the population. Yet the state's liberalization program also created the political space for opposition movements to mobilize around this grievance and contest the constitutional reforms. Both the United Democratic Front (UDF) and the National Forum (NF) were launched in 1983, and they waged a highly successful campaign to boycott the parliamentary and BLA elections. The overwhelming rejection of these institutions, reflected in voter turnouts of 21 percent in the case of the BLA's,⁴⁷ and 16.2 and 18.1 percent in the case of the House of Delegates and Representatives, respectively undermined the state's constitutional initiatives and exposed its crisis of legitimacy.⁴⁸

The liberalization of the South African polity also facilitated mobilization against Riekert's strategy of driving a wedge between urban and rural Africans. The essential problem with this strategy was its attempt to depoliticize daily life through the strengthening of one of apartheid's most hated policies, namely influx control. The result was thus the reverse: the overt politicization of socio-economic struggles that was manifested in the adoption of alternative political symbols and manifestoes.

Two constituencies were instrumental in destroying the Riekert reforms. Squatters, in an attempt to escape the horrific living conditions in the Bantustans, broke through the

47 South African Institute of Race Relations (1984), *Race Relations Survey 1983* Johannesburg: SAIRR, p 258.

48 South African Institute of Race Relations (1985), *Race Relations Survey 1984* Johannesburg: SAIRR, pp 127-128.

influx barriers and affirmed their right to an urban existence through the establishment of squatter camps. Similarly, the union movement undercut the Riekert reforms by refusing to acknowledge the divide between urban and migrant workers.⁴⁹ Using the space provided by the Wiehahn recommendations of 1979, the unions registered themselves under the Industrial Conciliation Act, exploited this legal freedom to organize both migrant and urban workers, mobilized around a single wage demand, and effectively challenged Riekert's attempt to create two labor markets: a privileged urban one, and its impoverished rural counterpart.

The union movement was also instrumental in defending organized workers from the ravages of the recession. Rather than being co-opted into the state's industrial machinery as Wiehahn envisaged, the unions used their newly found official recognition to struggle against retrenchments, and to demand higher wages and better working conditions. Labor strikes more than doubled from 207 in 1980 to 469 in 1984. The number of person-days lost increased from 174,614 to 378,712.⁵⁰ Of the total labor strikes recorded in 1986, 37.4 percent were triggered by wage disputes, 13.4 percent by dismissals, and 14 percent by workplace grievances.⁵¹ The liberalization of the South African polity thus enabled the union movement to become a defensive weapon used by the popular classes in their struggles against the

49 The Industrial Conciliation Amendment Act which implemented the Wiehahn proposals initially excluded migrant and foreign workers from trade union rights. However, trade union resistance subsequently forced a change in the legislation.

50 National Manpower Commission, *Certain Aspects of Strikes in the RSA*, Table 1, Annexure C, pp 85-88.

51 These figures are those of industrial relation consultants Andrew Levy and Associates, and is contained in their *Annual Report on Labor Relations in South Africa 1986-1987*. They are also quoted in A. Fine (1987), "Trends and Developments in Organised Labor," in G. Moss & I. Obery (eds.) *South African Review* 4, Johannesburg: Ravan Pressp 230.

adverse material conditions prevailing in the mid-1980's.

Finally, and perhaps most importantly, the element of the state's reform program with the most far-reaching negative consequences was the devolution of the financial management of individual townships to the respective Black Local Authorities. The Total Strategy, in accordance with the logic of neoliberal ideology, attempted to reduce the financial responsibilities of the state, by linking township government to local financial self-sufficiency. This essentially meant that the Black Local Authorities had to generate their own resources to cover the costs of township administration. Given the narrow tax base of African townships, and the fact that there was a significant decline in profit margins from the sale of beer and liquor which had been used to subsidize the costs of housing and services,⁵² the Black Local Authorities used the only avenue open to them and increased rents to finance the provision of services and their development plans.

This, of course, came at a time when the recession was beginning to make a significant dent in the material income of individual households. Further, rents had been steadily increasing in South Africa's urban townships since the late 1970's. Estimates suggest that between 1977 and 1984, rents had increased by some 400 percent in townships around Johannesburg like Sebokeng, Sharpeville, Evaton, Boipatong and Bophelong. In Mpumalanga (Eastern Transvaal), township residents experienced rent increases averaging some 300

⁵² Up until this time, the sale of beer and liquor to African persons was monopolized by the Administration Boards which ran beer halls in most townships. This retail industry, however, was subsequently privatized leading to a dramatic decline in the income of the Administration Boards.

percent between 1981 and 1984.⁵³ Similar types of increases were experienced in most of the urban African townships across the country.

Thus, the rent increases imposed by the Black Local Authorities in 1984 provoked a massive rent boycott. Residents initially intended only to boycott the increases, but gradually the boycott broadened to include the entire rent. It should also be noted that the rationale underlying the rent boycotts changed in the course of 1985 and 1986. Initially, the rent boycotts were launched because residents were simply unable to pay the increases. But in the course of 1985, some boycotts were launched to express residents' outrage at the repressive actions of the state's security machinery. And, later in 1986, rent boycotts were used as a strategy by the UDF to mobilize around explicitly national political demands. By 1986, most of the townships in Gauteng (Pretoria-Witwatersrand-Vereeniging), the North West Province (Southern Transvaal), Mpumalanga (Eastern Transvaal), and the Eastern Cape, were caught in the grip of the rent boycott. By April 1987, national township rent and service charge arrears officially stood at R267 million.⁵⁴

The political situation deteriorated sharply after 1984 as opposition movements sensed a growing confidence among black people and their greater willingness to oppose the state. A number of local stayaways were called against the BLA's in mid-1984 to protest the rent

53 M. Chaskalson, K. Jochelson & J. Seekings (1987) "Rent Boycotts and the Urban Political Economy," in G. Moss & I. Obery (eds.), *South African Review* 4, Johannesburg: Ravan Press, p 54.

54 This estimate is a conservative one. *The Cape Times* estimated the arrears at R290 million, and in November 1987, *The Weekly Mail* estimated that the figure was closer to R720 million. See South African Institute of Race Relations (1988), *Race Relations Survey 1987*, Johannesburg: SAIRR, p 217.

hikes. But, by the end of the year, this grievance had fused with others, and protest around these took the form of a national rebellion. In November 1984, a political stayaway in Gauteng (Pretoria-Witwatersrand-Vereeniging) against township conditions and apartheid education mobilized over one million people. Estimates by the Labour Monitoring Group indicate that between 300.000 and 800.000 workers stayed at home, and 400.000 students boycotted classes.⁵⁵ In March of the following year, another successful stayaway was held in the Eastern Cape where 90 percent of African workers from Port Elizabeth and 36 percent from Uitenhage heeded the stayaway call against the increase in petrol prices made by the Port Elizabeth Black Community Organization (PEBCO).⁵⁶

Sector-specific struggles were also on the rise. In 1980-1981, and again in 1984, school boycotts spread across the country involving some 200.000 students. Their principal demands were the establishment of democratically elected Student Representative Councils, the abolition of the age limit and corporal punishment, and an end to the sexual abuse of female students. By the end of 1986, 70 percent of the secondary schools under the jurisdiction of the Department of Education and Training had experienced serious disturbances. Seventy-three schools, 60 of them in the Eastern Cape, had been closed down. Over 250,000 students were still out of school.⁵⁷

⁵⁵ These estimates are of the Labor Monitoring Group (LMG). See LMG (1985), "Report: The November Stayaway," in *South African Labor Bulletin*, vol. 10, no. 6, p 74. Also, see M. Swilling (1987), "Stayaways, Urban Protest and the State," in South African Research Service (eds.), *South African Review* 3, Johannesburg: Ravan Press, p 23.

⁵⁶ LMG (1985), "The March Stayaways in Port Elizabeth and Uitenhage," in *South African Labour Bulletin*, vol. 11, no. 1, p 108.

⁵⁷ *The Star*, 21 July 1987.

In the labor arena, strikes had been on the rise since the early 1980's. In 1986, more than one million worker-days had been lost due to industrial action. This figure represented a 50 percent increase on the previous year's figures, and did not include politically oriented strikes. If these were included, the number of worker-days lost in 1986 would increase by another 3.5 million.⁵⁸

A similar rise was registered in armed guerrilla activities. Between July and December 1985, 88 military attacks were launched bringing the total for the year to a record 136. In the following year, 228 guerrilla attacks were recorded, and some 40 landmines were detonated in the country. In this period, about 160 guerrillas were either killed or captured by the security forces.⁵⁹

The period witnessed running battles between security officials and African youth in the townships. As the security apparatus attempted to stem the tide of rebellion through repressive actions, township residents and in particular the youth, began to protest, sometimes violently, against the arbitrary actions of state officials. Attacks on, and even killings of, local officials, policemen and informers became common. On September 3, 1984, Sam Dlamini, the deputy mayor of Sharpeville was killed. On December 7, Sam Manyosi, chairperson of the Soweto municipal council, was murdered. By July 1985, 269 black councilors and mayors had

58 See Andrew Levy & Associates (Pty) Ltd, *Annual Report on Labour Relations in South Africa 1986-1987*. Also quoted in A. Fine (1987), "Trends and Developments in Organised Labour" 230.

59 These figures were calculated from press reports by Tom Lodge. See T. Lodge (1987), "The African National Congress after the Kabwe Conference," in G. Moss & I. Obery (eds.), *South African Review* 4, p 7.

resigned.⁶⁰

Two additional factors aggravated the sense of national crisis. First, banned political organizations, and in particular the ANC, perceived a change in the distribution of political resources between them and the state. Sensing both the legitimacy crisis of the state and the militant mood of the moment, they called on the population to make the townships ungovernable. Advocating a strategy of rendering apartheid unworkable, they called on social movements to take over the administration of the townships. Captured in the slogan of Peoples' Power, this strategy had as its goal the establishment of dual power in South Africa.⁶¹ In addition, the launching in December 1985 of a new super trade union federation, the Congress of South African Trade Unions (COSATU), strengthened the hand of the ANC since the federation publicly threw in its lot with the banned organization's political struggle against the apartheid state.

Second, the political situation coupled with the liberalization of the South African polity, encouraged a flood of international journalists into the country. Their coverage of political protest and the repressive actions of the state, as well as peaceful protest (sit-ins, pickets) conducted by prominent personalities at South African embassies and missions abroad, brought the country's political conflict onto the center stage of the world arena. The popular revulsion against apartheid was captured in the enormous growth of the anti-Apartheid movement in this period. It also forced the hand of international organizations and

⁶⁰ *Keesings Contemporary Archives*, August 1985, p 33764.

⁶¹ See Oliver Tambo (1985), "Render South Africa Ungovernable," in *Sechaba*, March edition.

foreign governments, leading to an increase in diplomatic resources available to the opposition movement. In August 1984 and July 1985 the security council of the United Nations passed resolutions condemning the South African state for establishing the Tricameral Parliament and for declaring the partial state of emergency.⁶² In both March and August 1985, statements released by the President of the Security Council condemned the South African government for the Uitenhague massacre, the continuation of killings and arbitrary mass arrests, and called for the release of Nelson Mandela and other political prisoners and detainees.⁶³ In December of that year, the General Assembly adopted a resolution entitled the 'International Convention Against Apartheid' in which some 132 states refused to sponsor or permit sporting relations with Apartheid South Africa.⁶⁴

The shift in the distribution of diplomatic and ideological resources between the state and the opposition movements altered in turn the economic resources available to the state. As a result of increased diplomatic pressure from foreign governments and transnational organizations, the call for both disinvestment and sanctions began to be taken more seriously. In 1983, the board of the IMF resolved not to approve any new loans to South Africa.⁶⁵ By

62 United Nations Security Council Resolution 554, August 17, 1984; United Nations Security Council Resolution 569, July 26, 1985, published in *The United Nations and Apartheid 1948-1994*, pp 390-392.

63 United Nations Security Council Statement 17050, March 22, 1985; United Nations Security Council Statement 17413, August 21, 1985, published in *The United Nations and Apartheid 1948-1994*, pp 391-393.

64 United Nations General Assembly Resolution 40/64G, December 10, 1985, published in *The United Nations and Apartheid 1948-1994*, pp 393-397.

65 For a discussion of this, see Vishnu Padayachee (1987), "Apartheid South Africa and the International Monetary Fund."

1986, a number of prominent multinational companies, including IBM, General Motors, Coca Cola, Barclays, and Kodak, had disinvested from the country. In October, the US Congress delivered the death blow to Reagan's constructive engagement policy, by overriding his presidential veto and adopting the Comprehensive Anti-Apartheid Act. By the end of the year, a number of South African exports, including coal, pig iron, agricultural products, textiles and sugar, were subject to sanctions. Restrictions were also placed in both the US and Japan on the exports of computers and other advanced technology to South Africa.⁶⁶

But neither the United Nations resolutions nor the reality of sanctions and disinvestment shook the South African government as did the decision of Chase Manhattan Bank in August 1985 not to renew or extend any of South Africa's loan commitments. Other banks followed suit and within days the South African government was confronted with demands to pay 67 percent of its \$16.5 billion foreign debt. Capital poured out of the country, and the subsequent run on the rand forced the state to reassess De Kock's monetarist financial reforms, briefly suspend trading on the Johannesburg Stock Exchange (JSE), declare a temporary moratorium on its debt repayment, and reimpose strict foreign-exchange controls and a dual currency. The state also increased its fiscal spending to ease the impact of the crisis and financed this through a 10 percent surcharge on imports. These initiatives then prompted some commentators to suggest that the state had abandoned its earlier commitment to

66 For a critical review of the North-American sanctions movement, see J. Cason & M. Fleshman (1988), "The State of Apartheid: Assessing Sanctions at Year 1," in *Transformation*, no. 7. A critique of this perspective is provided by S. Gelb (1988), "Moving Forward on Sanctions. A Reply to Fleshman and Cason," in *Transformation*, no. 7. For a more general and accessible overview of the sanctions debate, see Africa Research Centre (1989), *The Sanctions Weapon*, Cape Town: Buchu Books.

monetarism and reverted to the use of Keynesian reflationary tactics.⁶⁷

Thus, by 1985 a clear sense of national crisis prevailed in the country. The state's reform program had completely unraveled by then, and it seemed as if the government was besieged by both a national rebellion and international hostility. State elites' sense of a reduction in their abilities and resources prompted them to attempt to regain the political initiative.⁶⁸ This, of course, once again provoked serious tensions within the state apparatus, weakened the reformist wing, and led to a reconfiguration of political forces within the dominant alliance. It was this that facilitated a shift in the thrust of the state's reform initiative in the second half of the 1980's.

Repression with Reform

The national rebellion, largely provoked by the state's initial reforms and a change in black people's perceptions of the way that the balance of diplomatic, economic, and ideological resources were shifting in their favor, reintroduced the earlier debate about the dominant thrust of Total Strategy. Reformers, supported by many of the more prominent personalities and organizations within the business community, suggested a broadening of the reform program and the inclusion of economic redistribution to appease hitherto excluded elements within the *black* populace. The securocrats, with their base in the military, advocated

67 See Duncan Innes (1986), "Monetarism and the South African Crisis," in South African Research Service (eds.), *South African Review* 3, p 300. For a critique of this perspective, see M. Mann (1988), "The Giant Stirs: South African Business in the Age of Reform," pp 77-78.

68 See Mike Morris & Vishnu Padayachee (1989), "Hegemonic Projects, Accumulation Strategies and State Reform Policy in South Africa," p 90.

that security should become the dominant thrust of the state's political initiative; reform, in this view, should be continued, but only under the broader rubric of stability and order.

The essential differences between these two strategic perspectives revolved around the issues of the nature and implementation of reform. Heunis's Department of Constitutional Development and Planning conceptualized reform as involving both the liberalization of the South African polity and the redistribution of economic resources towards sectors of the black populace. The military, represented most notably by Malan, defined reform simply in terms of its redistributive elements. Political liberalization, in this perspective, was to be placed on the backburner until some undetermined future date.

Further, the reformers and the securocrats advocated very different mechanisms to effect the redistributive agenda. The reformers preferred to effect economic redistribution through the use of BLA's so as to provide them with a degree of legitimacy. The securocrats emphasized the primary role of redistribution and saw it as neither necessary nor desirable for this to be effected through the BLA's established by the Department of Constitutional Development and Planning. As Morris and Padayachee explained the difference:

The one is trying to foster class differentiation by, for example, building black middle class houses through the direct use of the Defence Force, while the other is attempting to do this via black town councils. Whether the state builds middle class houses with the defence force or with black town councils is quite an important difference ... (for) it has fundamental ramifications for the manner in which the hegemonic reform project is instituted in the society.⁶⁹

Throughout 1985 the reformers and securocrats engaged in a bitter contest to define the content and form of the state's reform program. This conflict was sometimes played out

69 Mike Morris & Vishnu Padayachee (1989), "Hegemonic Projects, Accumulation Strategies and State Reform Policy in South Africa," p 90.

in public as various elements within the state apparatus responded in different ways to the rebellion. The ebb and flow of the contending positions in the conflict were also reflected in the vacillations of P.W. Botha who, throughout this period, lurched between an extreme belligerence and a sympathetic conciliation. In the end, however, the securocrats held sway and they took over the leadership of the state's reform program.

Part of the reason for this was the inability of the reformers to stem the rebellion. Since November 1984, the reformist wing within the state had attempted to resolve some of the contradictions of the early reforms that had prompted resistance, whilst simultaneously broadening out this program to meet the demands of moderate African leaders. After November 1984, the state announced that the BLA's would be included in the Regional Services Councils (RSC's) which were responsible for 'general affairs' at metropolitan level. This inclusion was designed to relieve the financial burden of the BLA's since the RSC's were to facilitate the redistribution of resources from white to black areas. It should be noted that the black population was still indirectly paying for the urban renewal program. The only difference now was that instead of funding urban renewal through increases in rents and service charges, it was to be paid for through two separate taxes; on turnover, and on wages and salaries respectively. These tax increases were of course passed over to consumers in the form of higher prices.⁷⁰

Reformers also attempted to address the highly explosive issue of influx control. By

⁷⁰ This point is stressed in William Cobbett et al (1988), "A Critical Analysis of the South African State's Reform Strategies in the 1980's," in Frankel et al (eds.), *State, Resistance and Change in South Africa*, p 32. For a more general review of local government reform, see J. Grest (1988), "The Crisis of Local Government in South Africa."

1984, it became clear to state planners that Riekert's urbanization reforms were no longer viable and they set out to fashion a new strategy to address the problem. This strategy, referred to as "orderly urbanization" and made explicit in a President Council's report published in 1985, recognized the inevitability of African urbanization, and therefore recommended the abolition of influx control. Moreover, unlike Riekert, who focussed on dividing the urban and rural populace, state planners now hoped to promote class divisions within the urban populace by establishing two types of residential areas: upgraded townships for the relatively privileged, and informal settlements established at the peripheries of metropolises for the unemployed and unskilled proletariat. Control of this urbanization process was to be facilitated through the use of laws governing squatting and urban settlement.⁷¹

Similar reformist initiatives were undertaken in the constitutional arena. At the provincial level, the state announced the scrapping of the Provincial Councils in early 1985, and these were replaced a year later by multi-racial Executive Committees appointed by Botha. These committees served as executive and administrative organs for the regions, and dealt solely with issues defined as "general affairs." Other forms of regional government were also explored as the state began to reinvestigate the proposals and recommendations of the Buthelezi Commission. The latter, formed in the early 1980's by the KwaZulu homeland regime and the business community in Natal, proposed a federal constitutional design for the

71 See Republic of South Africa (1985), "Report of the Committee for Constitutional Affairs on an Urbanization Strategy for the Republic of South Africa," 21 August; and Republic of South Africa (1986), "White Paper on the Report of the Committee for Constitutional Affairs on an Urbanization Strategy for the Republic of South Africa," Cape Town: Government Printer. A useful review of the 'orderly urbanization' initiative is provided in William Cobbett et al (1988), "A Critical Analysis of the South African State's Reform Strategies in the 1980's," pp 24-27.

country. In 1986, the state gave its legal blessing for the formation of a single political authority that enabled the governance of the KwaZulu-Natal region along the federal lines proposed by the Buthelezi Commission.⁷²

Reformist concessions were also made at the national level. In 1985, the state established a multi-party negotiating forum, later renamed the National Statutory Council, to negotiate with moderate black leaders about the political integration of South Africa's African population in a new constitutional arrangement. At about the same time, a National Party pamphlet, authored by Stoffel van der Merwe, outlined certain proposals in this regard. Still operating within the racial framework of the Tricameral Parliament, van der Merwe suggested the establishment of a fourth parliamentary chamber to cater for the 'own affairs' of non-homeland Africans. Representatives from all four chambers and the independent homelands would come together in an overarching supra-parliamentary structure to deal with all issues described as 'general affairs'.⁷³ This racially based federal model, termed co-operative co-existence by NP ideologues, represented the constitutional vision of reformers within the regime.

The concessions made by the reformers, however, failed to blunt the rebellion. Indeed, it seemed as if the rebellion intensified with each new concession that was made. Part of the

72 Established in 1982 by the KwaZulu Legislative Assembly, and supported by English-speaking Liberals in Natal, the commission argued for a single geographically based federal administration for Natal and KwaZulu.

73 See Stoffel van der Merwe (1985), "... and what about the black people?," National Party pamphlet. For an evaluation of these proposals, see M. Macdonald (1992) "The Siren's Song: The Political Logic of Power-Sharing in South Africa," *Journal of Southern African Studies*, vol. 18, no. 4, pp 718-722.

reason for this lay in the fact that reformers were still operating within a racial paradigm - it was apparent to almost everyone that apartheid was merely being reformulated so as to ensure the continuation of white supremacy. In addition, reformers were constrained by the fact that securocrats had, since November 1984, established their own response to the rebellion. And this response, predicated on repression, tended to multiply the cycle of outrage and violence that fed the rebellion.

The central response of the securocrats was the militarization of the state and the activation of the National Security Management System (NSMS). This system had been established in 1979, but it was only fully activated at the provincial and local levels after the upsurge in popular resistance in late 1984.⁷⁴ At the national level, the NSMS was composed of the State Security Council (SSC), a Permanent Working Committee (PWC), a Secretariat for the SSC, and a number of Interdepartmental Committees. The SSC, a formal cabinet committee constituted under the terms of Act 64 of 1972, was chaired by P.W. Botha and included the Ministers and heads (or other senior personnel) of the Departments of Foreign Affairs, Defense, Justice, Police and Intelligence. Its brief was to convene prior to every cabinet meeting and make recommendations to the latter with regards to security and intelligence matters.

The PWC was composed of the chairs of the three cabinet committees on Economic Affairs, Social Affairs, and Constitutional Affairs, as well as the heads of all departments

⁷⁴ The following description of the structures and operations of the NSMS draws heavily from two seminal works: Kenneth Grundy (1988), *The Militarization of South African Politics*, Oxford: Oxford University Press; and Frederick van Zyl Slabbert (1989), *The System and the Struggle: Reform, Revolt and Reaction in South Africa*, Johannesburg: Jonathan Ball Publishers.

represented on the SSC. Its task was to discuss and set an agenda for the SSC, and to forward the recommendations of the latter to the cabinet. The Secretariat, consisting of approximately 100 civil servants seconded from various governmental departments, was heavily loaded in favor of security and intelligence agencies. It had four branches: The Administrative Branch that was responsible for the overall administration of the system; the National Intelligence Interpretation Branch which interpreted and provided intelligence reports; the Strategic Communications Branch which counteracted negative and promoted positive propaganda; and the Strategy Branch which coordinated the policies of interdepartmental committees and formulated the Total Strategy. The interdepartmental committees provided departmental strategies for the consideration of the Strategy Branch.

The regional level of the NSMS was comprised 12 Joint Management Centres (JMC's), most of which were located at SADF command headquarters around the country. Each JMC had three standing committees which were staffed with between 40 and 60 officials drawn from governmental departments. These three committees, the Joint Intelligence Standing Committee (JIC), the Constitutional, Economic and Social Standing Committee (SEMKOM), and the Communications Standing Committee (KOMKOM) were separately responsible for the evaluation of regional intelligence reports, the formulation of joint regional strategies to counteract security threats, and the dissemination of propaganda, respectively. The chairpersons of all three standing committees together with a brigadier from the SADF or SAP, comprised the executive of the JMC.

Sixty Sub-Management Centres and a further 350 Mini-Management Centres covering most of the towns within the country, represented the local organs of the NSMS. The

activities of these structures were diverse, and as Slabbert notes, covered a range of issues that included civil defense, emergency action, anti-terrorist training, first aid, distress relief action, etc.⁷⁵ This coincided with theories of Total Strategy that insisted that all matters were potentially security issues, and that the security agencies must be willing to intervene in a diverse set of arenas to effect a total strategy. It should also be noted that a number of prominent civilians were co-opted onto the local structures of the NSMS in order to give them legitimacy and to serve as a bridge between the security agencies and the broader populace.

The NSMS thus represented a government within a government. Its elaborate network of structures criss-crossed the formal agencies of the state, and in fact coordinated the activities of these to effect a holistic strategy to counteract the perceived "total onslaught." Moreover, although the structures of the NSMS were formally accountable to the elected organs of the state, the cooptation of the most important political personalities from these organs to the NSMS, the resources available to it, and its overlapping nature, effectively ensured that the NSMS determined state policy and strategy.

The activation of the NSMS was accompanied by the deployment of the SADF in African townships. Moreover, the powers of security personnel were greatly increased through the declaration of the partial State of Emergency in 36 magisterial districts (towns and cities) in July 1985. Kitskonstabels⁷⁶ and even vigilante groups were established to police

75 Frederick van Zyl Slabbert (1989), *The System and the Struggle*, pp 123-124.

76 The term literally means 'quickly trained constables.' These kitskonstabels were drawn from the ranks of black political organizations opposed to the ANC, given about two weeks of basic training, and were then unleashed against opponents of the state.

black communities. Detentions without trial, attacks on peaceful protestors, and even the murder of opposition political leaders became common. Official figures indicate that 381 people were killed and 1497 injured between September 1984 and April 1985.⁷⁷ In the three weeks after the declaration of the partial state of emergency, over 100 opponents were killed and 1646 arrested.⁷⁸ Massacres of peaceful protestors, like the ones in Langa (in which 21 people were killed) and Mamelodi (in which 13 people were killed) went unpunished. Prominent political leaders like Matthew Goniwe, Sparrow Mkhonto, Sicelo Mhlauli, Fort Calata, Victoria Mxenge, Thabo Mokoena, Mandla Mdelela, and James Ngubeni were murdered in this period.

Yet despite all of this, the rebellion had still not abated by the end of 1985. Securocrats argued that this was largely due to the fact that "revolutionaries" exploited the liberalization elements of the reform program to avoid prosecution and sustain the rebellion. Their solution was to repeal these liberalization elements and intensify the repression so as to generate order and stability. By early 1986, this argument had won the day and there was a discernable shift in the thrust of the state's reform program.

Most political commentators mark the victory of the securocrats with the collapse of the Eminent Persons Group (EPG) initiative in May 1986. The background to this had been the Commonwealth meeting in late 1985 in which Margaret Thatcher was subjected to significant pressure to impose sanctions on South Africa. The compromise adopted at the meeting was to send a delegation under the co-chairpersonship of Malcolm Fraser and

⁷⁷ *Keesings Contemporary Archives*, August 1985, p 33765.

⁷⁸ *Ibid*, October 1985, p 33894.

General Olusegun Obasanjo to broker an agreement for negotiations between the South African regime and the ANC.⁷⁹ But on the day the group was to receive a response from the South African government, SADF troops launched commando style attacks on ANC bases in Botswana, Zambia, and Zimbabwe. Horrified at this blatant disregard for the negotiation efforts, the 'eminent persons' flew out of South Africa the same day and recommended the imposition of comprehensive mandatory sanctions.

Having no further need to court Western interests, the securocrats set out to establish their reign and impose 'law and order.' Allister Sparks notes that they were assisted in this regard by the theories of an American officer, Lieutenant Colonel John J. McCuen, "who supplemented Beaufré's broad concepts with more precise, practical advice on the techniques and tactics to be employed against a revolutionary onslaught."⁸⁰ McCuen's theory suggested the need to destroy what he termed 'revolutionary organizations' and to replace them with restructured organs that attended to the everyday concerns of the populace. In true machiavellian fashion, he argued that the repressive actions required to smash "revolutionary organizations," must be conducted quickly and forcefully. Once this was done, the state should embark on a strategy to win the hearts and minds of ordinary people by attending to their grievances through social welfare programs, improving access to education and health, facilitating the construction of homes and places of religious worship, and securing their

79 Malcolm Fraser is a former Prime Minister of Australia while General Olusegun Obasanjo is an ex-military ruler of Nigeria who handed the country back to civilian rule in 1979. Note that the EPG received a warm response from most of the black leaders that it met.

80 Allister Sparks (1990), *The Mind of South Africa*, p 354. For McCuen's theories, see J. McCuen (1966), *The Art of Counter-Revolutionary War*, London: Faber.

material and physical security. This program should be supported by an all out propaganda campaign "to sell the reform program to the population ... and to do everything possible to discredit the revolutionary movement."⁸¹ McCuen's advice then became the central commandments for securocrats within the regime.

On June 12, 1986, the official clampdown began. The partial state of emergency which had been repealed a few weeks earlier, was reintroduced, this time on a nationwide basis. Political meetings and mass funerals were banned. Thousands of people, including women and children, were detained. Activists' homes and offices were attacked. A number of political leaders were murdered. Numerous African townships were placed under military occupation and house by house searches were conducted to root out 'revolutionaries.' Vigilantes were mobilized to attack known ANC strongholds. Entire settlements like the satellite camps around Crossroads and Langa were razed to the ground and their residents were forced to relocate to officially sanctioned areas like Khayelitsha and Kwanobuhle.⁸² To avoid coverage, exposure and criticism of these actions, severe restrictions were placed on the media.

The results were devastating. In the first week of the emergency, between 2000 and 4000 detentions were recorded.⁸³ By April 1987, official figures indicated that 19,200 had been detained since the reimposition of the State of Emergency. Of the 4244 people that were

81 Allister Sparks (1990), *The Mind of South Africa*, p 356.

82 A detailed account of the destruction of the Crossroad camps is provided in J. Cole (1987), *Crossroads: The Politics of Reform 1976-1986*, Johannesburg: Ravan Press. A more general overview of forced removals under the state of emergency is provided in L. Platzky (1987), "Restructuring and Apartheid: Relocation during the State of Emergency," in G. Moss & I. Obery (eds.), *South African Review 4*.

83 *Keesings Contemporary Archives*, September 1986, p 34664.

still in detention. 1424 were persons under the age of 18.⁸⁴ Official figures for 1987 indicate that 9194 people were detained in that year.⁸⁵ Torture of detainees was also widespread. Figures derived from panels of doctors who treated detainees revealed that 83 percent showed medical evidence of physical abuse. Ninety-three percent complained of ill-treatment at the hands of security police.⁸⁶ Official figures released in parliament indicated that 1776 civilians and 56 members of the police and security forces had been killed between September 1984 and September 1986.⁸⁷ The vigilante attacks on Crossroads had resulted in 69 deaths and left some 60.000 people homeless.⁸⁸

In October 1986, the UDF was declared an "affected organization" and prevented from receiving funding from abroad. In February 1988, the UDF, AZAPO and 15 other organizations were virtually banned when they were prevented from performing any acts other than administrative duties. COSATU, the largest trade union federation, avoided this fate, but was restricted from carrying out any political activities including conducting campaigns for sanctions, disinvestment, and the release of detainees. Press restrictions were also quite severe. In 1986, the police issued nine orders imposing press restrictions under emergency regulations. Five foreign journalists were deported in the same year. Four others

84 Ibid, September 1987, p 35363.

85 Ibid, August 1988, p 36072.

86 See D. Webster (1987), *Repression and the State of Emergency*, in G. Moss & I. Obery (eds.) *South African Review* 4, p 167.

87 *Keesings Contemporary Archives*, September 1986, p 34365.

88 Ibid, September 1986, p 34663.

were detained under security legislation, and Zwelakhe Sisulu, editor of the *New Nation*, remained in detention for some two years.⁸⁹

The weakening of popular organizations and the imposition of 'law and order' was followed with an urban renewal program that focussed on the paving of roads, the construction of a modern sewerage system, and the building of houses in African townships. Some 200 townships were the recipients of 1800 development projects in this period. Moreover, 34 "oilspots" - townships that were the sites of militant resistance - were targeted as the focus of this program. R3.2 billion was spent on upgrading townships in the 1987-88 fiscal year alone.⁹⁰ Much of this initiative was coordinated at a national level by the SSC which used the regional and local structures of the NSMS to organize the development of African residential areas. This centralization of the redistributive elements of the reform program in the militarized structures of the NSMS enabled the state to organize redistribution within the broader framework of achieving stability and order. And, it had the added merit of being more efficient than the cumbersome representative structures established by the Department of Constitutional Development and Planning.

The success of the securocrats in smashing political resistance and reimposing 'law and order' did not come without a cost. In fact, it had a devastating consequence for the **state**, since the adoption of the 'repression with reform' strategy fractured the political alliance upon which the Total Strategy had been founded. Elements among the business community became

89 For an in-depth discussion of the effects of the state of emergency on the media, see A. Armstrong (1987), "Hear No Evil, Speak No Evil: Media Restrictions and the State of Emergency," in G. Moss & I. Obery (eds.), *South African Review* 4.

90 *The Weekly Mail*, July 31, 1987.

increasingly restive in 1985, particularly as a result of Chase Manhattan's decision to end loans and the ensuing debt crisis. Sensing a change in the distribution of resources between the state and the opposition movements, they began publicly pursuing alternative political agendas to that of the state. Leading businessmen suddenly started to criticize the government's handling of the rebellion. In September 1985, Gavin Relly, chairperson of Anglo-American, the largest conglomerate in the country, led a delegation of businessmen to meet the ANC in Lusaka. A few days later, prominent industrialists and financiers took an advertisement in the *Sunday Times* calling for the lifting of the State of Emergency, and for political negotiations with credible black leaders about power-sharing.⁹¹ The South African Federated Chamber of Industries (FCI) launched its *Business Charter of Social, Economic and Political Rights* in January 1986, and the government's conference with the business community in November of that year was boycotted by leading businessmen.

All of this does not mean that the business community was uniform in its response to the securocrats 'repression with reform' strategy. In fact, the period witnessed the emergence of significant divisions within the business community around its relationship with the state. This perhaps became most apparent in 1987 when conservative sections of monopoly capital, responding to the success of the state's stabilization strategy, took over the leadership of the FCI, and maneuvered the organization into the camp of those supportive of the State of Emergency.⁹² The state did indeed retain some support among elements of the business

91 *The Sunday Times*, September 29, 1985.

92 For a discussion of this, see M. Morris & V. Padayachee (1989), "Hegemonic Projects, Accumulation Strategies and State Reform Policy in South Africa," pp 92-93.

sector. But the unanimity that had existed within the business community in the early 1980's to acquiesce to total strategy had been broken with the securocrats' victory. From then on various elements of the business community responded differently to the state's political reforms.

The reformers that had been dominant within the cabinet a few years earlier also remained active after the securocrats' victory. Since 1986, prominent individuals in the reformist camp conducted clandestine meetings with Nelson Mandela in prison. Moreover, they retained discreet links with "renegade" NP ideologues and academics who were publicly criticized by P.W. Botha for having a series of meetings with the ANC in Lusaka and London.⁹³ This was perhaps fortunate for it facilitated the public re-emergence of the reformers in 1989 as the securocrats' strategy foundered in the face of economic crisis, inadequate fiscal resources, and public demoralization.

Why did the securocrats' strategy fail? Clearly they had won the battle to reimpose "law and order" and stabilize the political situation. But their success was temporary. And, it required the permanent activation of the state's repressive apparatus to maintain the status quo. Even the officials of the NSMS began to recognize this in late 1988, as they started to concede the necessity of a political settlement for the permanent resolution of the conflict.⁹⁴

Three factors underlay the failure of the securocrats' strategy. First, the "repression

93 These relationships are well documented in Allister Sparks (1991), *Tomorrow is Another Country*, chapter 7.

94 This point was stressed by Ando Donkers and Johan Jacobs in an interview with the author on 5 September 1995 in Pretoria. Both individuals are high ranking officials in the Ministry of Constitutional Affairs.

with reform" strategy was founded on the assumption that the majority of the population was politically neutral and only interested in the resolution of their socio-economic grievances. But this was far from an accurate assessment of the African, Colored, and Indian populations in the country. Indeed, they were concerned with socio-economic issues. But, they were also united in their hatred of apartheid's political policies and committed to the demand for a universal franchise. This accounts for the continued legitimacy of the ANC which was reflected in the huge turnouts for the marches called by the Mass Democratic Movement (MDM) in 1989.

Second, the securocrats had clearly underestimated the amount of resources that would be required for their redistribution program. Billions of rand had been spent on the upgrading of townships in the second half of the 1980's. But this had not led to any appreciable increase in the standard of living in these areas. Many more resources would have been required to achieve this, and these were simply not available from an economy that was confronted with a severe economic crisis. Moreover, the balance of payment constraints that resulted from the financial crisis of the mid-1980's still haunted South Africa, and limited its abilities to secure loans from international financial agencies.

This then raises the third, independent but related, factor that contributed to the failure of the securocrats' strategy. The success of the securocrats' program was dependent on the resumption of appreciable economic growth that would have made the necessary resources available for redistribution. But average growth in total GDP for the second half of the 1980's was a mere 1 percent per annum. Manufacturing employment in this period had declined by

1.4 percent per annum, resulting in huge numbers of layoffs.⁹⁵ Any turnaround of this situation would have required much greater levels of domestic and foreign investment. But this was dependent on a permanent resolution of the political conflict - a goal that the securocrats were unable to deliver.

Thus, a new political context had begun to emerge by late 1988. The political dynamic between the state and the opposition movement in the 1980's had changed both their leaderships' perceptions of the distribution of military, political, economic, diplomatic, and ideological resources between them. The ANC recognized that its insurrectionary strategy had been resoundingly defeated by the securocrats in the prior three years. But the securocrats had also begun to realize that they were unable to deliver a permanent peace. As the deputy-General Secretary of the ANC, Cheryl Carolus, maintains, a political stalemate had developed.⁹⁶ The situation was ripe for a breakthrough.

Towards Democratization

The breakthrough came in February 1989 when P.W. Botha made his most spectacular and final political mistake. Recovering from a stroke, he suddenly announced his resignation as party leader while retaining his position as head of state. This ironically opened up the path for F.W. De Klerk, the conservative head of the Gauteng (Transvaal) National Party, to be elected as the party's national leader.

⁹⁵ MERG, *Making Democracy Work*, Table 7.1, p 239.

⁹⁶ Interview with Cheryl Carolus, August 24, 1995, Johannesburg. Note also that Rustow conceived the emergence of a stalemate as necessary for the genesis of democracy.

Botha's resignation decision, however, had created an intolerable political situation. The NP was expected to go to the polls later in the year, and it faced the prospect that for the first time in four decades, its leader would not be head of government. The implications of this on the voting patterns of an already demoralized electorate could have been disastrous. This galvanized De Klerk and the entire cabinet to confront Botha and force his resignation in August 1989. After much blustering in a televised national address, Botha did indeed resign.⁹⁷

The general elections on September 6, 1989, returned the NP to power with 48.6 percent of the vote. This had been the first time in three decades that the NP had won less than a majority in a general election. Nevertheless, in a televised interview on the evening of the announcement of the electoral results, De Klerk insisted that the NP and Democratic Party's (DP) combined 68.6 percent of the vote represented a comprehensive mandate for reform.

De Klerk moved quickly to consolidate his reform agenda. The power of the securocrats was clipped very early on, and decision-making was concentrated in the hands of civilian politicians and civil servants.⁹⁸ Moreover, De Klerk distinguished his rule from that of his predecessor when he allowed a number of pro-democracy marches organized by the MDM in late 1989. In October, he unconditionally released Walter Sisulu and seven other prisoners (7 ANC and 1 PAC) serving life imprisonment in Robben Island. In February 2, 1990, he took the fateful step of unbanning the ANC, PAC and South African Communist

97 See Allister Sparks (1994), *Tomorrow is Another Country*, especially chapter 8.

98 Ibid, p 368.

Party (SACP). And nine days later, he released Nelson Mandela, who by then had become the world's most famous political prisoner.

It should be noted that De Klerk's concessions were matched by conciliatory gestures on the part of the ANC. In late 1988, the banned organization published its *Constitutional Guidelines for a Democratic Future*, which called for a multi-party, representative political system and a mixed economy. A year later the ANC released the *Harare Declaration*, which publicly indicated its willingness to seek a negotiated resolution to the conflict in South Africa. The SACP's new program published in 1989, *The Path to Power*, also suggested that it might be possible to resolve the country's conflict at the negotiating table. Added to these were the initiatives of Nelson Mandela in this period, who, after consultation with Oliver Tambo, engaged senior cabinet members on the modalities of facilitating negotiations.

In any case, how do we understand the bold political moves embarked upon by the conservative De Klerk? Allister Sparks explains these initiatives as the result of a 'Damascus Road' or spiritual conversion of the NP leader.⁹⁹ However, debating and speculating on whether De Klerk really underwent a moral conversion seems futile. As chapter 2 indicated, agency analyses, of which this is a most singular example, explain complex social and political phenomena through a focus on the behavior and decisions of actors. Such analyses are thus vulnerable to criticisms that they do not adequately explain the motivation behind actor decisions and behavior. Hopefully, then, it will suffice to say that explaining the momentous developments of an entire nation as the result of the moral conversion of any one individual is unlikely to withstand critical analytic scrutiny.

⁹⁹ Ibid, pp 99-100.

A more logical explanation would be that De Klerk's and the National Party leadership's recognition of a change in the distribution of resources between the state and the opposition movements encouraged them to shift their focus to negotiations. This realignment in resource availabilities and, hence, in the structural distribution of capabilities, was informed at the global level by the imminent end of the cold war. The Soviet Union had been intimating since 1986 that it would prefer a negotiated resolution to the South African conflict. Communist Eastern Europe was in the process of disintegrating in 1989. The ANC's principal supporters, including the African nations, were extricating themselves from their South African commitments.

The apartheid state's relationship with Western powers had also been completely transformed by the late 1980's. Rising public pressure and the imminent demise of the cold war made Western governments more willing to punish South Africa for its racial policies. This was reflected in the increased imposition of sanctions and the further isolation of South Africa from the global economy and the community of nations.

At the national level, alternative means of resolving the conflict had already been exhausted. The insurrectionary route to power had been completely defeated by the securocrats in the 1980's. The securocrats themselves, however, could deliver only a temporary peace and were unable to provide a permanent resolution to the conflict. The political dynamic between the state and the opposition movement in the 1980's had realigned resource availabilities and, hence, the structural distribution of capabilities, so that it took the form of a stalemate, a condition which Rustow saw as necessary for the genesis of democracy.

De Klerk clearly recognized this. In an interview with his brother Willem de Klerk, editor of the newspaper *Rapport*, he maintained that his opening address to parliament on February 2, 1990, "was aimed at breaking our stalemate in Africa and the West. Internationally we were teetering on the edge of the abyss."¹⁰⁰ Later in the interview, he admitted that "the ANC is a fairly important element with a solid power-base among the people. Negotiations with others, without the ANC, would be incomplete and their legitimacy questionable."¹⁰¹ Similarly, Ando Donkers and Johan Jacobs, high ranking officials in the Ministry of Constitutional Affairs and advisors to the former South African government in the CODESA negotiations, indicated that senior members of the State Security Council had recognized by 1988 that while they were capable of defeating the ANC militarily, they could not deliver a permanent peace. A permanent resolution of the conflict, they recognized, would only be achieved through an inclusive political settlement.¹⁰² This recognition within the South African government and the NP of the change in the distribution of resources between the state and the opposition movement conditioned President de Klerk's decisions and behavior. And it is this that enabled him to take that fateful step on February 2, 1990, releasing the political genie that propelled South Africa into its era of democratization.

100 Willem de Klerk (1991), *FW de Klerk: The Man in his Time*, Johannesburg: Jonathan Ball Publishers, p 5.

101 Ibid, p 54.

102 Interview with Ando Donkers and Johan Jacobs, September 5, 1995, Pretoria.

CHAPTER 4

FROM NATIONAL DEMOCRACY TO CONSENSUS DEMOCRACY

Conflict and stalemate are, for Rustow, at the heart of the genesis of democracy. Although Rustow never explicitly used the term stalemate, it was implicit in his notion of "a prolonged and inconclusive political struggle" among entrenched social groups, that formed the basis of his model of democratic transitions. This conflict and the stalemate that emanates from it are what prompts the different leaders of the contending groups to compromise, "accept diversity in unity," and adopt democratic institutions to govern their relations. Democracy is thus conceived by Rustow as being for the engaged parties a second-best solution, constructed not by democrats, but by conflicting political elites "... as a fortuitous byproduct of the struggle."¹

The explanatory model pioneered by Rustow has no better case study than the recent

¹ Dankwart A. Rustow (1970), "Transitions to Democracy: Towards a Dynamic Model," p 353.

transition to democracy in South Africa. Stalemate was the organizing principle that conditioned the evolution of this transition. The constitutional settlement represented a fundamental compromise on the initial visions and proposals of both of the contending parties. The National Party (NP) abandoned apartheid and its stress on racial segregation, and advocated in its initial proposals what Arend Lijphart terms "consociational democracy." This constitutional vision emphasized multi-party governance, group vetoes, federalism, group autonomy in areas like education and welfare, and respect for the tenure of civil servants. The African National Congress in accordance with its national democratic vision which coupled majority rule with egalitarian economic relations, advocated a majoritarian conception of democracy, emphasizing political rule by the majority party, a unitary state, and individual, rather than group rights. Neither party, however, was able to effect its constitutional vision in the settlement.

The result was a constitutional settlement that took the form of a consensus democracy which represented a mix of majoritarian and consociational elements. Consensus democracy realized the NP's desire for multiparty governance and respect for the tenure of civil servants, but it did not guarantee vetoes for minority parties, group autonomy, or a federal state. The constitutional settlement also met the minimum requirements of the ANC by allowing majority decisions, but it constrained the party's majoritarian impulse through the establishment of the Government of National Unity, the effective enhanced representation of minority racial groups at the local level, and the allocation of greater powers to regional and local authorities than those normally allocated under a unitary system of government. The constitutional settlement, then, differed fundamentally from the original proposals of both the

ANC and the NP.

This chapter explores the reasons why this settlement deviated from the prior expectations of its architects. Its central hypothesis, confirmed by the data, is that a power stalemate between the NP and ANC forced them into the negotiations and conditioned them to make the compromises that ultimately led to the constitutional settlement. It identifies the constituent elements of this stalemate as being the military capacity of the NP and ANC, the political support that each enjoyed, and the diverse forms of diplomatic pressures that both parties were subjected to as a result of the transformation of the international system. The chapter also demonstrates that political elites recognized the changing resource availabilities that underlay the distribution of capabilities. It does this through references to internal party documents, minutes, press statements, and interviews conducted with individual leaders. The analysis here, then, shows how structure influences agency by demonstrating that the substantive features of the transition, of which the constitutional settlement is one important component, were configured by elites whose decisions were conditioned and constrained by the resources available to them.

The chapter will begin by providing a brief historical narrative of the negotiations process. It will follow this with an investigation of the original constitutional proposals advocated by the NP and the ANC. Thereafter, the chapter will explore the distribution of capabilities among parties, and political elites' perceptions of this structural distribution of capabilities. It will then demonstrate how this distribution of capabilities influenced political elites in the ANC and the NP to compromise on their original constitutional proposals, and it will explore the nature of the interim constitution that was subsequently adopted in 1994.

Finally, the chapter will conclude by summarizing the findings of the analysis conducted here.

A Historical Overview of the Negotiation Process

South Africa's political transition underwent many of the twists and turns typical of negotiated transitions.² The democratization phase of the process began with the release of Nelson Mandela on February 11, 1990. This set the stage for a bilateral meeting between the ANC and the South African government which was held in May of that year. The bilateral meeting produced the Groote Schuur Minute which established a working group of ANC and government representatives "to provide a definition of political offenses.... advise on norms and mechanisms for dealing with the release of political prisoners and the granting of immunity in respect of political offenses to those inside and outside South Africa." The government also undertook "to review existing security legislation.... and lift the state of emergency."³

Four months later, the two parties met again, ratified the report on political offenses, and signed the Pretoria Minute in which the ANC committed itself to " ... suspending all armed actions with immediate effect."⁴ However, in the wake of a dispute around the meaning of this phrase, the parties met once again on February 12, 1991, at which they signed the D.F.

² For some useful works that relate the sequence of events in the political transition, see S. Friedman [ed.] (1993), *The Long Journey: South Africa's Quest for a Negotiated Settlement*; S. Friedman & D. Atkinson [eds.] (1994), *The Small Miracle: South Africa's Negotiated Settlement*, Johannesburg: Ravan Press; M. Murray, (1994), *The Revolution Deferred: The Painful Birth of Post-Apartheid South Africa*, London: Verso; and Tom Karis (1995), "A Small Miracle Continues: South Africa 1994-1999," *The Round Table*, no. 334.

³ "The Groote Schuur Minute," May 3, 1990, p 1.

⁴ "Pretoria Minute," August 6, 1990, p 2.

Malan Accord. The accord committed the ANC to preventing subversive acts by its members, including "attacks by means of armaments, firearms, explosive or incendiary devices, infiltration of men and material, creation of underground structures, statements inciting violence, threats of armed action, and training inside South Africa." Although the accord prohibited any party or movement from maintaining a private army, it recognized Umkhonto We Sizwe (the military wing of the ANC) as a legal organization, and continued membership in it was not conceived as a violation of the Pretoria Minute.⁵

On December 20 and 21, 1991, the formal negotiations began with the first plenary session of the Convention for a Democratic South Africa (CODESA). Although the Pan Africanist Congress (PAC) attended the initial discussions, it subsequently withdrew from the proceedings. The deliberations concluded with 17 of the participants signing a *Declaration of Intent*.⁶ From February 1992, five working groups representing all parties began working in accordance with their mandate from the plenary session. Each of the five working groups dealt with a separate theme. These were: the creation of a climate for free political activity and the involvement of the international community; constitutional principles; transitional arrangements; the future of the homelands; and timeframes and implementation. All of the working groups were to table reports at the second plenary session of CODESA in May

⁵ "Report of the Working Group Under Paragraph Three of the Pretoria Minute," February 12, 1991, pp 2-3.

⁶ The two participants who did not sign the *Declaration of Intent* were the homeland Bophuthatswana Government and the Inkatha Freedom Party (IFP). Their refusal to sign emanated from a belief that the *Declaration of Intent's* reference to an undivided South Africa implied a commitment to a unitary state. It should be noted that the IFP later signed the Declaration after an amendment clarified that the term did not preclude a federal design for the future South African state.

1992.

The second plenary session of CODESA broke down as a war of words erupted between the ANC and NP. The cause was a deadlock that emerged in Working Group Two which was mandated to deal with constitutional principles. The public manifestation of the deadlock revolved around a dispute as to whether 70 or 75 percent should be required for the adoption of the permanent constitution by the constituent assembly. In reality, however, the conflict over percentages masked a more fundamental dispute between the ANC and NP around the necessity of power-sharing.⁷ In any case, CODESA II collapsed amidst recriminations by the ANC and NP that the other was negotiating in bad faith.

Later in May the ANC's policy conference drew up a list of demands that were to be taken up in bilateral discussions with the government. In the event of the government's failure to meet the demands, the conference proposed a series of mass actions by the end of June. The already tense relationship between the ANC and NP was aggravated on June 17 when 40 black men, women and children were massacred by hostel⁸ residents in the Slovo squatter camp at Boipatong. Although the government immediately broadened the terms of reference of the Goldstone Commission⁹ to include the 'Boipatong massacre', the ANC withdrew in

⁷ For a detailed discussion of the debates and deadlock in Working Group Two, see S. Friedman (ed.), *The Long Journey*, pp 60-85.

⁸ Hostels are essentially single sex dormitories, established by companies and/or the state for the express purpose of housing migrant workers. In most cases, these accommodation arrangements were organized along tribal lines to prevent cross-tribal unity, and facilitate easier control over the workforce.

⁹ The Goldstone Commission, instituted as the Commission of Inquiry Concerning the Prevention of Public Violence and Intimidation, was formally announced by State President De Klerk on October 24, 1991. Its brief was to investigate and expose the reasons for violence and intimidation in South Africa.

protest from the negotiations, citing the government's involvement in sponsoring violence against it, and its insistence on establishing a minority veto for whites.¹⁰ The organization insisted that the government meet 14 demands before it resumed negotiations. These involved agreeing to a democratically elected Constituent Assembly and an Interim Government of National Unity; measures that enabled the prosecution of, and curtailed the capacity of, security forces to ferment violence; a program to immediately cordon off hostels and begin the process to convert them into family unit accommodation; an international Commission of Inquiry into the Boipatong massacre; the release of all political prisoners and the repeal of all repressive legislation.¹¹

A program of mass action was launched to force the government to accede to the ANC's demands. However, a tension seemingly developed within and among the ANC, South African Communist Party (SACP), and Congress of South African Trade Unions (COSATU) as to the purpose of the mass action. Some, most probably in the minority, believed that the government was vulnerable and could be toppled through large-scale urban revolt like those that had occurred in Eastern Europe some three years earlier. Their strategy, labeled the "Leipzig option" was initially to target the homeland regimes that were perceived as the weak link in the chain.¹² Others, probably the majority within the leadership of the alliance, felt that

¹⁰ See "Memorandum to Mr F.W. De Klerk from Mr N. Mandela," June 27, 1992. These charges were of course denied by De Klerk. See "Memorandum to Mr N. Mandela from Mr F.W. De Klerk," July 2, 1992.

¹¹ See "Statement of the Emergency Meeting of the National Executive Committee of the ANC," June 23, 1992.

¹² Most of the country's leading newspapers mistakenly assumed that this option was being propagated by the SACP. See *Sunday Times*, September 13, 1992, and *Sunday Star*, September 13, 1992. In fact, the reality was that advocates of the "Leipzig option" were

ANC negotiators at CODESA had lost touch with their constituency. This isolation, they felt, weakened the ANC's negotiating capacity since the organization could not demonstrate its political strength to its adversaries. Mass mobilization, in this view, was complementary to negotiations. It also had the added merit of popularizing the negotiations and drawing the grassroots into the negotiations process.¹³ In any case, after a series of highly successful mass actions, the program foundered under tragic circumstances when 29 people were murdered by Ciskei soldiers on a march to that homeland's capital, Bisho. The massacre, and the subsequent public criticism of the ANC leadership, brought a dramatic end to the program of mass action.

This event, however, vividly captured the stalemate that defined the structural distribution of capabilities in South Africa. As is demonstrated later in this chapter, the apartheid regime's military capacity, both in terms of the size of its armed formations and their capabilities, far outweighed that of the ANC and PAC. But the ANC's resource was the political support it enjoyed among the majority of the population in the country. Polls in October 1992 indicated that the ANC would receive the support of 53 percent of the electorate, while the NP and Inkatha Freedom Party (IFP) languished at 28 percent and 13 percent, respectively. By February 1994, polls indicated that the ANC's support had risen to 69 percent of the electorate, while the NP and IFP had fallen to 17 percent and 7 percent,

strewn throughout all the organizations of the Congress alliance. See S. Friedman [ed.] (1993) *The Long Journey: South Africa's Quest for a Negotiated Settlement*, p 142.

¹³ A critical analysis of these and other strategic approaches to mass action and negotiations is provided in J. Cronin (1992), "The Boat, the Tap, and the Leipzig way," *The African Communist*, no. 130.

respectively.¹⁴ Thus, the structural distribution of capabilities was defined by a stalemate in which the NP retained supremacy in military capabilities while the ANC enjoyed the resources based on indisputable political support and effective organization.

This structural distribution of capabilities influenced agency behavior. Political elites' awareness of this distribution in resource availabilities was demonstrated when Joe Slovo, the chairperson of the SACP and a member of the NEC of the ANC, authored an article entitled "Negotiations: What Room For Compromise?" where he justified the need for the ANC to make concessions in the negotiations by referring to what he termed the balance of power, a condition informed, in his view, by the NP's control over the organs of security and administration, and the ANC's success in maintaining political support.¹⁵ Jeremy Cronin, the Deputy-General Secretary of the ANC, reported in an interview with this author that Slovo was not alone in this perception, and that the majority of the ANC's negotiating team held a similar view.¹⁶ Also, as is indicated later in the chapter, 9 of the 12 interviews conducted with leading political elites indicated that they believed that a condition of stalemate prevailed in South Africa.¹⁷ Of course, some leaders within the ANC like Harry Gwala, Pallo Jordan, and Blade Nzimande opposed the concessions proposed by Slovo and contested his perceptions

¹⁴ The results of these and other polls are provided in Table 1.

¹⁵ Joe Slovo (1992), "Negotiations: What Room for Compromise?," *The African Communist*, no. 130, p 40.

¹⁶ Interview with Jeremy Cronin, September 7, 1995.

¹⁷ Two of the remaining three, Alec Erwin and Trevor Manuel, contested this assessment and held the view that the ANC's economic policies had not fundamentally changed from those it had advocated prior to its ascension to office. The remaining interviewee, Frank Mdlalose, did not address this issue.

of the balance of power. Essentially, they argued that the balance of power was not immutable, and could be transformed by struggle and linking the mass of the people to the negotiations process.¹⁸ This position, however, was a minority view and Slovo's assessment and recommendations were subsequently endorsed by the ANC's National Executive Committee in November 1992.¹⁹

The Bisho massacre in September forced key political elites in the ANC explicitly to recognize and publicly to express their perceptions of the distribution of resource availabilities between the state and the opposition movements. This then enabled negotiators like the ANC's Cyril Ramaphosa and the NP's Roelf Meyer to come to the fore. Ramaphosa and Meyer had retained a communication link even during the darkest days of the ANC and NP fallout. This communication channel, however, was only formally established at a meeting between the two men on August 14, 1992.²⁰ On August 21, a preliminary meeting took place between the ANC and the government to investigate ways to end the negotiations impasse. Although Ramaphosa was optimistic about a breakthrough in this regard, the ANC's NEC announced on September 3, that it would not return to the negotiation process as the

¹⁸ See Harry Gwala (1992), "Negotiations as Presented by Joe Slovo;" Pallo Jordan (1992), "Strategic Debate in the ANC: A Response to Joe Slovo;" and Blade Nzimande (1992), "Let Us Take the People with Us: A Reply to Joe Slovo." All of these articles are published in *The African Communist*, no. 131.

¹⁹ See "Negotiations: A Strategic Perspective," adopted by the NEC of the ANC, November 25, 1992.

²⁰ This followed a decision by the ANC's NWC not to entertain any more requests for meetings with the government. This decision was prompted by the government's failure to meet ANC demands at a meeting of the two held on August 9. See "ANC Press Release on the Meeting of the National Working Committee," August 13, 1992.

government had not responded satisfactorily to its demands.²¹

This position, however, was to change in the wake of the Bisho massacre four days later. A flurry of high profile visits to the country by representatives of the United Nations (UN), Organization of African Unity (OAU), Commonwealth, and the World Council of Churches (WCC), supported by the US and British governments, influenced the De Klerk regime and the ANC to reconsider their positions. As is demonstrated later in this chapter, the transformation of the international system enhanced the diplomatic capabilities of foreign governments and transnational organizations vis-a-vis the apartheid regime and the ANC. Interviews with senior leadership figures in the ANC and analyses of news journals like *Africa Confidential*, suggest that the US played a crucial role in prompting De Klerk to the negotiations table.²² Similarly, ANC leaders' constant references to the international system as weakening their capabilities²³ indicates that the collapse of the communist bloc increased the ANC's financial and diplomatic dependency on transnational organizations, and western and African governments. The enhanced diplomatic capabilities of these actors, then, enabled them to influence the apartheid regime and the ANC to consider compromises and resume negotiations, ultimately culminating in a meeting in Pretoria on September 26, 1992, where a "Record of Understanding" was signed by the two parties. This accord served as the

²¹ "ANC Press Release on the Meeting of the National Executive Committee," September 3, 1992.

²² Interview with Cheryl Carolus, August 24, 1995; Interview with Pravin Gordan, November 28, 1995; Interview with Jeremy Cronin, September 7, 1995; and *Africa Confidential*, October 20, 1989.

²³ Interview with Cheryl Carolus, August 24, 1995; Interview with Pravin Gordan, November 28, 1995; Interview with Jeremy Cronin, September 7, 1995. Also, see J. Slovo (1992), "Negotiations: What Room for Compromise?"

political platform for the resumption of bilateral, and subsequently multilateral, negotiations.

The "Record of Understanding" went a long way towards meeting the demands of the ANC. It committed the government to a democratically elected constituent assembly and an interim government of national unity. Moreover, the government agreed to cordon off certain hostels, ban the public display and carrying of dangerous weapons, and expedite the release of all political prisoners. In return, the ANC committed itself, in consultation with its constituency, to reviewing its program of mass action.²⁴ The significance of the "Record of Understanding" was that it realigned the political relationships within the negotiations. As a result of political elites coming to terms with the stalemate - a stalemate symbolized by the Bisho massacre, and conceived by Rustow as the precondition for the genesis of democracy - the ANC and NP each recognized the indispensability of the other, and agreed to conduct bilateral negotiations prior to the resumption of the multi-party talks. Moreover, the "Record of Understanding" also suggested that the NP was jettisoning its strategic relationship with Inkatha in an effort to facilitate the bilateral negotiations with the ANC. Inkatha predictably came out strongly against the "Record of Understanding."²⁵

During the next six months all of the major political parties began to reposition themselves for the multi-party negotiations. Both the NP and ANC reevaluated their

²⁴ "Record of Understanding," September 26, 1992.

²⁵ See "Statement by Mr Mangosuthu Buthelezi, Chief Minister of KwaZulu and President of Inkatha Freedom Party," September 27, 1992. Buthelezi immediately rejected the "Record of Understanding," and announced the IFP and KwaZulu government's withdrawal from any further discussions with the South African government. He repeatedly rejected the Constituent Assembly and the interim government of national unity. Also, he stated that the ban on what he saw as cultural weapons (spears, assegais etc.) and the cordoning of "problematic" hostels would be resisted, if necessary by force.

constitutional and political proposals in order to facilitate agreements in their bilateral meetings. Inkatha, on the other hand, formed the Conference for Concerned South Africans (COSAG) with the homeland governments of Bophuthatswana, Ciskei, and white right-wing groups like the Conservative Party, Afrikaner Volksunie, and Afrikaner Freedom Foundation. On April 1, 1993, multi-party negotiations once again resumed, but this time with the PAC,²⁶ and under the auspices of the Multi-Party Negotiating Forum.

The pace of negotiations accelerated from this point on. Even the assassination in April 1993 of Chris Hanu, General-Secretary of the SACP, and the most popular ANC leader after Mandela, did not derail the process. Although more militant branches, like the one in the Midlands region, did call for a halt to the talks, they were overridden by the national leadership of the ANC.²⁷ Hanu's assassination, however, did have the contrary effect of increasing the pressure to speed up the negotiations. Hitches in the multi-party talks were quickly resolved through bilateral discussions between the ANC and NP. Agreements achieved through these bilateral discussions were pushed through at the multi-party talks by using the principle of "sufficient consensus."²⁸ By November 1993, the interim constitution was largely finalized. The end of 1993 also saw the establishment of the Transitional Executive Council (TEC) in accordance with the "Transitional Executive Council Act of

²⁶ The PAC had been critical of the constitutional negotiations because it conceived of CODESA as an undemocratic body of self-appointed leaders negotiating South Africa's future without the participation of its people. However, recognizing that this self-imposed isolation had weakened it, the PAC re-entered the negotiation process when it resumed in April 1993.

²⁷ See *The Natal Witness*, April 15, 1993.

²⁸ "Sufficient consensus" was interpreted to mean the agreement of at least the ANC and NP.

1993." Although the TEC's brief extended only to matters affecting the elections, in reality it served as a parallel government. Its powers were very vaguely defined, which enabled the Council to intervene on practically any matter that it saw as an act contrary to the holding of a free and fair election. The Council acted in a diverse set of issues including making recommendations to address the violence in Natal, preventing a loan by the Development Bank to Bophuthatswana, stopping a pay increase to civil servants, scrapping the detention-without-trial provisions in the security laws, controlling the issuing of broadcast licenses, and establishing an interim administration for Bophuthatswana. However, the council also suffered defeats, most notably in the case when De Klerk ignored the Council's recommendation that prisoners should be allowed to vote.²⁹

The electioneering of the first few months of 1994 was also accompanied by the TEC's administration of Bophuthatswana, and last minute deals to draw Inkatha into the elections. In early 1994, Lucas Mangope, the President of Bophuthatswana, publicly refused to accept the reincorporation of the homeland into South Africa. Within days civil servants went on strike demanding payment of their salaries and pensions. When Mangope did not respond, the police force also went on strike. This was accompanied by large anti-Mangope demonstrations, and looting in the capital, Mabatho. Mangope's Defense Minister, Rowan Cronje, appealed to the Afrikaner Volksfront for assistance. While the Volksfront began making arrangements in this regard, the AWB, which was represented on the executive of the

²⁹ Ivor Sarakinsky notes that the TEC allowed for the institutionalization of a balance of power between the government and its opponents. For a useful review of the life of the TEC, see I. Sarakinsky (1994), "Rehearsing Joint Rule," in S. Friedman & D. Atkinson (eds.), *The Small Miracle: South Africa's Negotiated Settlement*.

Volksfront, immediately called on all its supporters to assemble in Bophuthatswana and help stabilize the situation. Many white racists arrived, began harassing and taking potshots at innocent civilians, and killed a number of them. This outraged the Bophuthatswana Defense Force which mutinied, publicly executed a few of the racists, and joined the rebellion against Mangope. In this highly volatile situation, the TEC and the South African government sent in troops, deposed Mangope, and took over the administration of the territory.³⁰

Simultaneously, attempts were made by Mandela and De Klerk to draw Inkatha into the political process. Inkatha only agreed to participate in the provincial and national elections seven days before they were to be held. All prior meetings to draw it into the process had failed. The late entry of Inkatha is credited to Professor Washington Okumu, and involved a concession by both the ANC and the South African government to amend the constitution in a way that allowed for "the recognition and protection of the institution, status, and role of the constitutional position of the Zulus and the Kingdom of KwaZulu...."³¹ All unresolved issues of concern to Inkatha were to be addressed through international mediation. This was the last significant event to precede South Africa's April 1994 general elections.

Competing Constitutional Visions

For much of the post World War II period, the political struggle in South Africa took the form of a contest between two constitutional visions. Apartheid and separate development represented the constitutional vision of the NP and its allies. In contrast, the ANC and other

³⁰ For a discussion of these developments, and the intrigue surrounding them, see Allister Sparks (1994), *Tomorrow is Another Country*, chapter 14.

³¹ See "Memorandum of Agreement," April 19, 1994.

black political organizations advocated a united country governed by a substantive vision of democracy that coupled a majoritarian system of government with a radical economic program. South Africa's inconclusive political struggle or stalemate, which Rustow had identified as the precondition for the genesis of any modern democracy, forced the NP and the ANC to moderate their respective constitutional visions, and locate their initial negotiating proposals in a consociational and majoritarian conception of procedural democracy (which excluded the goal of economic egalitarianism).

The NP's apartheid vision had demanded the segregation of African, Indian, Colored, and White. In different epochs, this segregatory principle took different forms. In the fifties, sixties and seventies, segregation was to take a territorial form through the Bantustans, homelands, and racially segregated residential areas. In the eighties, however, when territorial segregation was deemed impossible by all but the far right, apartheid's ideologues stressed institutional segregation (under white supremacy). This took the form of the Tricameral Parliament, and the proposed fourth chamber for African representation.³²

The democratic alternative, although articulated under different political labels, was popularized by the various black organizations of the liberation movement. This might seem surprising, but the political infighting among black political organizations in the liberation movement often masked the large degree of unanimity that existed among them about a constitutional arrangement alternative to that of apartheid. Indeed, there were significant political and strategic differences among the ANC, PAC, AZAPO, and the Non-European Unity Movement (NEUM). Both AZAPO and the PAC, unlike the ANC after 1969, refused

³² See chapter 3.

to accept white members.³³ They were committed to an Africanist program that stressed radical land reform, nationalization, and majority rule. The NEUM enshrined the policy of non-collaboration in its *Ten Point Program* and felt that the ANC was always too willing to participate in the organs of its own oppression.

But, despite these strategic differences, the NEUM's *Ten Point Program* (1942), the ANC's *Freedom Charter* (1956), and the PAC's and AZAPO's *Azanian Manifesto* (1985), all emphasized a very similar constitutional vision, at least in the initial phase of the transition from apartheid. All of these organizations stressed the indivisibility of South Africa's territory. All demanded a universal franchise and government by the majority. All coupled the principle of a universal franchise with socio-economic demands that were intended to transform the ownership structure of the country's economy. All paid at least lip-service to a future socialist society. Thus, although some advanced more radical programs than others, all nevertheless advocated a substantive (as against a procedural) vision of democracy.³⁴

The ANC and SACP captured these principal demands under the theoretical banner of national democracy. The term's origin in the South African literature dates back to the SACP's political program, "The Road to Freedom," formally adopted at the organization's fifth national conference in 1962. It was later adopted by the ANC at its Morogoro

³³ In the case of the PAC, there was the exception of Patrick Duncan who was the only white member of the organization. Prior to 1969, membership in the Congress Alliance was based along racial lines. This meant that formal membership of the ANC extended only to persons of African descent. Individuals of White, Colored, or Indian ancestry who wished to associate themselves with the ANC were allowed to do so by becoming members of either the Congress of Democrats (Whites), the Coloured People's Organisation (CPO), or the South African Indian Congress (SAIC).

³⁴ See the *Freedom Charter*, *Ten Point Programme*, and the *Azanian Manifesto*.

conference, held in Tanzania in 1969.³⁵ Two principal elements defined the Congress Alliance's vision of a national democratic state.³⁶ First, such a state was to be a representative democracy, constitutionally enshrining the principle of a universal franchise, majoritarian government, and basic civil liberties. Second, these liberal democratic freedoms were to be coupled with a developmental economic program that would involve "... radical agrarian reform to restore the land to the people, widespread nationalization of key industries to break the grip of white monopoly capital on the main centers of the country's economy. [and] radical improvements in the conditions and standards of living for the working people."³⁷ Political emancipation, the ANC maintained, "must embrace more than formal political democracy ... (it) is in a very real way bound up with economic emancipation."³⁸ The ANC's national democracy, then, can be described as a substantive form of democracy involving representative government combined with aggressive state intervention to create egalitarian economic relations.

³⁵ See "Strategy and Tactics of the African National Congress," document adopted by the ANC at its Morogoro Conference, April 25 - May 1, 1969.

³⁶The Congress Alliance is a term that describes the collective of organizations, within and outside the country, which accepted the leadership of the ANC, and were committed to the *Freedom Charter*. Note that the SACP accepted the *Freedom Charter* as the guiding program for the national democratic stage of South Africa's transition from apartheid. The second stage, which involved the transition to socialism, was to be guided by the SACP's own program, "The Road to Freedom."

³⁷ "The Road to South African Freedom," program of the South African Communist Party (SACP) adopted at the organization's fifth national Conference held in Johannesburg in 1962, republished in SACP (1981), *South African Communists Speak: Documents from the History of the South African Communist Party 1915-1980*, London: Inkululeko Publications, p 314.

³⁸ "Strategy and Tactics of the African National Congress," p 16.

The competing constitutional visions of the two sides were substantially modified by 1990. De Klerk's decision to unban the ANC seems to have been premised on the realization that even the constitutional vision of institutional apartheid would not be realizable. In its stead, NP ideologues fashioned constitutional proposals anchored in a consociational vision of democracy. Modifications to the ANC's constitutional vision were also underway in the Congress alliance. In 1988, the ANC published its "Constitutional Guidelines for a Democratic South Africa." Although "The Constitutional Guidelines" still professed adherence to the demands enshrined in the *Freedom Charter*, the careful phrasing of clauses in the document, its omission of a call for nationalization, and the weakly formulated clauses on land reform provided the first formal indication that the organization was moderating its vision of democracy to one more compatible with a procedural definition widely identified with Joseph Schumpeter and Robert Dahl.³⁹

The NP's constitutional proposals tabled in CODESA were substantially influenced by consociational theories, advanced most notably by the Dutch theorist, Arend Lijphart.⁴⁰ Lijphart's general thesis is that the comparative experience of democracy indicates that

³⁹ This procedural definition, following Robert Dahl, holds that a country can be described as democratic if it is simply distinguished by contested elections based on the universal franchise, as well as having the civil and political freedoms of speech, press, assembly, and organization that are necessary for political debate and the conduct of electoral campaigns. See Joseph Schumpeter (1947), *Capitalism, Socialism and Democracy*, New York: Harper; and Robert Dahl (1971), *Polyarchy: Participation and Opposition*, New Haven: Yale University Press.

⁴⁰ NP ideologues often used Lijphart's works, and in particular his *Power-Sharing in South Africa* to support their case for the saliency of ethnicity in South Africa. Later in the chapter I demonstrate how the constitutional proposals of the NP dovetailed with the policy prescriptions recommended by Lijphart. See A. Lijphart (1985), *Power-Sharing in South Africa*, Berkeley: University of California's Institute of International Studies.

majoritarian principles and organs of governance may not be compatible with plural societies. He maintains that because of the ethnic or class divisions in such societies, political contests manifest themselves in group terms. In most cases political parties represent the interests of particular groups, and voter preferences are determined more by group loyalties than by individual policy preferences. The largest group within plural societies is guaranteed dominance in electoral contests, its party permanently occupies political office, and it tends to monopolize the resources of the state. Majoritarianism then, undermines the democratic principles of rotation in office and the opportunity of minorities to form majorities.⁴¹ Moreover, it often leads to a situation where minority groups become frustrated with the democratic process, and engage in struggles to undermine it. Civil strife is thus the likely result of majoritarianism in plural societies.

To avoid this scenario, Lijphart recommends that minority groups should be guaranteed a share of the resources, and a say in the political destiny of their societies. He makes a number of recommendations in this regard. First, he argues for the entrenchment of power-sharing in all the electoral organs of the state. A proportional system of representation must be used so that all significant groups are represented in the legislature. A coalition executive must be mandatory and be made up of the representatives of all significant groups. The right of a mutual veto on vital matters must also be granted to all groups within the society. Second, positions in the civil service, and public funds should be proportionally allocated among the various groups. Finally, a high degree of internal autonomy should be

⁴¹ A. Lijphart (1977), *Democracy in Plural Societies: A Comparative Exploration*, New Haven: Yale University Press, p 48.

granted to groups that require it. This may involve the establishment of a federal state if significant groups within the society are geographically concentrated.⁴² It should be noted that Lijphart's consociational vision, as reflected in these recommendations, assumes that the principle of rotation in office is more necessary for democratic theory and practice than that of the right of majorities to govern.

In any case, in the mid-1980's, Lijphart applied much of this consociational vision to South Africa. In a policy paper entitled *Power Sharing in South Africa*, he described the country as a plural society with multiple ethnic divisions. He argued that black solidarity was a temporary phenomenon, and that universal suffrage and competitive elections in a post-apartheid South Africa would facilitate the reassertion of ethnic identities within both the black and white communities.⁴³ Majoritarian democracy, he maintained, would be catastrophic for the country. It would promote civil strife and thereby undermine the stability of post-apartheid South Africa. Lijphart thus recommended a consociational democratic design for the country, including elements of power-sharing, proportional allocation of public resources

⁴² See *Ibid.* pp 25-44.

⁴³ A. Lijphart (1985), *Power-Sharing in South Africa*, Berkeley: University of California's Institute of International Studies, pp 20 & 36. A similar analysis is provided by Donald Horowitz. Sharing Lijphart's views, Horowitz maintains that intra-African conflicts are likely to supersede black-white conflicts in the future. A majoritarian system of government, he thus concludes, will alienate minority groups, and the resulting instability will weaken the prospects for consolidating democracy in South Africa. Horowitz, however, rejects Lijphart's consociational solution, preferring instead a combination of vote-pooling electoral arrangements that force politicians to compete for votes and cater for the interests of ethnic groups other than their own. Such a vote-pooling electoral system, he believes, provides an internal incentive for leaders to practice an inclusionary politics and promotes inter-ethnic political cooperation much more effectively than either the first-past-the-post or proportional electoral systems. See D. Horowitz (1991), *A Democratic South Africa: Constitutional Engineering in a Divided Society*, Cape Town: Oxford University Press.

and civil service positions, and a federal state.⁴⁴

This vision became the constitutional platform of the NP in the political negotiations that emerged at the end of 1991. The NP had always conceived of South Africa as a plural society composed of a variety of ethnic groups. This conception was initially used to justify apartheid and the establishment of the homelands. Now, however, this same conception, which neatly dovetailed with that of Lijphart's, served as the theoretical justification for their consociational proposals. Lijphart's *Power-Sharing in South Africa* became the prescribed reading for NP ideologues and leaders.⁴⁵

The NP's constitutional proposals were made public in September 1991 in a document entitled "Constitutional Rule in a Participatory Democracy: The National Party's Framework for a New Democratic South Africa."⁴⁶ The document proposed a three-tier government which established legislative and executive authority at all levels. The NP insisted on the establishment of a constitutional state governed by a charter of fundamental rights⁴⁷ that would guarantee the independence of the judiciary, ombudsman, auditor-general, public

⁴⁴ A. Lijphart, *Power-Sharing in South Africa*, p 6.

⁴⁵ In 1994, Lijphart addressed the issue of whether the constitutional settlement fulfilled the criteria of a consociational system of democracy. This is discussed later in the chapter.

⁴⁶ Note that the NP's interpretation of participatory democracy is fundamentally different from that advocated by the new left in the 1960's. While the NP defined participatory democracy as involving constitutional mechanisms that provide political elites of minority groups with access to the processes of decision-making, the new left conceived of it as a political system which allowed the citizens of a society direct and permanent access to the processes of decision-making.

⁴⁷ For their proposals in this regard, see the document entitled "Government Proposals on a Charter of Fundamental Rights," February 2, 1993.

service commission, and the Reserve Bank. It also demanded security of tenure for employees of the civil service, many of whom were supporters of the NP.⁴⁸ Participatory democracy, interpreted as power-sharing, was also an indispensable principle for the NP in the drafting of the interim constitution, and in guiding the establishment of the new government.

Parliament, in the NP's proposals, would be divided into two houses, each of which would have the task of deciding on legislation. The first house would be elected by universal suffrage based on proportional representation. All legislation, except constitutional amendments, would be passed by a simple majority in this house. The second appointed house was to be composed of equal seats for all regions. These seats were to be divided equally among all parties which received a still to be determined threshold of support in elections for the regional legislature. The responsibility of the second house was to deliberate on all legislation from the first house. General legislation was to be passed by simple majority. Other legislation, involving constitutional amendments, and the interests of minorities and regions, could only be passed by a weighted majority. This second house was also to be given the right of initiating legislation that affected the specific interests of minorities and regions.⁴⁹

The NP's proposals for the executive also attempted to entrench power-sharing. A multi-party cabinet, representing all of the significant parties in the national legislature, was to serve as the executive arm of the national government. The office of head of state,

⁴⁸ See "Constitutional Rule in a Participatory Democracy: The National Party's Framework for a New Democratic South Africa," (nd), pp 6-7. Also see "Government Proposals regarding a Transitional Constitution for South Africa," (nd), document submitted to CODESA.

⁴⁹ "Constitutional Rule in a Participatory Democracy: The National Party's Framework for a New Democratic South Africa," pp 11-12.

following the Swiss model, would be vested in three persons who constituted a collective body known as the presidency. This body would be composed of leaders of the three largest parties, and its chair would be rotated on an annual basis. All decisions, including ministerial appointments, would be taken on the principle of consensus. While both houses of parliament were to be granted the right to pass a motion of no confidence in the presidency and cabinet, such motions could not single out individual members of the triumvirate.⁵⁰ These proposals effectively amounted to a minority veto and shielded the leaders of the two smaller parties from 'no confidence' motions passed in the legislature.

A similar structure and set of principles informed the NP's proposals for regional government. Regional boundaries, according to the NP, should be determined on the basis of the nine development regions that were established in the mid-1980's. Regional government was to be comprised of both a legislative and an executive arm. Representatives in the regional legislature were to be elected from electoral districts on a proportional basis, and nominated by local government authorities. The plural executive was to be made up of three to five leaders of political parties, each with a specific portfolio, who received a predetermined threshold of support in the region. All decisions were to be taken on the principle of consensus.⁵¹ This effectively meant that the majority party in the region could not rule unilaterally, and would have to win the support of minority parties if it wanted to implement one or another program. The NP also demanded a devolution of power that would

⁵⁰ Ibid, pp 12-13.

⁵¹ Ibid, pp 14-15.

enable regions to be autonomous with constitutionally defined and entrenched authority.⁵² In certain constitutionally defined areas, regional government was to have complete authority. Its decisions could be neither challenged nor overridden by central government. In effect, the NP proposed the establishment of a federal state.

The interests of minorities also found favor in the NP's proposals for third-tier government. It qualified the franchise at the municipal level by proposing the establishment of two separate and equally represented sets of voters' rolls. The first detailed the names of residents, while the second listed owners, lessees and rate-payers. This effectively meant that property owners and business persons would have two votes: one as residents, and the other as either rate-payers or lessees. Geographic areas within municipal boundaries were also to be given the right to establish neighborhood councils. These councils, which would not have an executive, were elected by the residents of a particular neighborhood, and could be entrusted with powers over environmental protection, the provision of property licenses and communal facilities, civil protection and other security issues, and even in some cases, neighborhood welfare and education. These local initiatives were to be funded by the neighborhood councils which could impose levies on residents.⁵³

While the ANC's proposals on post-apartheid constitutional arrangements shared a Schumpeterian framework with the NP, their majoritarian flavor suggested that there was still very little common ground between the two parties. The ANC's proposals, unlike the NP's,

⁵² Ibid, p 4. For more on the federalism debate, see S. Friedman & R. Humphries (eds.) (1992), *Federalism and its Foes*, Johannesburg: Centre for Policy Studies.

⁵³ Ibid, pp 17-18.

were largely influenced by the tradition of democracy theorized and practiced in much of the Anglo-Saxon world. This tradition, which was consistent with the majoritarian elements of the ANC's earlier national democratic vision, repudiated power-sharing in favor of majority rule. The ANC still recognized the rights of minorities. But it maintained that these could be protected through a Bill of Rights and a system of proportional representation. The political participation and representation of individual citizens, the organization insisted, should not be determined through ethnic, racial or any other group categories. Democracy, according to the ANC, essentially meant that the views and decisions of the majority must prevail within society. Minority parties should accept this, and should try through vigorous opposition, to attract new voters' that would enable them to develop into a majority.⁵⁴

The ANC's constitutional proposals advocated a three-tier, unitary system of government. The national legislature was to be a bicameral one, comprising a National Assembly and a Senate. Representation to the former was to be determined on a nationally based proportional system, and through an election based on universal suffrage. This house was to have primary power in enacting legislation. The Senate, while also elected by universal suffrage, would cater for regional, but not ethnic, representation. This smaller house was to act as "the guardian of the constitution with power to refer any dispute concerning the interpretation or application of the constitution to the appropriate court for its decision ... and review."⁵⁵ The passage of legislation could be delayed, but not vetoed, by the Senate.

⁵⁴ See "The Constitution, Minorities and the New South Africa," ANC document submitted to CODESA, (nd).

⁵⁵ "Constitutional Principles and Structures for a Democratic South Africa," April 1991, p 23. These proposals are also contained in "The Constitution, Minorities and the New South Africa."

Executive authority, according to the proposals, was to reside in the President and cabinet. The President, who also served as head of state, could be elected either through the popular vote or parliament. A cabinet would be led by a Prime Minister, and both were to be appointed by the President. The executive could only be removed by a resolution that received the support of two-thirds of the National Assembly. It should also be noted that the proposals insisted on "a strong and effective central government ...", whose tasks included foreign relations, defense and internal security, economic, fiscal and tax policy. "... and the creation of a national policy framework and the furnishing of resources for eradicating racism and racial practices and for the tackling of the vast problems of education, health, housing, nutrition, employment, and social welfare."⁵⁶

The ANC's proposals for a new regional and local government were located within a majoritarian and unitary framework that built on the old system of provincial and central government. Instead of the old four provinces, however, the ANC recommended ten regions whose powers and roles were to be stipulated in the constitution. These regions, which geographically, were roughly the same as the nine in the NP's proposals, were not conceived as fully autonomous, but rather as areas which exercised "... concurrent authority with the central government."⁵⁷ While the ANC hoped to harmonize the powers of regions with those of central government, it insisted that national legislation should prevail in cases of conflict.

⁵⁶ "Constitutional Principles and Structures for a Democratic South Africa," p 9.

⁵⁷ "Ten Proposed Regions for a United South Africa," February 1992, p 18. For these proposals, also see Zola Skweyiya (1992), "Proposed Constitutional Arrangements and the Structure of Regional and Local Government," address delivered to the Border\Eastern Cape\Transkei Conference on Regional Government, 28-29 November. For secondary sources on this debate, see S. Friedman & R. Humphries (eds.) (1992), *Federalism and its Foes*.

The systems of defense, police, justice, and the broader civil service were to be organized on a nation-wide basis. There was to be no parallel or duplicated civil services as in the case of federal states. A regional administrator supported by an executive council was to serve as the link between regional and central government.⁵⁸ These proposals for a new regional structure then, emphasized "... concurrent jurisdiction" rather than "... the segmented and competitive powers..."⁵⁹ typical of federal societies.

The ANC's proposals also intended to circumscribe the powers of local government. Governance at this level was to function within the framework of national and regional legislation. It was to be premised on non-racial, non-sexist and democratic principles, and the priorities of local authorities were to be determined through national policy. The policy proposals also recommended an interaction between local government structures, civic organizations, and chiefs.⁶⁰ Metropolitan governments were to be established in the larger urban areas like Johannesburg, Durban, and Cape Town.⁶¹ The ANC hoped that the implementation of these proposals would bring "government closer to the people" without granting local authorities the powers that would enable them to reproduce apartheid policies and racial inequalities.

⁵⁸ The ANC's proposals did not clarify how the regional administrator and council would be selected. But its reference to the role of the former Provincial Administrator suggests that the ANC envisaged these positions as appointments by the central government.

⁵⁹ "Ten Proposed Regions for a United South Africa," p 18.

⁶⁰ It should be noted that the representation of chiefs in local government became one of the central disputes between the ANC and IFP in the drafting of the KwaZulu-Natal provincial constitution.

⁶¹ Ibid, pp 22-23.

The two sets of proposals clearly indicate the political chasm that existed between the ANC and NP. While the former wanted to establish a majoritarian democracy, the latter insisted on a consociational one. Both democratic visions were perfectly consistent with the desires of their advocates to protect and advance the interests of their respective constituencies. For the ANC, majoritarian democracy would enable it to use the levers of government to advance the interests of the black community. For the NP, consociational democracy would provide it with constitutional mechanisms to protect the white community. The ANC hoped to use a majoritarian system of government to advance policies that would undermine apartheid's inequities. The NP hoped to use a consociational system of government to contain those same policies, thereby retaining the material and political advantages conferred by apartheid's inequities. The political divide between the negotiating adversaries remained intact throughout the negotiations at CODESA.

The political euphoria that emerged in the early days of CODESA masked this divide. The early agreements in Working Group Two papered over these political differences in the naive hope that they would be automatically narrowed in the course of the negotiations. These differing political agendas' of the ANC and NP, however, came back to haunt CODESA in its second phase. In May 1992, Working Group Two, which dealt directly with constitutional principles, deadlocked and announced that it lacked consensus on a report. The ANC took to the streets in protest. The NP retreated to its rhetoric of "the communist inspired ANC."⁶² CODESA foundered on the rocks of political naivete.

⁶² See Annexure A in the "Memorandum to Mr Nelson Mandela from Mr F.W. De Klerk," July 2, 1992.

Elite Perceptions of the Structural Distribution of Capabilities

The breakdown in the negotiations was a result of the failure of elites to recognize that compromises were made necessary by the changing resource availabilities of the NP and ANC. Prior to the collapse of CODESA, both the ANC and NP pursued a maximalist political and constitutional program. The breakdown in the negotiations and the subsequent political dynamic that emerged between the regime and its opponents, however, forced a realization on political elites that the trajectory of the democratic transition would be conditioned by what Neville Alexander, a well known critic of the ANC and chairperson of the Workers' Organisation for Socialist Action (WOSA), describes as "the balance of power, the stalemate between white and black nationalists," with each having the capacity "to paralyze the system and state at any moment."⁶³ Political elites' recognition of this stalemate, which Rustow conceived as necessary for the genesis of democracy, conditioned their behavior and decisions and prompted them to make compromises. These compromises, the result of actor decisions and behavior influenced by the structural distribution of capabilities, permitted the transition to democracy in South Africa. But what are the variables that constituted this distribution of capabilities and created this political stalemate?

Analyses of organizational documents and minutes, and the author's interviews with key political figures like Neville Alexander, Cheryl Carolus, Jeremy Cronin, Ando Donkers, Pravin Gordan, and Johan Jacobs suggest that three variables were central in constituting the distribution of capabilities that constrained their political choices. First, military capacity between the contending parties was decidedly in favor of the NP and the apartheid

⁶³ Interview with Neville Alexander, September 30, 1995, Cape Town.

government. A cursory glance at the size of the military formations on both sides of the political divide would indicate that the apartheid state's military capacity was far larger than the combined strength of the ANC's Umkhonto We Sizwe (MK) and the PAC's Azanian People's Liberation Army (APLA). The South African Defense Force (SADF) comprised 84 052 permanent personnel, supported by a part-time force of 5 338. Total personnel of the combined Defense Forces of the homeland regimes numbered 11 022. Estimates of the size of MK and APLA are less reliable. Nevertheless, giving them the benefit of the doubt, and taking their own declared figures on the lists submitted for enrolment in the newly integrated SANDF (comprising personnel from APLA, homeland armies, MK, and the SADF) as an accurate reflection of their size, MK and APLA comprised forces of 28 887 and 6 291 respectively.⁶⁴ Of these, 11 935 MK and 3 643 APLA personnel were integrated by July 1996.⁶⁵ The combined total of MK and APLA personnel then, comprised only 39 percent of the total number of SADF personnel.

Of course capabilities cannot simply be determined from the numbers of military personnel. Both MK and APLA were guerrilla armies which are by their very nature smaller than conventional military formations. Moreover, their modus operandi is to concentrate on surprise attacks and tactical retreats, with the long term intention of sapping the will of the enemy. But even on these terms MK and APLA's military capabilities were questionable.

⁶⁴ These figures were provided on request by Colonel A. Eager of the South African National Defense Force Communication Service, July 1996.

⁶⁵ See *SANDF Internal Communication Bulletin*, July 16, 1996. For a full breakdown of the different levels of integration, see the Minister of Defense's "Address to Parliament," June 5, 1996.

Indeed, they sometimes launched spectacular attacks, and their effectiveness and profile increased throughout the 1980's, and in the case of APLA, through the early 1990's.⁶⁶ But they never developed the capabilities of the guerrilla armies of Cuba, Vietnam, Algeria, Mozambique, and Angola, that had inspired their formation and operations. As Lodge maintains, they "were a long way from representing a major threat to the physical security of apartheid's beneficiaries, to the operation of government outside the townships, or to the day-to-day functioning of the economy."⁶⁷ MK and APLA were successful only in propaganda terms: they inspired the young and maintained the credibility of the ANC and PAC within the country. In military terms, they posed no major threat to apartheid South Africa.

Second, political support clearly resided in the ANC. Table 1,⁶⁸ which lists the results of polls conducted over a period of just under two years, indicates that the ANC's popular support within the country rose from 53 to 70 percent. By contrast, the NP could only muster an average of 20 percent support across the entire population. Inkatha's popularity ranged around a 10 percent average, with most of this support located in the rural areas of KwaZulu-Natal. These figures are not inconsistent with the results of the April 1994 elections, where

⁶⁶ For a useful history of the activities of MK and APLA, see T. Lodge & B. Nasson (1991), *All, Here, and Now: Black Politics in South Africa in the 1980's*, Cape Town: David Philip, pp 173-198, and H. Barrell (1990), *MK: The ANC's Armed Struggle*, London: Penguin. For a recent review of APLA's activities in the 1990's, see T. Lodge (nd), "Soldiers of the Storm: A Profile of the Azanian People's Liberation Army," unpublished.

⁶⁷ T. Lodge & B. Nasson (1991), *All, Here, and Now: Black Politics in South Africa in the 1980's*, p 183.

⁶⁸ The table is based on the results of Markdata's (the HSRC's survey division) pre-election polls from October 1992 to February 1994, which were published in *Political Update*, Second Quarter, 1994.

the ANC received 63 percent of the electoral vote, while the NP and Inkatha received 20 and 11 percent respectively. It should be noted that the ANC's support among the African population was even higher, sometimes reaching 80 to 90 percent in some regions. The political support of the ANC was also borne out by the massive turnouts in rallies and marches that it and its allies called. It was not uncommon to witness hundreds of thousands of people attending ANC rallies and protest marches in the country. Over 4 million workers participated in a political stayaway called by COSATU and the ANC in August 1992 to protest the Bisho massacre.⁶⁹ No political party in South Africa was capable of achieving such high turnouts. It was the privilege and resource of only the ANC.

Table 1: Party Support & Electoral Polls 1992-1994

	Oct '92	Feb '93	Apr '93	Jul '93	Oct '93	Feb '94	Election Results - Apr '94
ANC	53	55	62	62	70	69	63
NP	28	25	18	17	16	17	20
IFP	13	11	11	10	5	7	11
Rightwing	4	6	7	4	5	4	2
DP	1	2	1	2	2	1	2
PAC	1	1	1	2	2	1	1
Other	0	0	0	3	0	1	1

Source: *Political Update*, Second Quarter, 1994.

Finally, the distribution of capabilities was also defined by the transformation in the

⁶⁹ NA (1992), "National General Strike," *South African Labour Bulletin*, vol. 16, no. 2, p 13.

structure of the international system. The distinguishing feature of this transformation was the initial weakening, and ultimate collapse, of the communist bloc. This eroded the bipolar character of the international system, and fundamentally altered resource availabilities and, hence, the distribution of capabilities between the United States and the Soviet Union, and across all other states. Two implications flowed from this development. First, the weakening and ultimate collapse of the Soviet Union altered the ideological resources available to actors, by delegitimizing communism and enhancing the legitimacy and attractiveness of procedural, multi-party democratic political arrangements.⁷⁰ Second, the erosion of the bipolar character of the international system transformed the distribution of diplomatic and economic resources between developing countries and the United States. No longer able to play off one superpower against the other, the bargaining position of political elites in developing countries weakened, leading them to become more vulnerable to the influences, pressures, advice, and finances of the remaining superpower, the United States.

South Africa did not escape the impact of these developments. The Reykjavik summit between Reagan and Gorbachev in 1986 essentially led to a redefinition of the spheres of interest of both countries. Southern Africa, under the terms of this agreement, fell into the sphere of the United States which was given *carte blanche* to fashion a political settlement in the region.⁷¹ First, a political settlement was negotiated in Namibia in 1988 where South

⁷⁰ This point is elaborated in Adam Habib, Devan Pillay, & Ashwin Desai (1998), "South Africa and the Global Order: The Structural Conditioning of a Transition to Democracy," *Journal of Contemporary African Studies*, vol. 16, no. 1.

⁷¹ For a discussion of this, see J. Daniel (1996), "A Response to Guelke: The Cold War Factor in South Africa's Transition," *Journal of Contemporary African Studies*, vol. 14, no. 1.

Africa withdrew from what was effectively its colony in exchange for the withdrawal of Cuban troops in Angola. Thereafter, the Bush administration began to pressure the De Klerk government through the threat of sanctions to liberalize the political process and negotiate a political settlement with the ANC. *Africa Confidential*, a bi-monthly news-sheet under the editorship of Stephen Ellis, who was perceived by ANC aligned academics and political leaders as having close contacts with both the US State Department and the apartheid regime, reported on October 20, 1989 that "President De Klerk has received from Washington an unwritten understanding that he has only until early 1990 to release all political prisoners, (and) unban the ANC.... Should Pretoria fail to deliver by February or March, Bush will refrain from applying his veto power ..." against further sanctions bills coming from Congress.⁷² It should be noted as well, that interviews with senior leadership figures like

⁷² *Africa Confidential*, October 20, 1989. Also quoted in ANC aligned academic, John Daniel's (1996), "A Response to Guelke: The Cold War Factor in South Africa's Transition," p 103. It should be noted that there have been mixed views expressed on the impact of sanctions on the South African economy. Some studies have concluded that sanctions had a negative impact on the South African economy. See M. Orkin (1989), *Sanctions Against Apartheid*, Cape Town: David Philip; Commonwealth Secretariat (1989), *South Africa: The Sanctions Report*, London: James Currey; and Eminent Persons Group (1989), *South Africa: The Sanctions Mission*, London: Zed Books Ltd. Other studies, however, in particular by Trevor Bell have challenged this assumption on the grounds that there is no evidence to prove that sanctions were a causal factor in the poor performance of the South African economy in the 1980's. Instead, Bell argues that the refusal of foreign banks to roll over their loans in 1985, the disinvestment of foreign companies throughout the 1980's, and the poor export performance of the South African economy, can be explained on purely business grounds, unrelated to the campaign for sanctions. Moreover, he maintains that the impact of the disinvestment of foreign companies was limited, especially because of the licensing arrangements between the multinationals and the new owners of their South African based subsidiaries. Nevertheless, despite his argument that the sanctions campaign did not adversely affect the South African economy, Bell does concede that the threat of intensified sanctions in the late 1980's could have served as the political instrument of diplomatic leverage on the South African government. The credibility of this threat, which previously had never been taken seriously by the apartheid regime, was enhanced by the transformation of the

Cheryl Carolus, Pravin Gordan, and Jeremy Cronin indicate that the ANC also viewed the pressure from Washington as crucial in convincing De Klerk to open up the political process and begin negotiations with it.⁷³

Pressure from the United States, however, was not the only factor that convinced De Klerk to unban the ANC, PAC, and the SACP. As indicated in chapter 2, De Klerk's opening address to parliament in February 1990 credited the unbanning decision, in part, to the collapse of communism in Eastern Europe, and the weakening of the Soviet Union.⁷⁴ These events, he believed, weakened the capacity of the ANC, and thereby reduced the threat it posed to security and political stability in South Africa. The transformation in the international system then, and the alteration in the distribution of capabilities across states that it engendered, conditioned the behavior and choices of the apartheid regime, and facilitated its decision to unban black political organizations.

The transformation in the international system, however, did not only have an impact on and condition the behavior of the apartheid regime. These developments simultaneously placed the ANC under increased pressure to support a negotiated resolution. Indications emerging from the Soviet Union as early as 1986 suggested that it preferred a political

international system that effectively redefined South Africa's position in the determination of the national interests of the United States and the Soviet Union. See T. Bell (1993), "The Impact of Sanctions on South Africa," *Journal of Contemporary African Studies*, vol. 12, no. 1.

⁷³ Interview with Cheryl Carolus, August 24, 1995; Interview with Pravin Gordan, November 28, 1995; Interview with Jeremy Cronin, September 7, 1995.

⁷⁴ F. W. De Klerk (1990), "Presidential Address to Parliament on February 2," p 10. For a discussion of this, see A. Guelke (1996), "The Impact of the Cold War on the South African Transition," *Journal of Contemporary African Studies*, vol. 14, no. 1, pp 93-94.

settlement in South Africa. Gleb Starushenko, one of the deputy directors of the Institute of African Studies of the USSR Academy of Sciences, a quasi-government think-tank which reflected official Soviet policy, authored a paper in 1986 which suggested that the ANC should consider providing group rights and collective guarantees to white South Africans.⁷⁵ While the Soviet government officially distanced itself from Starushenko's proposals, particularly because of the subsequent protests from the ANC and the SACP, other statements by Soviet academics associated with the government suggested that Starushenko's proposals were receiving serious consideration in official circles. In 1987, another deputy director of the Institute of African Studies, Dr Victor Goncharov, told the journalist, Howard Barrell, that the Soviet Union had no vital strategic interest in Southern Africa, and wanted to develop a non-ideological approach to resolving the conflict in South Africa.⁷⁶ Later, in August 1988, the South African journalist, Allister Sparks, reported on his visit to the Soviet Union, and indicated that the Soviet authorities were reviewing their approach to the problems of Southern Africa, and were arguing for a political response to the conflict in the region.⁷⁷ The collapse of communist regimes in Eastern Europe, and later of the Soviet Union, added further pressure onto the ANC as a whole sector of its diplomatic allies simply disappeared from the political scene in the space of two years.

This of course meant not only a changed distribution of diplomatic resources at the

⁷⁵ Reported in Allister Sparks (1990), *The Mind of South Africa*, p 364.

⁷⁶ H. Barrell (1987), "Soviet Policy in Southern Africa," *Work in Progress*, no. 48. Neville Alexander also stressed this point in my interview with him on September 30, 1995.

⁷⁷ Allister Sparks (1990), *The Mind of South Africa*, p 365.

disposal of the contending parties, but it also meant that the ANC lost an important set of financial resources. The ANC required large amounts of funding to facilitate its day-to-day operations, and to prepare for the first non-racial general elections in South Africa. The collapse of Eastern Europe and the Soviet Union, then, increased its dependency on the resources of western governments and transnational organizations. Tom Lodge estimates that preparing for and campaigning in the 1994 election had cost the ANC approximately R150 million, and much of that had come from either transnational organizations and/or friendly governments.⁷⁸ This dependency of the ANC on the economic resources of other actors supportive of negotiations, increased the pressure on the organization to consider a negotiated resolution of South Africa's conflict.

Pressures on the ANC to consider negotiations also emerged from much closer to home. Neighboring African countries, weary of the destabilization initiatives of the South African government,⁷⁹ gave their blessing to a negotiated resolution of the South African conflict. This prompted the ANC in 1990 to draw up the Harare Declaration which, among other things, detailed the organization's preconditions for negotiations. These preconditions, which involved the termination of the state of emergency, ending restrictions on political activity, the release of political prisoners, an end to political executions, and the unbanning of political organizations, were officially adopted by the Organisation of African Unity (OAU) in Zimbabwe on August 21, 1989, as a legitimate framework for negotiations in South Africa.

⁷⁸ Tom Lodge, Professor of Political Science at the University of Witwatersrand, pointed this out to me in a conversation.

⁷⁹ For a discussion of these destabilization initiatives, see R. Davies (1987), "South African Regional Policy Post-Nkomati: May 1985-December 1986," G. Moss & I. Obery (eds.) *South African Review* 4.

A new configuration in the distribution of capabilities thus emerged in the late 1980's. It was defined at the national level by a stalemate in which the NP monopolized military capabilities while its adversary had achieved an indisputable lead in political support. At the global level a new international order began to emerge where the remaining superpower preferred a permanent settlement in Southern Africa. The analysis below shows that as elites came to acknowledge the changing resource availabilities, they found their political actions constrained. This left negotiations as the only viable route for resolving the conflict in the country. Moreover, this structural distribution of capabilities also established the parameters of the constitutional settlement that was eventually fashioned in the halls of the Multi-Party Negotiating Forum.

Two points must be noted in this regard. First, the distribution of capabilities was structured so that neither the NP nor the ANC could effect a political settlement on their own. The defeat of the securocrats' strategy in the late 1980's indicated that political stability could not be achieved by a repressive response. Moreover, the new global order eliminated the possibility that the NP could use the communist threat to avert a full sanctions campaign against the apartheid regime. These factors made the costs of maintaining the status quo too high for political and economic elites of white South Africa. Similarly the ANC was incapable of going it alone. Its own people's war strategy had foundered on the rocks of the securocrats' repression. The apartheid regime still had far superior military capabilities to either those of the liberation movement or of neighboring African countries. This stalemate, which Rustow had conceived as necessary for the genesis of democracy, ensured that a negotiated solution between the NP and ANC was the only option for the foreseeable future.

Second, this distribution of capabilities remained intact until the April 1994 elections. Often commentators speak of a changing balance of power through the early 1990's. But these changes were merely those of degree. The principal defining features in this distribution of capabilities remained constant throughout this period. Political elites were clearly aware of this distribution of capabilities. Of the 12 interviews conducted with political elites for this study, 9 consistently indicated an awareness of the distribution of capabilities and its constraining effect on their political choices. As Cheryl Carolus argued,

Negotiations were influenced ... by the stalemate in South Africa. What would normally constitute state power was sharply divided between two camps ... and neither side could effectively win what the other had. On the one hand, ... the NP and its allies had the security apparatus, a large part of our institutions, (and) the economy On the other side, ... the liberation movement had the legitimacy and capacity to make this country ungovernable.⁸⁰

Later in the interview, Carolus identified the collapse of the communist bloc and the delegitimation of communism that resulted from it, as having weakened the ANC and all others who were interested in addressing inequality and economic injustice.

This analysis by Carolus is not uncommon. Interviews with Jeremy Cronin, Pravin Gordan, Neville Alexander, Ando Donkers, and Johan Jacobs, suggested that there was a widespread consensus among political elites that their political choices were constrained by the stalemate that had arisen in South Africa in the late 1980's. All of these individuals defined the component features of this stalemate as the transformation of the international system into a unipolar one, the apartheid regime's monopoly of military and administrative capacity, and the ANC's widespread political support.

⁸⁰ Interview with Cheryl Carolus, August 24, 1995.

Similarly, party documents proposing radical departures from existing policy justified the shifts by detailing some or all of the factors identified above as constituting this distribution of capabilities. As indicated earlier, Slovo's "Negotiations - No Room For Compromise." proposed the need for a set of sunset clause concessions, a term given to temporary concessions limited to a period of five years which guarantee minority parties and their constituencies a special role in the post-apartheid political system. Slovo explained and justified the need for such concessions through reference to the balance of power. Implicit in his argument was the perception that while the ANC had maintained political support, the NP retained control over the organs of security and administration.⁸¹ This perception of the structural distribution of capabilities was also supported by the National Executive Committee (NEC) of the ANC when it adopted the Negotiation Commission's document, "Negotiations: A Strategic Perspective." This document justified the ANC's need to make concessions by explicitly defining the stalemate in South Africa. It identified the strength of the ANC as its political support, and its capacity to sustain high levels of mobilization. It conceived the strength of the NP as its control over vast state and military resources, and its political support among powerful economic forces. The document also suggested that the collapse of the communist bloc increased pressures for negotiated resolutions of regional conflicts, and fostered an international culture of multi-party democracy.⁸² On the basis of this analysis, the NEC proposed sunset clause concessions to facilitate a breakthrough in the negotiations, and

⁸¹ Joe Slovo (1992), "Negotiations: What Room for Compromise?," *The African Communist*.

⁸² "Negotiations: A Strategic Perspective," adopted by the NEC of the ANC, November 25, 1992.

achieve progress towards the democratization of South Africa.

Interviews and party documents, then, clearly indicate the influences of structural factors on agency. They demonstrate that political elites perceived the distribution of resources among actors in South Africa as taking the form of a stalemate. This stalemate narrowed their political options and influenced their decisions and behavior. It forced them to recognize the necessity of negotiations and the need to abandon their maximalist political programs. These realizations facilitated the constitutional settlement in South Africa.

Towards a Constitutional Settlement

The turning point towards a constitutional settlement was the ANC's rolling mass campaign that it embarked upon in the wake of the negotiations impasse in mid-1992. This campaign and other developments associated with it (including the Bisho massacre) prompted political elites to explore and publicly express their perception that compromises were made necessary by the changing resource availabilities and, hence, the new structural distribution of capabilities. The result was that both the NP and ANC abandoned their maximalist political agendas' and made a series of concessions on their original constitutional proposals. These concessions form the core of the political compromise that lies at the heart of South Africa's democratic transition.

The ANC's decision to embark on the mass action campaign emerged from a perceived need to demonstrate its popular muscle to its adversaries. Two factors made this necessary in its view. First, De Klerk's exclusively white referendum of March 17, 1992, prompted by the Conservative Party's (CP) charges that he had no mandate to negotiate with

the ANC. provided him with a comprehensive mandate to continue negotiations. This victory, ANC negotiators believed, imbued the NP with a renewed sense of confidence and seemingly provoked it to adopt a more aggressive negotiating stance.⁸³ Second, the ANC believed that a small but significant sector of the state apparatus, acting in a third force capacity, continued to foment violence within the black community in an effort to weaken it and the negotiations process.⁸⁴ Sensing an intransigence on the part of the NP,⁸⁵ and a popular demoralization with the negotiations process, the ANC withdrew and embarked on its mass action campaign.

The mass action campaign did have a number of significant spin-offs. First, some scholars and activists have suggested that the mass actions drew the broader populace into the negotiation process.⁸⁶ While this clearly is an exaggeration, especially given the fact that the negotiations after September 1992 became even more secretive than before, the mass actions did have the merit of consolidating the ANC base, and re-establishing the relationship between the organization and its constituency in preparation for the general elections.

Second, the mass actions provided emphatic evidence of the breadth of popular

⁸³ See "ANC Negotiations Bulletin," April 9, 1992.

⁸⁴ The alternative press, and in particular the *Weekly Mail* and *New Nation*, have for years been detailing the links between state security personnel and armed warlords and gangs. Thus it came as no surprise when the Goldstone Commission finally confirmed in March 1994 that senior police officers, including General Basie Smit, Major-General Krappies Engelbrecht and Lieutenant-General Johan Le Roux, were involved with IFP officials and other police officers in fomenting violence and destabilizing the transition. See *Citizen*, March 19, 1994. Moreover, evidence by state security personnel at hearings of the Truth Commission confirm that they were involved in the kidnapping and murder of activists and leaders.

⁸⁵ See "ANC Negotiations Bulletin," April 9, 1992.

⁸⁶ Interview with Jeremy Cronin, deputy-General Secretary of the SACP, September 7, 1995. Also, see S. Friedman [ed.] (1993), *The Long Journey: South Africa's Quest for a Negotiated Settlement*, pp 153-154.

support for the ANC. As was indicated earlier, more than four million workers participated in the political stayaway called by COSATU and the ANC in August 1992. Political elites in the NP had always differed in their perceptions of the political support enjoyed by the ANC. Members of the Natal NP and national leaders like Foreign Minister Pik Botha, harbored the belief that the negotiation process could continue without the ANC, and that the NP, in alliance with moderate African parties, could possibly even win a non-racial general election in the country.⁸⁷ But this was a minority view. The majority of the NP's senior national leadership had recognized since 1990 that the ANC was the major player. The mass action campaign then, merely confirmed their perceptions that the ANC was indispensable for any successful negotiated resolution.⁸⁸

Finally, the campaign also had the contradictory effect of demonstrating the enormous military capacity of the apartheid state. The mass campaign, despite bringing millions of people onto the streets and keeping them away from work,⁸⁹ did not in any way weaken the regime's military capabilities. The Bisho massacre at Ciskei was a dramatic indication that the Leipzig option was not possible in South Africa. The apartheid regime's military capabilities far outweighed those of the ANC. Political elites in the ANC were, as was indicated earlier, aware of this. They recognized that while they had political support, they did not have the

⁸⁷ See *The Star*, December 12, 1992. Also, see S. Friedman [ed.] (1993), *The Long Journey: South Africa's Quest for a Negotiated Settlement*, p 155.

⁸⁸ Roelf Meyer, for instance, expressed the need for government concessions by referring to the ANC's popular support in the mass action campaign and the need to get it back to the negotiating table. Interview on Agenda, South African Broadcasting Corporation, January 31, 1993.

⁸⁹ It needs to be noted that the stayaway was whittled down to a symbolic action after the union leadership reduced it first, to one week, and then to two days.

military capacity to overthrow the state. Their perception was that the distribution of resources among actors was defined by a stalemate, a condition which Rustow had conceived as necessary for the genesis of democracy.

This sense of stalemate underlay the concessions made by the NP and ANC after September 1992. "The Record of Understanding's" commitment to an elected constitution-making body, fixed time frames, and adequate deadlock-breaking mechanisms signaled an important constitutional concession on the part of the NP. Moreover, the regime's pledge to release the approximately 400 remaining political prisoners (including Robert McBride),⁹⁰ and to rein in the Inkatha Freedom Party, particularly by banning the display of cultural weapons⁹¹ at its marches, assisted the ANC in appeasing the more militant sectors of its constituency. But concessions were not simply a one-party matter. Indeed, the ANC was at about the same time undergoing a vociferous debate within its ranks about even more substantial concessions. This process was to culminate in the ANC's adoption of a new negotiations position in November 1992 that went a long way to meeting many of the NP's key concerns.

The debate was formally introduced in August 1992 by Joe Slovo in a contribution to *The African Communist* entitled "Negotiations: What Room for Compromise?." Although Slovo insisted that the article represented his views only, it was common knowledge that most

⁹⁰ Robert McBride, a MK operative on death row, was responsible for the bombing of a Durban beachfront bar that resulted in the deaths of three white women. His release was mired in controversy because the NP did not want to be perceived as being soft on 'terrorists.'

⁹¹ Cultural weapons are assegais, spears, and other traditional military instruments associated with precolonial African societies.

of the ANC negotiators at CODESA shared a similar perspective.⁹² In any case, Slovo's contribution advocated a series of concessions that were intended to facilitate a breakthrough in the negotiations. These involved a "sunset clause" which would provide for compulsory power-sharing for a fixed number of years; bilateral agreements with the NP on regional powers and a general amnesty; and finally a commitment to respect existing contracts and retirement compensations in any future restructuring of the civil service.⁹³ Although such concessions were of a qualitative nature, Slovo maintained that they were politically acceptable since they did not block any future advance to a full non-racial democracy.

Slovo justified the need for these qualitative concessions by expressing his perceptions of the balance of forces. Although he did not identify the components that comprised this, his references to the ANC as the major negotiating adversary, the apartheid state as not representing a defeated enemy, and his concern about the incumbents of the civil service, SAP, and SADF serving as the base for a counter-revolution, suggested that he perceived the balance of forces as constituting a stalemate. He defined this stalemate, at one level, by the political support of the ANC, and at another level by the apartheid regime's control over the organs of security and administration. Given his perceptions, Slovo maintained that the ANC should reconcile itself to the fact that "the immediate outcome of the negotiating process will

⁹² Jeremy Cronin indicated in an interview that "Slovo was more honest than other ANC negotiators who were also floating the idea ... of sunset clauses, but they were doing so very quietly." Interview with Jeremy Cronin, September 7, 1995.

⁹³ Joe Slovo (1992), "Negotiations: What Room for Compromise?," *The African Communist*, p 40.

inevitably be less than perfect when measured against our long-term liberation objectives."⁹⁴

Slovo's 'sunset clause' document prompted an intense debate within the Congress Alliance. As in the case of the NP, this debate revealed that political elites in the ANC differed in their perceptions of the distribution of resources among actors. Slovo's perceptions, analysis, and proposals were supported by members of the Negotiations Commission of the ANC, which circulated a draft policy document entitled "Negotiations: A Strategic Perspective."⁹⁵ As was indicated earlier, prominent activists and leaders, including Pallo Jordan, Blade Nzimande, Harry Gwala, and others came out strongly against the document and the proposed concessions. Their argument and analysis objected principally to the concessions advocated by the document because it abandoned the ANC's original strategy decisively to defeat the NP and destroy the apartheid state. They also maintained that the balance of forces was not immutable but could be transformed by struggle and linking the mass of the people to the negotiation process.⁹⁶ In November 1992, this polemical, and sometimes even fractious, debate shifted from the pages of *The African Communist* to the executive of the ANC. After three days of intense debate, the NEC swung decisively in favor of Slovo and the Negotiations Commission, and adopted its document as organizational

⁹⁴ Ibid, p 37.

⁹⁵ "Negotiations: A Strategic Perspective," adopted by the NEC of the ANC, November 25, 1992.

⁹⁶ See P. Jordan (1992), "Strategic Debate in the ANC: A Response to Joe Slovo;" B. Nzimande (1992) "Let Us Take the People with Us: A Reply to Joe Slovo;" H. Gwala (1992), "Negotiations as Presented by Joe Slovo;" ANC Youth League (1992), "Summary of Ideas on Negotiations and the Way Forward." For contributions critical of the former, see R. Suttner (1992), "Ensuring Stable Transition to Democratic Power;" and J. Cronin (1992), "Dreaming of the Final Showdown: A Reply to Jordan and Nzimande." All of these articles are published in *The African Communist*, no. 131.

policy.

The position of the NEC, spelled out in "Negotiations: A Strategic Perspective," followed the logic of Slovo's analysis, a logic built on the kind of stalemate that Rustow conceived as the starting point for the great compromises that establish democratic institutions. Unlike Slovo's article, however, the NEC document clearly identified what it perceived as the component features of the balance of forces in South Africa. The document perceived the strengths of the ANC as its mass political support, its capacity to sustain high levels of mobilization, and its ability to influence and mobilize the international community. It perceived the ANC's weaknesses as its rudimentary organizational infrastructure, and its lack of military and financial resources. The apartheid regime's strengths were perceived as its vast state and military resources, and its support among powerful economic forces. Its weaknesses were perceived as its lack of popular support, and its inability to arrest the socio-economic decline of the country. In addition, the document suggested that the collapse of the communist bloc transformed the international environment, created pressures for the negotiated resolution of regional conflicts, and fostered a global culture of multi-party democracy. These features, in the perception of the NEC, created a balance of forces which ensured that "the apartheid power bloc was no longer able to rule in the old way ..., (while) the liberation movement did not have the immediate capacity to overthrow the regime."⁹⁷

On the basis of this perception of the balance of forces, and the interests of national unity, the NEC committed the ANC to strategic compromises. It committed the organization

⁹⁷ "Negotiations: A Strategic Perspective," adopted by the NEC of the ANC, November 25, 1992, p 1.

to the establishment of a Government of National Unity "... even after the adoption of a new constitution"⁹⁸ and indicated its willingness "to address the question of job security, retrenchment packages and a general amnesty ... (for the existing) armed formations and civil service."⁹⁹ The document also committed the ANC "... to bilateral discussions with the NP ... (to) seek an understanding on the question of the powers, functions and boundaries of regions ... which the parties would pursue in the Constituent Assembly."¹⁰⁰ It needs to be noted, however, that the ANC was at pains to stress the fundamental difference between these proposals and those of the NP which, it maintained, "emphasized minority vetoes on the basis of a constitutionally enforced coalition."¹⁰¹

The structural distribution of capabilities, then, influenced the major actors in the South African transition to abandon their maximalist political agendas' and make constitutional compromises. This enabled the NP and ANC to resume negotiations and to engage in a series of bilateral discussions in late 1992 and early 1993 that cemented their relationship, and hammered out the essential details of the constitutional settlement. It was these details which were subsequently ratified in the sessions of the Multi-Party Negotiating Process, held after April 1993. The details of the constitutional settlement are encapsulated in the "Constitution for the Transitional Period," adopted by the South African parliament in November 1993, and two subsequent amendments to this constitution gazetted on March 3

⁹⁸ Ibid, p 7.

⁹⁹ Ibid, p 8.

¹⁰⁰ Ibid.

¹⁰¹ "Press Statement of the National Executive Committee of the ANC," November 25, 1992, p 2.

and April 26, 1994.¹⁰² The latter two amendments were the result of initiatives by both De Klerk and Mandela to draw Buthelezi and the IFP into the elections. The life of the interim constitution extends until 1999, after which it will be replaced by the permanent one which was drawn up by the Constituent Assembly, ratified by the Constitutional Court, and signed into law by President Mandela in December 1996.¹⁰³

Under the Transitional Constitution, the national parliament is a bicameral legislature, composed of a National Assembly and a Senate. The National Assembly consists of 400 members, made up equally of members represented on parties' national and regional lists, and who are elected on a system of proportional representation. The Senate is composed of 90 members, 10 from each of the provinces, nominated by parties, but elected by the provincial legislatures in proportion to the regional representation of parties. Legislation, other than Bills relating to finance, may be introduced in either of the houses and passed by an ordinary majority. Should a conflict emerge between Bills passed in the National Assembly and the Senate, such draft legislation would be referred to a conference committee comprising members of all the parliamentary parties, after which it would be referred to a joint session of both houses where it may be passed by a majority of the total number of members of the legislature. The National Assembly has primacy in financial legislation, having the right to adopt such legislation (after a second review) even if the Senate rejects it. Laws affecting the

¹⁰² See "Constitution of the Republic of South Africa, 1993," Act No. 200, *Government Gazette*, Cape Town, January 28, 1994, No. 15466; and "Constitution of the Republic of South Africa Second Amendment Act, 1994," *Government Gazette*, Cape Town, April 26, 1994, No. 15681.

¹⁰³ See *Mail & Guardian*, December 13-20, 1996.

powers and function of provinces have to be passed by both houses, and require the consent of the majority of senators representing the affected provinces.¹⁰⁴

However, ordinary legislative duties were not the only task of the current parliament. Both houses, in a joint sitting, served as the constituent assembly which drew up the permanent constitution that will come into operation after the next general election in 1999.¹⁰⁵ This constitutional text had to comply with the Constitutional Principles adopted by the Multi-Party Negotiating Forum and contained in schedule 4 of the current constitution. Moreover, the adoption of the permanent constitution required the approval of two thirds of all members of both houses in a joint sitting, followed by certification by the Constitutional Court that it complied with the constitutional principles. Given these stringent conditions for the adoption of the permanent constitution, a deadlock-breaking mechanism involving constitutional experts and a national referendum was agreed to in the Multi-Party Negotiating Forum. If none of this had succeeded in promulgating a permanent constitution, then parliament could have been dissolved by the President, and a newly elected National Assembly and Senate would have had the authority to approve and pass a permanent constitutional text within one year by an ordinary majority.

Executive authority in the Transitional Constitution is vested in the President, who is elected from the National Assembly by a joint session of both houses. Each party with a minimum of 80 seats in the National Assembly is entitled to designate an Executive Deputy President. A multi-party cabinet of not more than 27 Ministers may be appointed by the

¹⁰⁴ See "Constitution of the Republic of South Africa, 1993," chapter 4.

¹⁰⁵ *Ibid*, chapter 5.

President in consultation with the Executive Deputy Presidents. Cabinet portfolios, granted to all parties who received at least five percent of the electoral vote, are allocated among all the constituents of this Government of National Unity in proportion to the number of seats they hold in the National Assembly. While the constitution does not allocate minority parties the right to veto decisions and legislation, it does require of the President, Executive Deputy Presidents, and cabinet to behave and make decisions in a spirit of consensus.¹⁰⁶ The overall purpose of these constitutional provisions is to provide all significant political groups with a stake in government in order to promote stability and reconciliation.

The same consensual organizing principles apply to second tier government. The Transitional Constitution establishes nine provinces, each of which has a legislature and an executive.¹⁰⁷ Each provincial legislature is entitled to draft and pass a provincial constitution which governs its affairs, so long as this does not contradict the national constitution and the constitutional principles embodied in it. Executive authority in the province is vested in the Premier, who is elected from the provincial legislature. Multi-Party executive councils, consisting of no more than 10, are appointed by the Premier, who also allocates council portfolios across the parties in proportion to the number of seats they hold in the regional legislature. The authority of provincial government is held concurrently with parliament, and in the event of a conflict between the two, the legislation of the latter is to prevail and take precedence. The provinces' primary source of revenue comes from disbursements from the national government. Independent revenue collection by provinces through taxes and other

¹⁰⁶ Ibid, chapter 6.

¹⁰⁷ Ibid, chapter 9.

means is allowed, but only with the express authorization of parliament. South Africa's current constitutional design displays the form, but not the content, of federal societies.

Local government, according to the transitional constitution, is to be established and to operate within the framework of national and provincial legislation. While the constitution outlines the general principles on which local government is to be founded,¹⁰⁸ the Local Government Transition Bill details the arrangements that are to be applied in both the period from the act's commencement until the first municipal elections, and then in the period between the first elections and the implementation of final local government arrangements to be enacted within three to five years. In the former period, the act stipulated the establishment of forums representing existing local government structures and non-statutory bodies like civic movements, local branches of political organizations, and any other organization with an interest in the restructuring of local government.¹⁰⁹ Two options for restructuring local government were available in this period. First, the forums could retain the former elected local structures and oversee them through the establishment of a local government coordinating committee. These local structures were entitled in this period to appoint members to this committee. Powers and authority were then to be allocated between the committee and the local structures. Second, the forums could establish a representative committee to appoint transitional councils on a system of equal representation for formerly elected councilors and nominated representatives of civic movements and political

¹⁰⁸ Ibid, chapter 10.

¹⁰⁹ See "Local Government Transition Act, 1993," Act No. 209, in *Government Gazette*, Cape Town, February 2, 1994, No. 15468, part IV, pp 12-16.

organizations. Such councils were then entitled to elect an executive committee on a system of proportional representation. These committees were obliged to exercise their powers and perform their functions on the basis of consensus.

The above arrangements existed until the first local government elections were held in most of the country in November 1995, and in Cape Town and KwaZulu-Natal in May and June 1996, respectively. The Transitional Constitution makes provision for categories of metropolitan, urban and rural local governments, elected on a system of both proportional and ward representation.¹¹⁰ Each local government council elects an executive committee from its members on a system of proportional representation. Such committees also operate on consensual principles. Should this not be possible on any particular issue, then decisions can either be made by a two thirds majority in the committee, or if a majority of members prefer it, by the local government council. It should be noted that local governments are entitled to an equitable allocation of funds from the provincial government. They may, however, supplement this by independent forms of revenue collection such as property rates, levies, taxes and tariffs, so long as these occur within the framework of prescribed legislation. The purpose of this provision is to ensure that the functioning and operations of local governments are not hamstrung by a lack of revenue.

The constitutional settlement reflects a mix of the original proposals of the NP and ANC. While many of the NP's specific proposals such as a collective presidency, a minority veto, and a federal state were rejected, the interim constitution does enshrine its desire for

¹¹⁰ See "Constitution of the Republic of South Africa, 1993," Act No. 200, chapter 10; and "Local Government Transition Act, 1993," Act No. 209, part V.

power-sharing through the establishment of the Government of National Unity at both national and regional levels, and by requiring the majority party to rule in a spirit of consensus. Moreover, in accordance with the NP's original proposals, the interim constitution respects the tenure of employees of the civil service, and guarantees the independence of the judiciary, ombudsman, auditor-general, public service commission, and the reserve bank. While the constitution enshrines many of the ANC's specific recommendations, the majoritarian impulse of its original proposals has been moderated through the establishment of the Government of National Unity, the effective enhanced representation of minority racial groups at the local level, and the allocation of greater powers to regional and local authorities than that normally allocated under a unitary system of government. The constitutional settlement then, can be located on a continuum some where in between a majoritarian and consociational conception of democracy.

In any case, the April 27 election transformed these negotiated constitutional arrangements into a political reality. The electoral result as declared by the Independent Electoral Commission gave the ANC 62.65 percent of the national vote. The NP and IFP received 20.39 and 10.54 percent of the vote respectively. Of the 400 seat National Assembly, the ANC held 252 seats, the NP 82, and the IFP 43.¹¹¹ Nelson Mandela was unanimously elected President of the Republic, while Thabo Mbeki, vice-president of the ANC, and F. W. De Klerk, leader of the National Party, were designated as the country's Executive Deputy Presidents. The Speaker of Parliament, Frene Ginwala, was an ANC nominee, and her deputy,

¹¹¹ See *Republic of South Africa 1994 General Election: National Results by Province and District*, prepared by the Election Administration Directorate of the Independent Electoral Commission, May 26, 1994.

Bhadrakumar Ranchod, was an NP member of parliament. Of the 27 member executive, the ANC was allocated 18 cabinet portfolios, the NP 6, and the IFP 3. The ANC occupied eight of the 12 deputy Ministerial posts. Of the remaining four, the NP held three, and the IFP one. Seven of the nine provinces were convincingly won by the ANC, enabling the organization to choose its own candidates as Premiers. The NP, however, retained control of the Western Cape, while KwaZulu-Natal fell to Inkatha.¹¹²

The multi-party Government of National Unity has, since the general elections, emphasized the themes of national unity and reconciliation. This was the central thrust of Mandela's inauguration speech, and he has echoed this theme in all of his annual state of the nation addresses made at the opening of parliament in February of every year. Moreover, this theme has even extended itself into other arenas. In the sphere of industrial relations, for instance, a network of corporatist institutions and arrangements have emerged to reconcile the often conflicting demands of antagonistic social forces.¹¹³ The achievements of the nation's sporting heroes have been trumpeted with fanfare and interpreted as the success of the rainbow nation. Mandela's stature in this period has grown tremendously, especially in the white community. This is not to suggest that there have been no tensions. Indeed there have been and there will be many. But these have, to a large extent, been drowned out by the

¹¹² The official result for KwaZulu-Natal gave Inkatha and the ANC, 50.3 and 32.2 percent of the vote respectively. There is virtually no doubt that massive irregularities occurred in the province, which probably affected the overall result. However, the ANC's national leadership accepted the result, against the wishes of its provincial branches. The electoral result in KwaZulu-Natal then, was more a product of political horse-trading, than a reflection of voters' preferences. See Allister Sparks (1994), *Tomorrow is Another Country*, p 228.

¹¹³ See chapter 6.

growing chorus portraying the transition as a miracle uniting the foes of yesterday into the nation of tomorrow.

Throughout all of this, a debate has emerged in academic circles around the form of democracy negotiated and practiced in post-election South Africa. Lijphart, in a 1994 article, has suggested that the existing constitutional arrangements clearly represent a consociational form of democracy. He maintains that all of the basic principles that define consociationalism are embodied in the current constitution. The Government of National Unity represents the 'grand coalition.' Group autonomy is guaranteed in the educational sphere through the constitutional clause that allows for the establishment of educational institutions on a common culture, language or religion.¹¹⁴ Proportionality is realized through the fact that the April elections utilized a proportional system of representation based on the party list. And finally, the "minority veto," Lijphart believes, appears as the requirement stipulating that the permanent constitution must be passed by a two-thirds majority of the constituent assembly. Lijphart's only reservation is the weak form of federalism embodied in the settlement, but he is optimistic that the country will evolve stronger federal features.¹¹⁵

While Lijphart's assessment of the South African political order as consociational is

¹¹⁴ See "Constitution of the Republic of South Africa, 1993," Act No. 200, chapter 3, Article 32.

¹¹⁵ A. Lijphart (1994), "Prospects for Power-sharing in the New South Africa," in A. Reynold (ed.) *Election 94: The Campaigns, Results and Future Prospects*, Cape Town: David Philip, pp 222-223.

supported by Donald Horowitz,¹¹⁶ and Courtney Jung and Ian Shapiro,¹¹⁷ it is contested by scholars like Rupert Taylor and Steven Friedman.¹¹⁸ Taylor, for instance, insists that the constitutional settlement meets none of Lijphart's criteria for consociational democracy. The interim constitution, unlike consociational ones, directs fundamental rights solely at individuals, without also specifying group rights. It does not enshrine a minority veto in the cabinet. Group autonomy is not realized in the weak form of federalism. The clause on education, according to Taylor, falls far short of realizing the segmented authority characteristic of consociational societies like the Netherlands.¹¹⁹ Voter preferences are not rigidly defined along racial lines. Political parties cannot be conceived as segmented organizations. And, the grand coalition must be conceived, not as a deal struck between ethnically established parties, but rather as a result of the support that political parties received in the April elections. Taylor thus maintains that "South African democracy does not represent an ethnic consociation; there is no exclusive space for the articulation of ethnic

¹¹⁶ See statement by Horowitz in D. Selinsky (1994) "Fears About South Africa," in *Dialogue*, vol. 9, no. 6.

¹¹⁷ See C. Jung & I. Shapiro (1995), "South Africa's Negotiated Transition: Democracy and Opposition in Comparative Perspective," *Politics and Society*, vol. 23, no. 3, p 2.

¹¹⁸ See R. Taylor (94/95), "The New South Africa: Consociational or Consensual Power-Sharing?," *ASEN Bulletin*, no. 8, Winter edition; and S. Friedman (1994), "Holding a Divided Centre: Prospects for Legitimacy and Governance in Post-Settlement South Africa," paper delivered to the 16th World Congress of the International Political Science Association, Berlin, August 21-25.

¹¹⁹ In the case of the Netherlands, for instance, public educational institutions are controlled and subject to the authority of segmented interest organizations like the Churches. In South Africa, however, all public educational institutions are subject to the authority of a unified Ministry of Education.

interests."¹²⁰

On balance, one has to agree with Taylor's argument that Lijphart goes too far in describing South Africa as a consociational democracy. In addition to all the features that Taylor has identified, it must be noted that the two-thirds requirement to adopt the permanent constitution cannot be conceived as a minority veto in South Africa, because of the ANC's support base, as was demonstrated in the first round of the local government elections in November 1995, is wide enough to enable it to achieve this easily. Recognition of this fact was perhaps one of the reasons why the NP eventually dropped its demand that compulsory power-sharing be entrenched in the permanent constitution. In the light of this, and despite the fact that a voluntary coalition of parties might continue after 1999, Lijphart's description of South Africa as a consociational form of democracy is even less convincing than it was before.

A more useful description of the post-election political order might be that of a consensus democracy, a term that Lijphart himself uses to describe a model of government located on a continuum some where in between a majoritarian and consociational form of democracy. Such a description does not need to meet the strict criteria imposed by the definition of consociationalism, but it nevertheless still captures the power-sharing impulse within the existing constitutional arrangements. Although Lijphart defines consensual democracy by a separation of powers, bicameralism, multi-party system, proportional

¹²⁰ R. Taylor (1994), "The New South Africa: Consociational or Consensual Power-Sharing?," p 16. The assumption is sometimes made that parties' constituencies in South Africa represent a rough approximation of ethnic interests. Note, however, that the majority in the Colored and Indian communities voted for the NP, a party that represents the interests of the white community.

representation, federalism, written constitution and a minority veto, he recognizes that this is an abstract model and that most democracies are located somewhere along the majoritarian-consensual continuum.¹²¹ The absence of features like federalism and the minority veto tend to suggest that South Africa, like the United States, but for different reasons, could be placed midway in this continuum.

The withdrawal of the NP from the GNU in May 1996 and the Constituent Assembly's adoption of the permanent constitution which only enters into effect in 1999, weakens but does not invalidate, this consensual description of South Africa's political system. While the NP has withdrawn from multi-party governance at the central and regional level (except in the case of the Western Cape where it is the majority party), Inkatha still remains an integral part of the GNU institutional arrangements. Moreover, while the permanent constitution does away with the GNU provisions of the interim constitution,¹²² the ANC has indicated that it is still open to a voluntary power-sharing arrangement.¹²³ Indeed, Mandela himself has recently made a number of public calls for an end to inter-party conflict, and for opposition parties to work towards cooperative governance.¹²⁴ The resignation of De Klerk from the leadership of the NP and parliament in August 1997 paved the way for a new leader of the

¹²¹ A. Lijphart (1984), *Democracies: Patterns of Majoritarian and Consensus Government in Twenty-One Countries*, New Haven: Yale University Press, pp 23-36.

¹²² See "The Constitution of the Republic of South Africa," Act 108 of 1996, chapters 5 and 6, pp 52-80.

¹²³ See *Mail & Guardian*, January 31-February 7, 1997

¹²⁴ See the reports in, and the editorial of, *The Daily News*, October 1, 1997; October 2, 1997.

opposition. Martinus van Schalkwyk, who has indicated an openness to and believes that South Africa could move towards a voluntary power-sharing arrangement after 1999.¹²⁵ These political developments suggest that it is still too early to abandon the consensual description of South Africa's post-apartheid political system.

The constitutional settlement negotiated between the ANC and NP, then, is a far cry from the vision that inspired the struggle against apartheid. The new democracy is located within a procedural framework, which eschews the commitment to equitable economic relations that informs more substantive definitions of democracy. But it also represents a distinct form of procedural democracy that corresponds to neither the majoritarian, nor the consociational, proposals of the ANC and NP respectively. Instead, the existing constitutional arrangements represent what has been termed consensus democracy, a form of rule that incorporates majoritarian and consociational features, but is nevertheless distinct from both models of governance.

Conclusion

This chapter set out to answer why the constitutional settlement in South African differed so significantly from the original proposals of its architects. It has demonstrated that the NP initially advocated a consociational democratic vision which emphasized power-sharing, minority vetoes, federalism, and respect for the tenure of civil servants. The ANC, on the other hand, advanced a majoritarian conception of democracy, which stressed majority rule, a unitary state, and individual rights. The constitutional settlement, however, took the

¹²⁵ *Business Day*, September 30, 1997.

form of a consensus democracy. This allows majority decision-making, but enshrines a Government of National Unity for five years. It encourages consensus decision-making, but does not provide vetoes for minority parties. It provides enhanced powers for regional and local government, but still provides the national government with the authority to prevail in cases of conflict. Consensus democracy, then, represents a mix of consociational and majoritarian features.

The evidence presented demonstrates that this consensual democratic outcome was the result of constitutional concessions by leaders of the ANC and NP who saw that their options were conditioned by the structural distribution of capabilities. Political elites in both parties perceived this distribution of resources as taking the form of a stalemate where military capabilities resided in the NP, while the ANC enjoyed widespread political support. Moreover, the transformation of the international system enhanced the capabilities of foreign governments, and made the NP and ANC more amenable to a diverse set of diplomatic pressures for a negotiated resolution of South Africa's conflict. This then supports the dissertation's broader hypothesis that the substantive features of the transition were configured by elites whose decisions and behavior were conditioned by the distribution of capabilities among different parties. The next two chapters will demonstrate how these structural influences on agency led to compromise solutions in economic strategy and in the structure of labor relations.

PLEASE NOTE

**Page(s) missing in number only; text follows.
Filmed as received.**

UMI

CHAPTER 5

FROM REGULATED TO NEOLIBERAL ECONOMIC POLICIES

The generation and adoption of economic policies represents the advancement of political interests. Economic policy has never been a technical, neutral exercise performed by a set of impartial bureaucrats. In the modern world, however, its relationship to politics has become even more apparent and explicit. The nature and character of economic policy is largely determined by political variables. And its implications are also as much political as they are socio-economic. The art of generating and deciding on economic policies is merely "the continuation of politics by other means."¹

This "politics by other means" takes on an added significance in societies undergoing transitions to new political orders. The reason is that because political transitions enable new

¹ This is of course an adaptation of the memorable and oft-quoted political phrase of Carl von Clausewitz, the noted Prussian general and scholar of military strategy, who described "war (as) nothing more than the continuation of politics by other means." Quoted in John Baylis et al (1975), *Contemporary Strategy: Theories and Policies*, London: Croom Helm, p 24. For the original source, see C. von Clausewitz (1949), *On War*, translated by J. J. Graham, London: Routledge.

social groups to enter the political arena, they also create the possibilities for significant changes in the economic policies implemented in these societies. South Africa's democratic transition is a typical example. The debate around future economic policies became one of the central contests among contending social groups and political organizations. The ANC, which previously only had a broad, schematic economic vision quickly had to fashion a set of concrete economic proposals around which it could negotiate with other organizations and social groups. And, as in the case of the negotiations around a post-apartheid constitution, the economic program ultimately implemented differed significantly from both the organization's original vision, and its initial proposals.

For much of the post-World War II period, the ANC advanced a vision of a regulated economy. The ANC's Freedom Charter (1956) envisaged an interventionist state capable of regulating the market, expanding the public sector, and undertaking a redistribution program that dramatically increased the living standards of the vast majority of the country's population. This economic vision also formed the core of the Reconstruction and Development Program (RDP) which served as the ANC's electoral manifesto in the April 1994 general elections. By contrast, the NP abandoned its earlier commitments to a regulated economy and advocated a neoliberal economic strategy in the 1990's. This strategy emphasized the liberalization of the South African economy, the deregulation of its markets, the privatization of its public enterprises, the lifting of exchange controls, and the withdrawal of the state from the provision of certain services. These neoliberal economic policies ultimately triumphed as the ANC-led Government of National Unity (GNU) committed itself after 1994 to implement this program.

This chapter explores the reasons why the economic policies of the ANC-led GNU differ so significantly from those that the movement advocated prior to its ascension to office. The hypothesis of this study, confirmed by data, is that the structural distribution of capabilities prompted ANC elites' to abandon their interventionist and regulatory economic program in a favor of a neoliberal economic strategy similar to the one advanced by the NP in the early 1990's. The chapter identifies the structural distribution of capabilities in the economic arena as being composed of both economic and ideological resources. The distinguishing feature of the economic resource was the South African government's dependence on the funds of international financial agencies, foreign investors and domestic business. The hegemony of market ideology, which resulted from the collapse of the communist bloc and the transformation of the international economic system, is identified as the primary ideological resource.² Both resources, the chapter demonstrates, enhanced the status of international financial agencies, foreign investors and domestic business vis-a-vis the South African government. Moreover, the chapter also demonstrates through reference to minutes, internal party documents, and interviews with leaders that political elites in the Government of National Unity (GNU) were aware of this unfavorable distribution of

² Note that these ideological resources, and in particular the hegemony of neoliberal market ideology, were in part a product of the diplomatic initiatives of the US and British governments in international economic forums. These governments, however, did not exert any overt diplomatic pressures on the ANC and the GNU with regard to the post-apartheid economic policy. Such pressure primarily came from international financial agencies, and their success in encouraging the GNU to adopt a neoliberal economic strategy emerged from state elites' perception of their dependence on the finances of international financial agencies - what this study has identified as the principal economic resource. Diplomatic resources have thus been excluded as a variable in the analysis of the structural distribution of capabilities in the economic arena.

resources, and were constrained by it to adopt a neoliberal economic program. Structural factors, then, set clear limits on the substantive choices of key actors. This analysis supports the dissertation's central thesis that the substantive features of post-apartheid South Africa are a product of political elites whose choices and behavior are conditioned by the changing resource availabilities and, hence, the distribution of capabilities among actors in the democratic transition.

The chapter will begin with an investigation of the original economic policies advocated by the NP and the ANC. Thereafter, it will explore the distribution of resources among the ANC, GNU, international financial agencies, foreign investors, and domestic business, and political elites' perceptions of this structural distribution of capabilities. It will then demonstrate how this distribution of resource availabilities influenced political elites in the ANC and the GNU to abandon their original economic proposals, and it will explore the economic program implemented by the GNU since April 1994. Finally, the chapter will conclude by summarizing the findings of the analysis conducted here.

Competing Economic Visions

Both the ANC and NP had, for much of their history, advanced a vision of a regulated economy. The ANC's Freedom Charter envisaged a significant role for the state in the economy of a post-apartheid South Africa. This interventionist role of the state, the ANC hoped, would enable a democratic government to regulate the market and adopt economic

policies that would erode the racial inequities generated by apartheid.³ Between 1948 and the late 1970's, the NP advocated and implemented a similar economic vision, but limited it to the white population. It pursued an import substitution economic strategy that facilitated the expansion and development of the country's manufacturing sector. Moreover, it regulated the market to protect the economic interests of all classes within the Afrikaner population. Both the ANC and NP, then, advanced visions of a regulated economy. The only difference was that while the NP directed the regulated economy to serving the interests of the white population, the ANC hoped to use it to advance the interests of the black population.

The NP's economic vision, however, underwent a dramatic transformation in the late 1970's. Afrikaner firms, benefitting from three decades of government contracts and contacts, developed into large conglomerates with a significant stake in all sectors of the country's economy.⁴ Confronted by the political crisis of the late 1970's, Afrikaner businessmen, like their English counterparts, advocated both political liberalization and socio-economic reform. They also insisted on the gradual liberalization of the South African economy, and its integration into the world economy. These recommendations diverged significantly from those advocated by other classes within the Afrikaner establishment. This, in part, provoked the ideological struggle between *verligtes* and *verkramptes* within the NP in the late 1970's.⁵

The victory of the *verligtes* represented the success of big business and the military

³ See R. Suttner & J. Cronin (1986), *Thirty Years of the Freedom Charter*, Johannesburg: Ravan Press.

⁴ R. Davies, D. O'Meara and S. Dlamini (1985), *The Struggle for South Africa*, London: Zed Books, pp 23-24.

⁵ *Ibid*, pp 30-31.

establishment. It also meant the prioritization of the interests of Afrikaner business within the NP. Increasingly, and in accordance with the material interests of this constituency, the NP began to advocate and implement a neoliberal economic policy that involved the slow liberalization of the South African economy through reforms that would cut taxes and increase interest rates, reduce the state's role in the provision of certain services, abolish exchange controls on non-residents, reduce import surcharges thereby exposing certain firms to international competition, and float the rand on the international currency markets.⁶ This neoliberal experiment, which was pioneered in the first half of P.W. Botha's rule, was setback with the debt crises in 1985. When De Klerk took over in the late 1980's, however, he re-established the alliance between state and business, and resumed the neoliberal economic experiment.

Thus, the 1990's witnessed the NP and ANC advancing two distinct sets of economic policies. The NP, representing the interests of big business, advocated a neoliberal economic program that assigned priority to the market and the integration of South Africa into the world economy. The ANC, which professed to advance the interests of the black population, advocated policies in line with *The Freedom Charter* that were intended to regulate the market and direct it towards meeting basic needs and addressing the unemployment and poverty that afflicted the disenfranchised majority.⁷ This approach, in ANC discourse, was labeled 'growth through redistribution' and was publicly counterpoised against the De Klerk

⁶ See chapter 2.

⁷ ANC (1990), "Recommendations on Post-Apartheid Economic Policy, proceedings of workshop held in Harare," April 28-May 1; and ANC (1990), "Discussion Document on Economic Policy," prepared at a workshop held in Harare, September 20-23.

regime's 'growth with redistribution' initiatives.⁸ The contestation between these two economic visions formed the substance of the economic debate in South Africa's transition to democracy.

The NP's neoliberal economic program was founded on a neoclassical interpretation of South Africa's economic crisis. This school suggests that the crisis is a result of market imperfections introduced by external agencies, and in particular the government.⁹ In this view, the market works best if left to itself. The economic crisis is conceived as the result of the apartheid regime's interventions in the market, and its imposition of barriers to the free allocation of resources. This, neoclassical scholars argue, tended to distort the prices of the factors of production (labor and capital). These distortions were aggravated by the international call for sanctions, and by union demands for wage increases that exceeded productivity improvements. Capitalists, in this environment, lacked the confidence to increase investment in productive enterprises, prompting the slowing down, and ultimately the decline, in overall economic growth.

The solution for De Klerk and the NP was to free the market and empower it to spontaneously correct the growth problems that afflicted the South African economy. De Klerk, then, undertook a number of initiatives to facilitate this. First, he repealed the

⁸ For a discussion of these terms, see A. Erwin (1992), "Economic Reconstruction: Towards a Socialist Economy," *The African Communist*, second quarter.

⁹ The classic work in this school is Michael O'Dowd's "South Africa in the Light of the Stages of Economic Growth." For more recent works, see various articles in Philip Black and Brian Dollery [eds.] (1989), *Leading Issues in South African Macroeconomics: Selected Readings*, Johannesburg: Southern Book Publishers; and Philip Black and Brian Dollery [eds.] (1992), *Leading Issues in South African Microeconomics: Selected Readings*, Johannesburg: Southern Book Publishers.

remaining apartheid legislation that had survived the 1980's, like the Land Acts and laws that enforced the segregation of health and educational facilities. Second, he implemented a diverse set of economic policies to foster business confidence and extend the operations of market forces. This involved the privatization of major public enterprises like the Iron and Steel Corporation (ISCOR), the implementation of deregulation measures like reductions in tariffs and import surcharges, the implementation of a General Export Incentive Scheme in April 1990 which provided export businesses with subsidies, the reduction of taxes on private companies, and the replacement of general sales tax (GST) with value added tax (VAT) in 1991. Third, the De Klerk government attempted to break out of the isolation imposed by the sanctions campaign by opening a range of trade offices in, and hosting a number of trade delegations from, African and East European countries.¹⁰ Intra-African trade increased dramatically in this period. Finally, senior officials in government expressed a desire to implement a wage freeze as a means to halt increasing labor costs. The overall aim of all of these initiatives was the development of the competitiveness of South African manufacturers and the enhancement of their export capacity.¹¹

¹⁰ For a critical discussion of De Klerk's economic program in this period, see various articles in section 6 of G. Moss and I. Obery [eds.] (1992), *South African Review 6: From 'Red Friday' To CODESA*, Johannesburg: Ravan Press.

¹¹ De Klerk's economic reforms were largely in line with the policy recommendations of the private sector. A 1991 report of the South African Chamber of Business (SACOB) emphasized tax holidays, loans for the purchase of plant and equipment, reductions in corporate tax and import surcharges, privatization, deregulation, and wage restraint as platforms for the generation of a new industrial policy. See SACOB (1991) "A Concept for the Development of a New Industrial Policy." Capital was, of course, not homogenous in its policy proposals. The Nedcor-Old Mutual economic plan was closer to the ANC's, recommending both inward industrialization and export promotion. Its influence on the economic debate, however, was minimal. See Nedcor & Old Mutual (nd), "Growing Together: Institutions and Initiatives for Economic Democracy and Growth," report of the

It should, however, be noted that De Klerk's neoliberal economic orientation was tempered with a commitment to some degree of resource distribution. For example, he did allocate three billion rand from his 1990-91 budget for the establishment of an independent trust fund under the chair of Jan Steyn,¹² for socio-economic upliftment and the removal of social spending backlogs. Such initiatives were by no means contrary to the wishes of big business. Indeed, two of South Africa's most well-known and influential businessmen, Gavin Relly and Bobby Godsell, publicly recognized the need for some measure of redistribution.¹³ But both, like De Klerk, argued that such redistribution should occur outside the framework of an economic growth strategy. The priority was growth; redistribution was merely an ancillary objective necessitated by the political threat that could emerge if current socio-economic inequalities were not addressed. This approach led ANC economists and activists to label both the state's and capital's economic strategy as 'growth with redistribution.'

In March 1993, this 'growth with redistribution' approach was codified in a document entitled "The Restructuring of the South African Economy: A Normative Model Approach

Professional Economic Panel. Finally, it should be noted that both government and mainstream business often motivated their set of policies on the grounds that they were similar to those advocated by the IMF and World Bank. See, for instance, the address of Japie Jacobs, Special Economic Advisor to the Minister of Finance (1991), "Macro-Economic Regulation: The Trade-Off Between More Rapid Economic Growth and Socio-Economic Upliftment Programmes," delivered to the Economic Symposium hosted by the Centre for Policy Studies and the Konrad-Adenauer Foundation, Johannesburg, Airport Sun Hotel, October 7, pp 5.

¹² Jan Steyn is an ex-judge who served as the first executive director of the Urban Foundation. For a critical commentary on the Steyn Fund, see Sampie Terreblanche's article in *The Weekly Mail*, March 30-April 4, 1990.

¹³ See their articles in *The Sunday Times*, June 1, 1986, and *The Weekly Mail*, March 30-April 4, 1990, respectively.

(NEM)."¹⁴ This NEM set as its goal the structural adjustment of the market economy to achieve a 4.5 percent GDP growth rate, and a three percent increase in employment, by 1997.¹⁵ It also envisaged the removal of political and socio-economic barriers to the market so as to provide all of South Africa's citizens with equitable access to opportunities within the economy. Three sets of such barriers, the NEM argued, prevented the realization of its vision. First, functional imbalances such as the large fiscal deficit, the outflow of capital on the balance of payments, the persistent rise in unit labor costs, and the excessive tax burden on individuals and companies, prevented a sustained revival of economic growth. Second, the NEM identified structural defects within the economy, such as the endemic inflation rate, excessive government claim on scarce resources, overprotection of industries, the dual exchange rate system, adversarial industrial relations, and noncompetitive price determination. Finally, systemic weaknesses such as inappropriate education and training, the functional and spatial separation of people, the rigidity of the financial system in terms of governing the flow of domestic savings and foreign investment towards capital formation, and inadequate entrepreneurship, were conceived as obstacles to the efficient functioning of the economy.¹⁶ The NEM also maintained that any growth strategy had to locate itself within the new global

¹⁴ The NEM, formally unveiled by Finance and Trade & Industry Minister Derek Keys at a meeting of the National Economic Forum on March 9, 1993, was prepared by the Central Advisory Service (CEAS) as a document entitled "The Restructuring of the South African Economy: A Normative Model Approach." A synthesis of the base document was also prepared in the form of a memorandum entitled "The Key Issues in the Normative Economic Model."

¹⁵ CEAS (1993), "The Key Issues in the Normative Economic Model," p 1.

¹⁶ For a detailed discussion of all three types of barriers, see *Ibid*, pp 2-9.

realities and trends marked by increasing integration, regional blocs, vigorous competition for export markets, and deteriorating terms of trade for commodity products.

To facilitate the realization of its vision, and to overcome the obstacles to growth, the NEM advocated an economic strategy based on supply-side reforms.¹⁷ It insisted on the need for macro-economic discipline and recommended the prohibition of government borrowing for current expenditure. The independence of the Reserve Bank, according to the NEM, should be guaranteed so that it could fulfill its primary mission of combating inflation and protecting the internal and external value of the rand. Tax relief was also a necessity. The NEM advocated a reduction in the contributions of direct tax in total tax revenue from 55 to 50 percent by 1997. This would involve reducing company tax rates from 48 to 40 percent, and the ceiling on individual tax rates from 43 to 40 percent. The resulting deficit in government revenue was to be made up through an increase of indirect taxes like VAT and excise duties. These financial reforms had to be supplemented, according to the NEM, by less government intervention in the market. It thus proposed the dismantling of most of the government's participatory and regulatory mechanisms.

The NEM's overriding priority, however, was the development of South Africa's manufacturing industry and the enhancement of its export capacity. To achieve this, it proposed a number of measures.¹⁸ First, it advocated the establishment of 'Free Enterprise Zones,' the upgrading of the rebate system on duties for imported inputs in exported products, and an expansion in the informal arrangements that encourage suppliers to provide

¹⁷ See Ibid, pp 10-14.

¹⁸ See Ibid, pp 14-19.

manufacturers with material inputs for exports at world-related prices. Second, the NEM suggested that the efficiency of export subsidies be improved, at least until their legality expired with the conclusion of the Uruguay round of trade negotiations. Third, it recommended the establishment of new industries and the modernization of existing ones through incentives like the provision of finance by the Industrial Development Corporation and Small Business Development Corporation, and fiscal support for technological improvement and human resource development. Fourth, it recommended the reclassification of South Africa's status in the General Agreement on Tariffs and Trade (GATT) from 'developed' to 'developing nation' since this would allow an extended period for subsidies and other discriminatory incentives. Fifth, the NEM proposed the removal of import surcharges and the replacement of formulae duties with anti-dumping measures. It also suggested that this should be followed with the completion of the tariffing of the outstanding quantitative import restrictions, a review of the system on duty rebates, and the standardization and stabilization of ad valorem duties. Finally, it recommended improvements in the market structure through measures that promoted competition amongst suppliers, the containment of real wage increases to 0.75 percent per annum, the phasing out of exchange controls, and the promotion of small and medium enterprises.

The NEM, however, did not only confine itself to proposals that narrowly promote economic growth. It recognized that some degree of redistribution was necessary, even for the realization of its own market-driven economic growth vision. The NEM thus supported free and compulsory basic education, training programs geared to developing entrepreneurship and managerial capacity, youth pre-employment schemes, and a national

qualifications framework of certification. It also insisted on the necessity of shifting resources in the health arena from curative to preventative care. Urban arrangements, according to the NEM, should be restructured in an economically integrated manner. While it conceived the provision of housing to be essentially a private sector affair, it did recognize the need for government to rationalize current land use and to regulate zoning in a manner that would permit residential areas to be situated closer to employment centers. Rural development was also emphasized, especially with regard to institutional improvements that permitted security and exchangeability of land tenure, security in residence and employment, and fair working conditions. The NEM also advocated infrastructural upgrading in these areas so as to improve the quality of life of rural residents. Finally, recognizing that this economic restructuring package would have social costs, it proposed the establishment of a transitional safety net that included unemployment insurance, training programs, support measures for small entrepreneurs, and public work schemes. The existing welfare network constructed in the apartheid era should, according to the NEM, be rationalized and directed towards the poorest and most vulnerable sectors of South African society.¹⁹

It should be noted that this redistributive element in the NEM was of secondary importance to the De Klerk regime. While the De Klerk government recognized a relationship between the process of economic growth and the broader development of the country and its people, it stressed that the former must take priority in the current conjuncture.²⁰ This

¹⁹ See *Ibid*, pp 19-23.

²⁰ See Japie Jacobs, Special Economic Advisor to the Minister of Finance (1991), "Macro-Economic Regulation: The Trade-Off Between More Rapid Economic Growth and Socio-Economic Upliftment Programmes."

prioritization of economic growth, and the NEM's thrust towards liberalizing the market, is in line with global trends. As is demonstrated later in the chapter, the collapse of communism and the transformation of the international system has led to the rising dominance of neoliberal ideology. Neoliberalism is an approach largely advocated by international financial agencies and the conservative and center right parties in the industrialized western countries.²¹ This dominance of neoliberalism was the principal ideological resource available to the NP and business community in South Africa. In any case, neoliberalism promotes privatization, deregulation, and competition as a means of stimulating private sector investment and increasing overall economic growth rates. The material benefits that emerge from this process, it is asserted, would eventually trickle down to the broader population.²²

Such trickle-down economic strategies had been rejected by the ANC for most of its history.²³ The ANC's economic vision in the long, drawn-out struggle against apartheid was understandably schematic and ambiguous. It was mainly designed to unite the maximum of social forces behind the organization. The Freedom Charter's by now famous clause that called for the restoration of the national wealth to the people, generated different meanings amongst different groups. For some, it implied the socialization of the means of production. For others it implied nationalization. And, still for others it merely implied restructuring and

²¹ M. Lipton and C. Simkins [eds.] (1993), *State and Market*, Boulder: Westview Press, pp 17-21.

²² See P. Black and B. Dollery [eds.] (1989), *Leading Issues in South African Macroeconomics: Selected Readings*.

²³ See Jonathan Michie & Vishnu Padayachee [eds.] (1997), *The Political Economy of South Africa's Transition*, London: Dryden Press, pp 15-16.

redistribution within the framework of a mixed economy.²⁴ Despite this ambiguity, however, there was broad agreement that the market would not be left to its own devices. There was to be a significant regulation of the market. There was to be an expansion of the public sector. And, redistribution was to form the central element of a post-apartheid economic strategy.

This was the approach that initially informed the ANC's participation in the economic debate. When Mandela was released from prison, his speech on the steps of Cape Town's City Hall stressed the necessity of nationalization and redistribution.²⁵ Slovo's public discourse similarly suggested that the post-apartheid economy was to be mixed between market and plan, with priority being allocated to the latter.²⁶ Alec Erwin insisted on the need for state ownership of the nation's natural resources, although he allowed for the possibility of leasing these to collective forms of ownership and capitalist enterprises.²⁷ And, the discourse that emerged from the ANC's Harare workshops' in April and September 1990 argued that the new path of economic growth and development must be based on satisfying basic needs.²⁸ The ANC was also opposed to the De Klerk regime's privatization and deregulation initiatives. It threatened the re-nationalization of those public utility corporations that were

²⁴ For differing interpretations of the Freedom Charter, see D. Innes (1985), "The Freedom Charter and Workers' Control," *South African Labour Bulletin*, vol. 11, no. 2; B. Fine (1986), "The Freedom Charter: A Critical Appreciation," *South African Labour Bulletin*, vol. 11, no. 3; and R. Suttner & J. Cronin (1986), *Thirty Years of the Freedom Charter*.

²⁵ N. Mandela (1990), "Speech delivered on Release from Prison," Cape Town City Hall, February 11.

²⁶ *The Weekly Mail*, March 30-April 4, 1990.

²⁷ *Ibid.*

²⁸ See ANC (1990), "Recommendations on Post-Apartheid Economic Policy, proceedings of workshop held in Harare," April 28-May 1; and ANC (1990), "Discussion Document on Economic Policy," prepared at a workshop held in Harare, September 20-23.

privatized, and stressed the need for expanding the public sector and reorienting it towards meeting basic needs. This approach, in ANC discourse, was labeled 'growth through redistribution' and was publicly counterpoised against the De Klerk regime's 'growth with redistribution' initiatives.²⁹

Two points need to be noted about the ANC's discourse on post-apartheid economic policy between 1990 and 1994. First, the polarization of the debate between 'growth through redistribution' and 'growth with redistribution' masked a fundamental tension among advocates of the former approach. Some Congress aligned activists and economists, particularly those associated with local ANC structures and COSATU, conceived the thrust of their approach as involving an increase in the levels of consumption. Increases in real wages and employment, they maintained, would enhance the buying capacity of the domestic population, and create new patterns of demand. Economic growth would resume as the industrial sector reoriented itself to meeting these new demands for basic needs like food, housing, transport, telecommunications, and other socio-economic necessities. This was the view that held sway in the Harare workshops, and it reflected the socio-economic aspirations of most of the ANC's grassroots constituency.

Since 1992, however, senior leaders in the ANC were concerned with what they

²⁹ See A. Erwin (1992), "Economic Reconstruction: Towards a Socialist Economy," *The African Communist*, second quarter. There are a number of critiques of the 'growth through redistribution' framework from the center of the political spectrum. For just some of these, see T. Moll (1991), "Growth Through Redistribution: A dangerous fantasy," *South African Journal of Economics*, vol. 59, no. 3; P. Moll, N. Nattrass & L. Loots [eds.] (1991), *Redistribution: How Can it Work in South Africa?*, Cape Town: David Philip; and N. Nattrass (1992), *Profits and Wages: The South African Economic Challenge*, Johannesburg: Penguin.

perceived as the macro-economic populism implicit in the demand-oriented economic strategy. Increasingly, leaders like Tito Mboweni, Cyril Ramaphosa, and Nelson Mandela publicly raised their disquiet about the populism of, and the dangers associated with, the demand-oriented economic strategy, and called for a rethinking on the ANC's economic policy.³⁰ These leaders supported the views of economists associated with the Economic Trends Group (ET) who argued that the major thrust of the 'growth through redistribution' approach should not be to increase the levels of consumption, but rather to restructure the patterns of investment.³¹ The economic crisis, they maintained, was a product of problems on the supply-side, and simple solutions directed only to demand would not address the crisis. This tension within the ANC between supply- and demand-oriented reforms has never been fully resolved. In fact, it subsequently re-emerged in the debates within the Macro-Economic Research Group (MERG), and around the RDP and the GNU's current "Growth, Employment, and Redistribution Strategy (GEAR)."

Second, the ANC's policy proposals continued to soften and become more pragmatic in the course of the economic debate. Confronted with major criticisms from, and interactions with, the De Klerk regime, big business, foreign investors, and international financial agencies, the organization continually tempered its economic policies. The discussion document emanating from the Harare workshop in September 1990 omitted any mention of

³⁰ See *The Weekend Argus*, October 10, 1992; and *The Cape Times*, November 12, 1992.

³¹ See S. Gelb (1990), "Democratising Economic Growth: Crisis and Growth Models for the Future," paper presented to the Economic Society of South Africa, Durban, June 5, p 8.

nationalization. Yet, the April 1990 report had committed the ANC to using nationalization as "an essential part of the reconstruction program..."³² In the same period, numerous reports in the media suggested that the ANC was re-evaluating its approach to nationalization.³³ Mandela himself came out against nationalization in late 1991 when he reassured President Bush and corporate executives in the United States that the ANC's perceptions had changed on the issue.³⁴ The ANC policy conference in May 1992 also downplayed nationalization, suggesting that it was merely one of a number of measures under consideration.³⁵ By late 1992 nationalization was effectively no longer a serious option on the economic agenda of the ANC.

But the abandonment of nationalization was not the only policy shift of the ANC. The term 'growth through redistribution' vanished from official discourse by 1992. Policies adopted at the ANC conference in May of that year made no mention of the term, although they did stress the need for developing an economic strategy geared towards meeting basic needs. The approach to foreign investment also underwent a marked change in this period. The discussion document emanating from the Harare workshop in September 1990 explicitly stated that controls would be exerted on foreign investors in order to ensure that they "... co-operat(ed) with government in achieving developmental goals, (and followed) labor practices

³² ANC (1990), "Recommendations on Post-Apartheid Economic Policy," p 3.

³³ See, for example, *The Star*, May 1, 1990. A more academic analyses that arrives at a similar conclusion is N. Nattrass (1994), "Politics and Economics in ANC Economic Policy," *African Affairs*, 93, July edition.

³⁴ *London Financial Times*, November 1991.

³⁵ See ANC (1992), "Ready to Govern: ANC Policy Guidelines for a Democratic South Africa," adopted at the National Conference, May 28-31, p 20.

acceptable to trade unions...."³⁶ This commitment, however, was abandoned by May 1992, and the economic policy adopted at the ANC's policy conference was much softer on foreign investors guaranteeing them national treatment, economic stability, and " ... access to foreign exchange for the purpose of remitting after-tax profits and debt service on approved foreign loans, purchasing inputs, and repatriating the proceeds on the sale of assets."³⁷ There was no mention of controls on, or regulation of, foreign investment other than a statement suggesting that those which "... meet defined national growth and development objectives may enjoy specific contractual arrangements."³⁸ Thus, by the beginning of 1993 the economic discourse emanating from the ANC had shifted in discernable ways from those advocated in the initial period of the organization's unbanning.

This softening of economic policies was prompted by the ANC's gradual awareness of the distribution of capabilities between itself and foreign investors. Recognizing that the resumption of economic growth required increased levels of investment, the ANC began to make a serious attempt to encourage and entice foreign investment. This dependence on the resources of foreign investors transformed the distribution of capabilities between them and the ANC in favor of the former. Thus, Mandela made a series of visits to foreign countries between 1991 and 1994 to placate foreign investors and convince them of the free market bona fides of a future ANC government. In 1991, he stated in an interview with the *London Financial Times* that "nationalization is like the sword of Damocles hanging over those who

³⁶ ANC (1990), "Discussion Document on Economic Policy," pp 16-17.

³⁷ ANC (1992), "Ready to Govern," pp 23-24.

³⁸ *Ibid*, p 24.

want to invest. So long as nationalization is our policy, we will not attract investors."³⁹ In 1993, he restated this view at an address to black businessmen in South Africa, and argued that the ANC had to abandon nationalization if it wanted to attract overseas investment.⁴⁰

On a visit with Derek Keys to the United States and Europe in September 1993, Mandela explicitly stated that the success of the transition was dependent on the enthusiastic support of foreign investors.⁴¹ And, his address on the same trip to the Confederation of British Industry stressed the ANC's commitment to a free-market economy, and promised a policy that guaranteed investors the security of their investment and "the right to an unimpeded repatriation of after-tax profits and other proceeds accruing to them as a result of their business activities in South Africa."⁴² These pronouncements by Mandela were not simply an individual response. Indeed, they reflected a rethinking on economic policy options that was taking place within the ANC as a result of the changing distribution of resources among actors. As indicated earlier, the Harare report of April 1990 and the ANC's policy conference of May 1992 dropped any explicit mention of nationalization and controls over foreign investors. This then prompted US academic Martin Murray to observe the fact that the "twin objectives of restoring business confidence and attracting foreign investment seemed

³⁹ *London Financial Times*, November 1991.

⁴⁰ *Southern Africa Report*, October 29, 1993.

⁴¹ *African Business*, November 1993.

⁴² Quoted in M. Murray (1994), *The Revolution Deferred: The Painful Birth of Post-Apartheid South Africa*, p 25. For the original source, see *African Business*, June 1994.

to swamp all other considerations,"⁴³ in the ANC's evaluation of its economic policies.

But the ANC's tempering of its economic policies and rhetoric in 1992 did not lead it to abandon all elements in its original economic strategy. Although it had officially jettisoned nationalization and policy mechanisms to control foreign investors, it still envisaged the retention of a number of other measures to effect a redistribution of economic resources. Moreover, the ANC still emphasized the need for state intervention and regulation of the market. In addition, it should also be noted that the tussle over economic policy had by no means ended within the organization. An intense debate on economic policy continued within and among the ANC, SACP, and COSATU. As was indicated earlier, senior leaders within the ANC had begun to soften their economic vision, and adapt themselves to a market-driven strategy that focussed on encouraging foreign and domestic investment. Grassroot activists within the ANC, the SACP and COSATU, however, continued to advocate a radical economic program that included nationalization and policy controls over foreign investors.⁴⁴

These differences in economic policies between leaders and grassroot activists can be partly explained by the different set of pressures that each group was subjected to. ANC leaders primarily interacted with foreign governments, domestic and foreign businessmen, and international financial agencies. Padayachee reports that some leaders even "... underwent short executive training programmes and orientation courses at foreign business schools,

⁴³ M. Murray (1994), *The Revolution Deferred: The Painful Birth of Post-Apartheid South Africa*, p 24.

⁴⁴ For a useful discussion on the continued tensions over economic policy within the ANC camp, see Nicoli Nattrass (1994), "Politics and Economics in ANC Economic Policy," *African Affairs*, no. 93.

investment banks, economic policy think-tanks and the World Bank.”⁴⁵ In this elite world, *realeconomics* reigned supreme. The priority was growth and retaining business confidence was the mechanism to achieve this goal.

Grassroot activists, however, were subjected to a very different set of pressures. The daily interactions between grassroot activists and members of the ANC who were still waiting for the material benefits of the transition, led these local activists to prioritize the redistributive elements of the ANC’s economic vision. In this more real world, the provision of jobs, houses, electricity, and other basic amenities were the priority. And, the state was perceived as the institution that would deliver these goals. The tussle over economic policy between the leadership and the grassroot activists continued throughout the transition. While the leadership was successful in tempering some of the ANC’s economic policies, grassroot activists retained sufficient clout to ensure that the redistributive, regulatory and state interventionist elements were retained in the ANC’s economic program. The post-1992 economic strategy of the ANC, then, still differed significantly from the neoliberal economic program advocated by the NP and the business community.

The adjusted, post-1992 economic policy of the ANC alliance was captured in its most comprehensive form in the policy reports of the Macro-Economic Research Group (MERG) and the Industrial Strategy Project (ISP).⁴⁶ Launched by the Congress Alliance in November

⁴⁵ Vishnu Padayachee (1997), “South Africa’s International Financial Relations,” Jonathan Michie and Vishnu Padayachee (eds.), *The Political Economy of South Africa’s Transition*, p 46.

⁴⁶ For a discussion of the process that led to the establishment of MERG, see Marc Van Ameringen [ed.] (1995), *Building A New South Africa: Economic Policy*, vol. 1, Ottawa: International Development Research Center.

1991, with the financial and technical support of the Canadian International Development Research Center (IDRC). MERG only became fully operational in late 1992. Its primary purpose was to demonstrate that the Congress Alliance had the organizational, infrastructural, and technical capacity to develop an alternative macro-economic growth strategy. This strategy was published in a report in late 1993.⁴⁷ MERG's growth plan comprised two phases: an initial 'public-investment led phase' between 1993 and 1999, followed by a "sustained growth phase" to 2004. The role of the private sector was envisaged to increase quite substantially in the second phase of the growth plan. Annual growth in GDP was projected at five percent per annum in the second phase, and the total level of employment created in the ten year cycle was expected to be 2.5 million.⁴⁸ It should be noted that the alternative growth strategy articulated in the MERG report essentially married the conflicting tensions in early debates around 'growth through redistribution' through a developmentalist economic program comprising both supply- and demand-orientated reform measures.

Such a developmental strategy was to be led and directed by the post-apartheid state. Unlike the NEM which attempted to reduce the role of the state in the market economy,

⁴⁷ For a pro-business critique of the MERG proposals, see N. Nattrass (1994), "Economic Restructuring in South Africa: The Debate Continues," *Journal of Southern African Studies*, vol. 20, No. 4. The same edition of the journal also has two replies to Nattrass's critique, of which the second by John Sender leaves a bitter aftertaste in its derogatory tone. See R. Kaplinsky (1994), "Economic Restructuring in South Africa: The Debate Continues: A Response," and J. Sender (1994), "Economic Restructuring in South Africa: Reactionary Rhetoric Prevails." Also, see B. Fine (1994), "Politics and Economics in ANC Economic Policy: An Alternative Assessment," *Transformation*, no. 25.

⁴⁸ MERG (1993) *Making Democracy Work*, p 2.

MERG envisaged its expansion, especially in the first phase of the growth plan.⁴⁹ The state, however, was to be transformed in the realization of this developmentalist vision. Such a transformation involved the reshaping of the state's machinery so that it would be rationalized and made more efficient. The ANC's goals of redistribution and growth were dependent on what the MERG report termed a 'strong and slim state.' Low profitability associated with the redistributive program (which involved the provision of infrastructure like schools, clinics, and houses) ensured, in MERG's view, that only the state would have the desire to undertake a comprehensive redistribution exercise. For MERG, the resumption of economic growth also required an increase in infrastructural and productive investment and the repositioning of South Africa in the world economy. The low levels of private sector investments in the last decade, and the comparative experience of Japan and other Asian countries indicated, it maintained, that the state was indispensable for achieving economic growth. Increases in private sector investment, according to MERG, were facilitated, rather than retarded, by the interventionist role of a strong state. MERG, in contrast to the NEM then, advocated a stronger and more effective state capable of intervening and restructuring the market economy towards a new growth path.

One element of this restructuring was to be the reorganization of the financial sector. In contrast to the NEM which envisaged an unrestricted, competitive financial market, MERG aimed its restructuring and regulation at achieving two purposes.⁵⁰ First, MERG insisted on the need to provide cheap mechanisms for the transfer of money and to increase the levels of

⁴⁹ Ibid, chapter 9.

⁵⁰ Ibid, chapter 8.

personal savings. It thus proposed the establishment of a people's bank based on the post office network, the strengthening of its savings component, the creation of a savings-related housing finance institution, and a funded earnings-related, contributory state pension scheme. Second, the restructuring was intended to channel finance towards productive investment. In this regard, MERG proposed reforming the Johannesburg Stock Exchange through the establishment of compulsory funds, the strengthening of the Development and Capital Ventures Boards, revision of policies to enable foreign companies to raise capital on the JSE, and creation of a Capital Issues Commission under the supervision of the Ministry of Finance. It also recommended the introduction of prescribed asset ratios for pension funds and life assurance companies, and the reformation of the commercial banking system to enable banks to provide industries with long-term finance in exchange for representation on their supervisory boards. Finally MERG, insisting that monetary policy should be democratically determined and accountable, proposed the subordination of the Reserve Bank to the Ministry of Finance and the subjection of its operations to parliamentary scrutiny.

This restructuring of the financial system aimed to facilitate implementation of MERG's recommendations on fiscal and monetary policy. These policies, MERG insisted, should be designed to enhance the living standards of the poor, narrow racial and gender inequalities, and increase investments and trade. The fiscal crisis of the state was conceived as a result of poor budget management partly due to inadequate information flows reaching the Ministry of Finance, low public sector investment, inappropriate structures of expenditure, and inefficient public spending.⁵¹ MERG's recommendations on fiscal policy were designed

⁵¹ For a discussion of MERG's fiscal recommendations, see *Ibid*, chapter 2.

to address these problems through the adoption of transparent data collection methods, rationalization of the civil service, and increases in public sector investment in infrastructure and human resource development. The tax system was also to be restructured to maximize revenue, and to realize efficiency, stability and fairness. Current levels of personal income tax and the nominal rate of company tax were to be maintained, but they were to be reorganized to ensure non-discrimination against women and low income earners, and to increase incentives for investment. In this regard, MERG proposed the establishment of a number of new taxes such as a capital gains tax, capital transfer tax, customs and excise duties, and wealth and property taxes. The precise design and implementation of these taxes, MERG recommended, should be determined by a fiscal commission. In terms of indirect taxes, it proposed a multiple rate VAT system with higher and lower average rates on the expenditure of the rich and poor, respectively. Finally, MERG proposed enhancing the management and efficiency of public spending through new mechanisms of delivery, multi-year expenditure planning, the establishment of measurable objectives for publicly funded projects, and the introduction of institutionalized performance auditing.

On macro-economic policy, MERG argued that the proposals of the NEM, which essentially reflected the Reserve Bank's current approach, focussed too narrowly on controlling inflation through the maintenance of high interest rates. While acknowledging the need to avoid hyperinflation and maintain macroeconomic balance, MERG insisted that monetary policy should also be sensitive to the needs of increasing employment and production.⁵² It thus proposed a reduction in interest rates, while maintaining them at a

⁵² Ibid, chapter 3.

positive, long-term real level of two percent. Such a monetary policy was to be supported by stabilizing the real effective exchange rate within a targeted zone. This was to provide the manufacturing sector with the ability to make better assessments on relative prices, thereby promoting stability on the current account of the balance of payments. Continued exchange controls on domestic residents, and an increase in foreign capital flows through an expansion in foreign credit and relaxations on foreign investors, were to ensure a relative surplus in the capital account. These policy measures then, MERG argued, would promote economic growth and facilitate employment creation and export promotion.

MERG also proposed substantial increases in public sector investment in social and physical infrastructure.⁵³ It gave priority to or emphasized four areas: housing, education, health, and electrification. In the housing sector, it envisaged a building program yielding 350,000 units a year. Of these, the public sector would be responsible for 180,000 at a total cost of R5.76 billion. It also argued for the establishment of a national housing authority, and suggested that the state should focus on the direct funding of a housing program, which the poor could rent on a subsidized basis. In education, MERG proposed the restructuring of the entire system to ensure implementation of a unitary universal education program that is accompanied by the establishment of schools, provision of books, and upgrading of teachers. Its budgetary proposals per annum in this regard were a salary bill of R14 billion, a teacher training program of R1 billion, expenditure on school supplies of R1 billion, and a school building program of R0.5 billion. MERG's health proposals advocated a redirection from curative to preventative health care. It proposed the creation of a single Department of Health

⁵³ Ibid, chapter 4.

and the implementation of a basic health care and nutrition program at a cost of R1 billion per annum. A rapid construction of 2 000 clinics, and the initiation of water and sanitation systems was envisaged at a capital cost of R300 million and a recurrent cost of R1.5 billion per annum. These proposals also discouraged the privatization of health services, and recommended the establishment of a program to respond to the economic and social implications of AIDS. Finally, MERG proposed an electrification program that would realize 400,000 new connections per year at a cost of R1 billion per annum. It recommended that Eskom be kept in public ownership and that an electrification program be developed for the entire Southern African region.

This investment in social and physical infrastructure was to be complemented with an industrial strategy that promoted an increase in private sector investment. MERG situated mining and mineral processing at the center of its proposed industrial strategy.⁵⁴ Significant state intervention was envisaged in output and pricing decisions in an effort to counter the generally depressed prices for minerals and metals on the world market. MERG advocated the creation of a state mineral marketing auditors office, and the national marketing of certain minerals. State intervention was also envisaged as a means to promote further processing of minerals before export (beneficiation), to facilitate the development of efficient depletion and extraction programs, and practically to address problems of excess capacity. While MERG did not recommend the dismantling of conglomerates, it did advocate the establishment of a vigorous anti-trust policy, monitoring the behavior of participants in oligopolistic markets, prohibiting the formation of pyramid companies, and tightening up and extending controls

⁵⁴ Ibid, chapter 7.

over corporate mergers and acquisitions. These policies were intended to facilitate competition and eliminate inefficiencies arising out of oligopolistic markets, promote linkages between large and small firms, and support the continued functioning and expansion of small, medium and micro enterprises. MERG also complemented these proposals with a number of recommendations to facilitate foreign trade. These involved institutional reforms, carefully phased tariff reductions, and new export support programs. The overall aim of MERG's industrial and trade policies was an increase in export revenues and the enhancement of the general level of productivity in the economy.

Finally, MERG proposed an interventionist strategy in the labor market.⁵⁵ Arguing that while some increase in employment can be expected from the implementation of the aforementioned policies, MERG insisted that these would not be sufficient to address the massive unemployment and poverty wages. Intervention in the labor market was thus conceived as necessary to address these problems. Such interventions involved investments in training, proposals for a living wage and the establishment of a public works program. MERG recommended the establishment of a large scale training program that promoted skill acquisition within the workforce. Such training was to be accredited by tripartite institutions, and located within career paths designed to facilitate the promotion of workers through the skills hierarchy. The statutory minimum wage, initially to be set at two-thirds of the Minimum Living Level, was designed to increase the wages and productivity of the poorest sectors of the workforce. This was to be supplemented with the implementation of a phased program of Public Works between 1994 and 2004. Overall share of government's capital expenditure

⁵⁵ Ibid, chapter 5.

was thus expected to increase from 1.3 to 3 percent of GDP by the end of the ten years.

It should be noted that many of MERG's proposals on industrial strategy and trade were based on the research conducted by the ISP. Because MERG contracted out its trade and industry research to ISP personnel, there was a large degree of overlap in the strategies and policy recommendations of the two groups.⁵⁶ The ISP identified the crisis in the manufacturing sector as essentially the result of low levels of productivity and investment. Its objectives, like those of MERG, were employment creation, increasing investment, raising productivity and improving trade performance.⁵⁷

Four strategies were proposed in this regard. First, the ISP insisted on the need for specialization and movement into higher value-added products. This was seen as necessary because of the relatively high wages in the country's industrial sector. Any alternative strategy of lowering wages, the ISP believed, was politically unsustainable and would aggravate the industrial crisis by lowering levels of productivity. Second, the ISP supported measures to promote the beneficiation of natural resources. It, however, added the qualification that beneficiation should only be attempted in cases where this was economically feasible. Third, the East Asian example of state targeting was proposed by the ISP. However, unlike those cases, the ISP insisted that such targeting not be directed at sectors, but rather at the "key competitive fundamentals applicable to all manufacturing industries such as the deployment

⁵⁶ There are of course some differences between MERG and the ISP. For example, MERG stresses the desirability of beneficiation much more than the ISP. See R. Kaplinsky (1994), "Economic Restructuring in South Africa: The Debate Continues: A Response."

⁵⁷ See A. Joffe, D. Kaplan, R. Kaplinsky, & D. Lewis (1995), *Improving Manufacturing Performance in South Africa: Report of the Industrial Strategy Project*, Cape Town: UCT Press, esp. pp 26-40.

and acquisition of skills and the generation and diffusion of technology." It also recommended that an exception to this principle be made in the case of the basic building materials and housing sectors, which the ISP argued should be targeted because of their labor intensity and potential to meet basic needs. Finally, the ISP proposed to increase productivity levels through the empowerment of the industrial workforce. Some of the measures it proposed in this regard were human resource development and training, the flattening of vertical and hierarchical forms of authority in industries, and the promulgation of legislation that promoted greater democratic decisions and practices in the workplace. It should be noted that all of the aforementioned strategies were conceived as interrelated, and the ISP suggested that they be pursued simultaneously.⁵⁸

Two very different economic strategies, then, were being advocated on the eve of South Africa's first non-racial general election. While there was some consensus between the NP's NEM and the ANC's and COSATU's MERG/ISP on specific policies, the essential thrusts of their macro-economic programs were substantially different and even contradictory. It should be noted that nationalization had by this time already been taken off the agenda, so this debate between NEM and MERG/ISP advocates focussed largely on socio-economic policies. Whereas the NEM prioritized privatization, deregulation, and competition, MERG/ISP recommended expanding the role of the public sector and more efficient regulation of the market. While the NEM emphasized the independence of the Reserve Bank and its task of controlling inflation, MERG/ISP suggested that the institution be subjected to

⁵⁸ For a critical commentary on the analytical foundations and policy recommendations of the ISP, see T. Bell (1995), "Improving Manufacturing Performance in South Africa: A Contrary View," *Transformation*, no. 28.

the political control of the Department of Finance, and its policies be directed towards increasing employment and alleviating poverty. Whereas the NEM wanted to minimize the role of the state, MERG/ISP encouraged greater state intervention. While the NEM desired a wage restraint, MERG/ISP recommended the establishment of a minimum living wage. Whereas the NEM divorced the goals of redistribution and growth, MERG/ISP insisted on their symbiotic relationship. The NEM and MERG/ISP thus advanced two very different economic visions and sets of policy recommendations.

These contradictory economic visions and sets of policies represented of course the diametrically opposed political interests of the different constituencies of the NP and ANC, respectively. The NEM's emphasis on economic growth, minimal state intervention, privatization, deregulation, wage restraint, and low levels of inflation, advanced the interests of the business community and the white population. Privatization would enable the business community to take control over profitable public enterprises. Deregulation and wage restraint would enable it to lower production costs, and thereby increase levels of profitability. Low levels of inflation would protect the real value of financial assets. An unfettered market would protect the general assets of the business community and curtail legislative controls over its attempts to reduce production costs. The NEM's overall reliance on an unfettered market would also be in the more general interests of the white community. As a result of apartheid, this sector of the population was better educated and trained, and had greater access to economic resources. An unfettered market would ensure that they retained their jobs, and expanded their resources without any fear that the state would use legislative means to change the racial profile of the labor market and ownership relations in South Africa. Overall, the

NEM protected and advanced the interests of the beneficiaries of apartheid.

The MERG/ISP proposals, by contrast, attempted to advance the interests of the victims of apartheid. Expanding the role of the public sector and subjecting the Reserve Bank to political control would increase the state's capacity to intervene and direct production towards meeting basic needs. State intervention would also facilitate the regulation of the business environment to ensure that the larger white conglomerates do not crowd out the smaller black firms. Moreover such regulation would ensure that the strategies adopted by the business community to reduce production costs do not unfairly prejudice the living standards and other interests of the poorer and more vulnerable sectors of South Africa's population. Indeed, the establishment of a minimum wage and other redistributive measures would uplift these living standards for the majority of the disenfranchised. Overall the MERG/ISP proposals then, advanced the interests of the black majority in the country.

These two competing economic visions, which advanced the political interests of two distinct constituencies, hoped to win the allegiance of South Africa's new political elite in the GNU.

Elite Perceptions of the Structural Distribution of Capabilities

The ultimate triumph of the neoliberal economic vision, and its adoption by the GNU, was the result of the changing resource availabilities and, hence, the structural distribution of capabilities in the economic arena. Evidence of this impact of the structural distribution of capabilities on agency behavior and decisions is provided in the perceptions of elites which are mainly expressed in documents and interviews. These elite perceptions are succinctly

captured in Deputy President Thabo Mbeki's "The State and Social Transformation," which maintains that "... the struggle to transform South African society ... calls upon the forces of democratic transformation to pursue their objective always mindful of the subjective and objective factors of (our) environment.... The litmus test with which to judge the correctness of ... (our) conduct ... is to be found in the appreciation of the possibilities ... and limitations imposed on ... (us) by (our)... identification and analysis of the subjective and objective factors in the national and international environment...."⁵⁹

Mbeki's discussion document and interviews with key leaders like Alec Erwin and Trevor Manuel suggest that ideological and economic resources define the structural distribution of capabilities in the economic arena. First, the principal ideological resource available to actors' advocating a neoliberal economic program was the rise to hegemony of market ideology. This resulted from the collapse of the communist bloc in Eastern Europe and the Soviet Union. This collapse of communism ensured that there was no alternative economic discourse to that of the market. The market was celebrated as the only rational mechanism for the efficient production and allocation of goods within and among societies. The legitimization of market discourse is clearly evident in South Africa. Earlier chapters indicated that leaders with unassailable communist credentials like Joe Slovo suddenly began arguing that the market was a necessary mechanism in any modern economy.⁶⁰ Moreover, this view reflected itself in the negotiated political settlement which implied a commitment on the part of the ANC to manage, and to locate its program of economic reconstruction within the

⁵⁹ ANC (1996), "The State and Social Transformation," discussion document, pp 1-2.

⁶⁰ See chapter 2.

framework of a market economy. This was captured in a range of clauses in the Bill of Rights which recognized the right of individuals to own property and accumulate capital, and to dispense with these as they please.⁶¹ The contribution of the collapse of communism to the hegemony of this market discourse is reflected in current Minister of Finance Trevor Manuel's response to a question on why the ANC shifted its position on nationalization. "the collapse of the Soviet Union, the destruction of the Berlin Wall broke the ... revolutionary romantic illusions of many. That very stark collapse shifted the debate very significantly."⁶²

It should be noted that this commitment of the ANC to a capitalist economy did not officially prevent the GNU from pursuing a regulated, statist economic strategy. Its reluctance to do so, however, emanates from the wider distribution of capabilities between it and international financial agencies, foreign investors, and the domestic business community. This, then, is the second economic resource that was available to advocates of the neoliberal economic vision.

The distribution of capabilities between the GNU and international financial agencies was defined by two central features. First, the IMF's and World Bank's status in the international system had been elevated and enhanced since the late 1970's and early 1980's. The exhaustion of import substitution strategies in much of the developing world plunged these societies into economic crises. Their capabilities vis-a-vis the IMF and World Bank increasingly weakened as they became dependent on the latter for economic loans and resources. The debt crisis of the 1980's, and the role of the IMF in negotiating a settlement

⁶¹ See "Constitution of the Republic of South Africa, 1993," Act No. 200, chapter 3, clauses 26 and 28.

⁶² Interview with Trevor Manuel, September 21, 1995.

in that regard, also enhanced its status. International banks now require developing countries to get the approval of the IMF before they consider providing new loans, or renegotiating the terms of existing ones.⁶³ These developments, which generally weakened the capabilities of nation states in the developing world in relation to international financial agencies, also defined the relationship between the GNU, and the IMF and World Bank.

Table 2: Integrated Scenario Projections 1996-2000⁶⁴

Model Characteristics	1996	1997	1998	1999	2000	Ave.
Real Govt. Investment Growth	3.4	2.7	5.4	7.5	16.7	7.1
Real Parastatal Investment Growth	3.0	5.0	10.0	10.0	10.0	7.6
Real Private Sector Investment Growth	9.3	9.1	9.3	13.9	17.0	11.7
Foreign Direct Investment (US\$ m)	155	365	7.0	716	804	509
Results						
GDP Growth	3.5	2.9	3.8	4.9	6.1	4.2
Inflation (CPI)	8.0	9.7	8.1	7.7	7.6	8.2
Employment Growth (non-agric. formal)	1.3	3.0	2.7	3.5	4.3	2.9
New Jobs per year ('000s)	126	252	246	320	409	270

Source: Adapted from South African Dept. of Finance (1996) "Growth, Employment & Redistribution," p 13.

Second, the GNU's capabilities vis-a-vis the international financial agencies weakened as a result of domestic factors. Widespread agreement exists among establishment and radical economists that South Africa's import-substitution economic program had exhausted itself by the 1970's. The NEM, reflecting the views of establishment economists, maintains that "South Africa... (which) has a long tradition of import replacement ... created an inward-looking

⁶³ For a discussion of the enhanced status of the IMF, see M. Pastor Jr. (1991), "Latin America, the Debt Crisis, and the International Monetary Fund," in J. Frieden and D. Lake (eds.) *International Political Economy: Perspectives on Global Power and Wealth*, New York: St. Martin's Press.

⁶⁴ The figures in this table are percentages, except where it is noted otherwise.

industrial base ... (whose) potential for further ... development is limited and this has resulted in stagnation in South African industry."⁶⁵ On the other side of the political spectrum, Stephen Gelb, an economic advisor to the ANC and GNU, argues that the 'racial Fordist' growth model which represented "the post-war combination of apartheid and import-substitution industrialization in South Africa ... was reaching its limits ... by the start of the 1970's."⁶⁶ This consensus among economists about the exhaustion of South Africa's import-substitution economic program led to a perception among political elites that a new economic strategy was absolutely essential if the South African economy was to grow and provide the necessary surpluses required to address the material inequalities within the society.

The success of this new economic strategy is conceived as being dependent on an increase in investment. Table 2, which details the GNU's estimates of the projected levels of investment required to address the unemployment problem, indicates that the government's and parastatals' contribution to real investment growth should be an annual average of 7.1 percent and 7.6 percent respectively, to create a total of 1.353.000 jobs by the year 2000. These levels of government and parastatal investment required for the fulfillment of the macro-economic strategy depicted in Table 2, imply that the GNU requires the capital market borrowing and loan facilities of both the IMF and World Bank, loans from the former also being necessary, of course, for facilitating increased private bank loans. This dependence of the GNU on the resources of the IMF and World Bank enhances the capabilities of the international financial agencies.

⁶⁵ See CEAS (1993), "The Key Issues in the Normative Economic Model," p 4.

⁶⁶ S. Gelb [ed.] (1991), *South Africa's Economic Crisis*, pp 13, 19.

A similar distribution of capabilities exists between the GNU and foreign investors. The defining features informing the capabilities of these two actors is the mobility of capital in the contemporary world, and the increased competition among countries for foreign investment. Technological advancements have ensured that multinational firms and conglomerates are able to shift large amounts of resources across the world in relatively short periods of time. Moreover, the collapse of the communist world and the exhaustion of import-substitution economic strategies in much of the developing world opened up a significant number of potentially new markets for both the production and distribution of goods. The net effect of these developments is the enhancement of the capabilities of foreign investors vis-a-vis nation states in the developing world. This then informs the distribution of capabilities between the GNU and foreign investors. The GNU's estimates in Table 2 indicate that an annual average of \$509 million foreign direct investment is required to fulfill the targets of its macro-economic strategy. This dependence on the resources of foreign investors in a global environment of increased competition among developing countries for foreign investment, dramatically enhances the capabilities of foreign capital and weakens that of the GNU, as Mbeki observed.

Table 3: Gross Domestic Investment as a Percentage of GDP, 1981 to 1992

Year	GDI		Year	GDI
1981	27.8		1987	19.1
1982	27.9		1988	19.9

1983	26.8		1989	20.8
1984	24.4		1990	20.0
1985	23.3		1991	18.0
1986	20.2		1992	15.9

Source: Adapted from Table 3.1. MERG (1993) *Making Democracy Work*, p 73

Finally, the distribution of capabilities between the GNU and the domestic business community is also configured in favor of the latter. For more than a decade, domestic capital had been reluctant to invest in new machinery, technology, and in the productive process more generally. Table 3 indicates that the ratio of gross domestic investment to GDP declined from 27.8 percent in 1981 to 15.9 percent in 1992. The success of the GNU's macroeconomic strategy, however, is dependent on a massive increase in domestic private sector investment. Table 2 indicates that an annual average of 11.7 percent private sector investment growth is needed if the macroeconomic strategy is to succeed in meeting its targets on curtailing unemployment. The GNU thus has to rebuild the confidence of the private sector and convince it to reinvest in the South African economy. This dependence on the resources of the private sector, increases the capabilities of the business community and weakens that of the GNU.

The capabilities of the business community are also enhanced by the normalization of South Africa's political process. The 1994 elections had cost the ANC approximately R150 million, and much of that had come from either transnational organizations and/or friendly governments.⁶⁷ This benevolence, however, was drying up as the political process normalized

⁶⁷ This fact was pointed out to me by Tom Lodge, Professor of Political Science, University of Witwatersrand.

itself in South Africa. But the ANC still required a large portion of financial resources to facilitate its day-to-day operations. Moreover, it recognized that the bulk of the financial resources required to fund its next election campaign would have to be found within the country. And, the major source for such funding would be domestic capital. This means that the ANC's capabilities vis-a-vis domestic capital weakened as it began to look to it for resources. The translation of this distribution of capabilities into the economic arena and its conditioning of the evolution of economic policy was facilitated by the ANC's dominant role in the GNU.

Political elites in the ANC will of course not admit that the GNU's economic policy has been influenced by the party's need for donations from the private sector. There are, however, indications that such influences do occur. For instance, in 1996 Mandela established an advisory group to assist him on economic policy matters. This group, known as the Brethenhurst Group, comprises only the leading industrialists in the country, many of whom have made significant financial contributions to the ANC. Also, the public disagreement between Bantu Holomisa and senior leaders in the ANC and government after his expulsion in 1996, revealed that senior figures in government may be implicated in disreputable deals that involved Sol Kerzner, a prominent financier and hotel magnate, donating R2 million to the ANC's election coffers in exchange for not being prosecuted in an earlier bribery charge in the Transkei.⁶⁸ This demonstrates that some senior leaders in the ANC are not averse to being influenced in exchange for corporate donations to the party.

The analysis here demonstrates that the distribution of capabilities between the GNU

⁶⁸ See *Mail & Guardian*, August 2-7, 1996.

and domestic and foreign economic actors was configured in favor of the business community, foreign investors and international financial agencies. This fact was not lost on political elites. As indicated earlier, Mandela recognized this as early as 1992 when he explicitly justified the moderation of the ANC's economic vision and proposals on the grounds that the country needed to attract foreign investment.⁶⁹ Similarly, Alec Erwin indicated in his interview that high levels of state debt forced the GNU to investigate alternative means of financing investment, including placing greater emphasis on the resources of the private sector.⁷⁰ The government's 1996 macro-economic strategy document, "Growth, Employment and Redistribution," justified economic policy shifts on the grounds that "a public expenditure driven growth strategy..." was not possible in "... a modern economy with mobile capital ..." since it would lead to "... a deterioration in the budget and foreign balances..." and create a loss of confidence that would undermine domestic and foreign investment.⁷¹

The GNU's awareness of the distribution of resources in the economic arena, however, was most clearly reflected and expressed in Thabo Mbeki's "The State and Social Transformation." This document, released in 1996, explicitly identified the high government debt, the mobility of capital, and a changing global environment as inhibiting features that limited the abilities of the GNU to implement democratic transformation on its own. On the basis of this, Mbeki argued that the ANC should abandon its wish for "... the total defeat and suppression of the national and class forces responsible for ... apartheid," and focus on the

⁶⁹ *African Business*, November 1993.

⁷⁰ Interview with Alec Erwin, September 14, 1995.

⁷¹ Department of Finance (1996), "Growth, Employment and Redistribution," p 15.

establishment of a democratic state which would involve "a dialectical relationship with private capital as a social partner for development and social progress."⁷² This call for a strategic alliance between the state and capital was a milestone, not only because it signaled a significant departure from the ANC's traditional approach to alliances, but more so because it was premised on the explicit realization that the distribution of capabilities between the GNU and the private sector was configured in favor of the latter.

Interviews, statements by ANC leaders, and party documents, then, show that structural factors constrained the behavior and choices of key actors. Political elites perceived an unfavorable distribution of resources in the economic arena, for advancing the developmentalist and regulatory economic vision advocated by MERG. This resource distribution was defined in their view by the ideological hegemony of market discourse, and the state's dependence on the financial resources of international financial agencies, foreign investors, and the domestic business community. This structural distribution of capabilities conditioned the behavior and decisions of political elites in the ANC and the state, and led them to rethink their earlier economic proposals. This eventually culminated in the GNU's adoption and implementation of a neoliberal economic program.

The Economic Policy of the GNU

Political elites in the ANC, and subsequently in the GNU, did not immediately adopt a neoliberal economic program. In fact, the imperatives of maintaining the alliance with the

⁷² ANC (1996), "The State and Social Transformation," discussion document, p 22. See also the *Sunday Times*, November 17, 1996.

unions and winning the general elections, prompted the ANC to campaign on the developmentalist and regulatory economic vision advanced by MERG. This was reflected in the ANC's adoption of the Reconstruction and Development Program (RDP) as its electoral manifesto for the April 1994 elections. Although the RDP was formally distinct from MERG, it nevertheless reflected the regulatory and developmentalist economic vision, priorities, policies, and targets of MERG. The RDP committed the ANC to seek a legislative program of government in accordance with most of the economic policies recommended by MERG. Moreover, it had won significant legitimacy in South Africa by the time of the general elections. The RDP became the new buzzword in political circles, and almost all political parties pledged support for it. Even the criticisms of big business seemed to be muted in the face of this widespread legitimacy. After April 1994 the RDP was adopted as the official economic plan of the GNU.

The RDP was conceived by its architects as an integrated, coherent socio-economic policy framework. It was intended to be a people-driven project that would realize peace and security through programs that build the nation, integrate the goals of reconstruction and development, and deepen democracy.⁷³ The RDP document was essentially divided into five separate sections, each of which dealt with a separate programmatic theme. These were: meeting basic needs, developing the country's human resources, building the economy, democratizing the state and society, and implementing the RDP. All five policy programs were interrelated; the failure to pursue any one of them threatened the success of all the

⁷³ ANC (1994), *The Reconstruction and Development Program: A Policy Framework*, Johannesburg: Umanyano Publications, pp 5-7.

others. Thus the programs were to be pursued simultaneously, and a single office (with national and provincial structures) was to coordinate the project and integrate the RDP activities of the separate government departments, agencies and parastatals.

The RDP's proposals with regard to building the economy were essentially those advocated by MERG. It thus conceived a significant role for the state in leading and regulating the market to meet the twin goals of reconstruction and development. The RDP's proposals in industrial restructuring stressed the necessity of increasing net national investment, expanding job creation and realizing basic needs. This was to be done by promoting industrial movement up the value chain through programs that promoted beneficiation of minerals and metals. Competition was to be promoted through anti-trust legislation, and micro-enterprises were to be encouraged and given financial and legislative support. Public sector investment was to be boosted and a number of infrastructural projects were to be launched in an effort to meet basic needs. The financial sector was to be restructured in ways very similar to those proposed by MERG. Foreign trade was to be encouraged, the tariff structure simplified, and tariffs were to be reduced with minimal disruption to employment. Finally the rights of labor including those pertaining to organization, a living wage, collective bargaining, workplace empowerment, and affirmative action, were to be located at the center of the new economic program.⁷⁴ The most glaring and significant deviation from the MERG proposals was the RDP's recognition of the independence of the Reserve Bank. But even here it recommended legislative reform that would permit the representation of trade unions and civil society on the board of governors,

⁷⁴ Ibid, pp 87-116.

and compel the Reserve Bank to account for its decisions to parliament.⁷⁵

The initial enthusiasm in MERG circles about the RDP soon began to dissipate. This was partly the result of public criticism on the failure of the RDP to deliver. Other than a few highly publicized presidential lead projects, the RDP seemed to have soon gotten bogged down in bureaucratic inertia. But inefficiency and bureaucratic bungling was not the primary concern of MERG economists and others supportive of the RDP. What was of greater concern was the realization that the GNU was slowly compromising and tempering the developmentalist vision of the RDP. This of course was largely the result of an unfavorable distribution of capabilities between the GNU and other economic actors.

The defining feature of this distribution of capabilities was the GNU's dependence on the resources of other actors. The GNU, like all other actors, recognized that the resumption of economic growth in South Africa was dependent on a massive increase in the levels of investment. Such investment could only emerge from two quarters, the private sector (domestic and foreign investors) and the state. The capacity of the state to increase its levels of investment was inhibited, in the GNU's view, by South Africa's massive debt. Alec Erwin, the ex-Deputy Minister of Finance and the current Minister of Trade and Industry, argued in an interview that when the ANC assumed the reins of government "it realized that the fiscal exposure was much higher than expected... Massive public investment in infrastructure could not be funded by short-term capital inflows or borrowing on the budget.... New forms of mobilizing resources had to be investigated."⁷⁶ This reluctance of the GNU to increase the

⁷⁵ Ibid, p 112.

⁷⁶ Interview with Alec Erwin, September 14, 1995.

levels of state debt meant that domestic and foreign investors were the only resource for increase levels of investment. As was indicated earlier, however, these actors were reluctant to invest in the productive side of the economy. Table 3 demonstrated that the ratio of gross domestic investment to GDP declined from 27.8 percent in 1981 to 15.9 percent in 1992. The GNU thus felt that it had to appease these actors and encourage them to increase their levels of investment in the South African economy. This encouragement took the form of concessions that significantly weakened the tone and substance of the RDP.

The first official indication of this came with the publication of the draft RDP White Paper in September 1994. Although the White Paper was intended to facilitate the implementation of the basic blueprint of the RDP by operationalizing the base document, it in fact amended the RDP in significant ways. Asghar Adelzadeh and Vishnu Padayachee, two economists associated with the ANC and the MERG initiative, argued in a review of the White Paper, that its fiscal, monetary, financial, trade, industrial and labor policies represented, in essence, a continuation of the economic strategy of the De Klerk regime. It continued, they argued, the fiscal conservatism of the De Klerk regime, by committing the GNU "... to reduce government expenditures, finance the RDP from restructuring the budgets, maintain or reduce the level of direct taxes, consolidate business confidence, enhance the environment for private sector expansion, and liberalise the economy."⁷⁷ Similarly, they maintain, that the White Paper ignores the original RDP's commitment to democratize the Reserve Bank, and that its pledge to fulfill GATT requirements, "... weaken(ed) government

⁷⁷ A. Adelzadeh & V. Padayachee (1994), "The RDP White Paper: Reconstruction of a Development Vision," *Transformation*, no. 25, p 5.

intervention.... impose(d) an economic program of privatization and deregulation.... function(ed) as a mechanism to weaken interventionist domestic laws and regulations.... promote(d) regressive restructuring.... weaken(ed) worker rights and unions, as well as the provision of public services and infrastructure."⁷⁸ The overall symbolic and practical effect of these concessions, Adelzadeh and Padayachee argued, was the regression of the GNU to a neoliberal economic strategy which marginalized the vast majority of the population, and can provide them with very little material benefits for the foreseeable future.

Adelzadeh's and Padayachee's argument was supported by a number of other ANC aligned economists.⁷⁹ All of them bemoaned the fact that the developmentalist vision they had advocated, and the policies it inspired, were now being compromised. This view, however, was challenged by Alec Erwin who maintained in 1995 that there had not been any substantial paradigmatic shift on the part of the ANC.⁸⁰ Arguing that these economists were misreading the existing situation, he insisted that the passing of legislation like the Labour Relations Act (LRA)⁸¹ and the National Qualifications Framework (NQF), bore testimony to the ANC's commitment to a developmentalist vision. Erwin admitted that some changes in policy had occurred. But he insisted that these were necessary if the twin goals of growth and development were to be realized. These changes in policy did not symbolize a paradigmatic shift. All they entailed, he maintained, was the use of slightly different measures to attain the

⁷⁸ Ibid, p 9.

⁷⁹ See B. Fine (1995), "Privatization and the RDP: A Critical Assessment," *Transformation*, no. 27; and J. Sender (1994) "Economic Restructuring in South Africa: Reactionary Rhetoric Prevails."

⁸⁰ Interview with Alec Erwin, September 14, 1995.

⁸¹ For a discussion of the LRA, see chapter 6.

same developmental objectives.⁸²

In light of the carefully laid out critical analyses cited in this chapter, Erwin's assessment seems unconvincing and overly optimistic. The central elements of the GNU's economic policy since April 1994 either diverge from, or simply ignore, policies and recommendations advocated by MERG and more recently by the ISP. Contrary to MERG's recommendations, fiscal policy has been conservative. Priority has been placed on cutting government expenditure and reducing the debt/GDP ratio to those that satisfy the IMF. The budget deficit of GDP by March 1995 was 6.6 percent, 0.3 percent lower than that for the 1993/94 financial year. It fell to 6 percent in 1996, and was projected in the 1996/97 budget to be even lower at 5.1 percent.⁸³ It is instructive to note that this fiscal conservatism of the GNU even outstrips that of the international financial institutions. The IMF's "Letter of Intent" signed by the Transitional Executive Council in December 1993 acknowledged that the deficit could exceed the recommended six percent in the first few years of the democratic government.⁸⁴ The World Bank was even more accommodating, arguing that "under a

⁸² Interview with Alec Erwin, September 14, 1995.

⁸³ See the 1994/95, 1995/96, and 1996/97 budgets. It should be noted that the budget deficit of GDP, projected at 5.8 percent in the 1995/96 budget, was slightly higher at 6 percent by March 1996.

⁸⁴ The final draft of the "Letter of Intent" was not made public. However, Padayachee, on the basis of seeing the first draft of the "Letter of Intent" and a summary in the *Business Day*, reports that the letter committed the GNU to: "a reduction within a few years of the government budget deficit to 6 percent of the GDP; expenditure containment rather than tax increases; containing the civil service wage bill; a continuation of the tight monetary policies of the past 4 to 5 years, and monetary targeting; policies to couple wage restraint and training to foster investment and promote employment; maintenance of the financial rand mechanism without the introduction of a new exchange control mechanism; and finally a simplification of the tariff system, and the phasing out of import licensing and non-tariff barriers." See Vishnu Padayachee (1994), "Debt, Development and Democracy: The IMF in Post-Apartheid

successful supply-enhancing policy framework, a revival of private sector confidence could justify the fiscal deficit reaching the 10 percent mark in the rest of the 1990's."⁸⁵ Given these concessions, and the extreme poverty and high rates of unemployment, it is difficult to disagree with ANC aligned economist Vella Pillay's assessment that the GNU's fiscal policies "spell ... an economy which goes nowhere in terms of conditions of life for the greater majority of our people."⁸⁶

On the revenue side, the 1994/95 budget maintained current personal tax rates, while lowering the corporate tax rate from 40 to 35 percent. Secondary tax on companies was increased from 15 to 25 percent. Excise duties were also increased on tobacco products and spirits. While differential tax rates against married women were scrapped in the 1995/96 budget, a higher marginal tax rate was introduced on persons earning in excess of R80 000 per annum. This figure was raised to R100 000 in the 1996/97 financial budget. In addition, taxes were imposed on retirement funds in line with the recommendations of the Katz Commission on Taxation.⁸⁷ It should be noted that most of the other recommendations of the Commission, appointed by Finance Minister Derek Keys in mid-1994, have been accepted by the parliamentary Finance Committee.⁸⁸ These recommendations rule out a capital gains tax,

South Africa," *Review of African Political Economy*, no. 62, p 589; and *Business Day*, March 24, 1994.

⁸⁵ Quoted in Vishnu Padayachee (1994), "Debt, Development and Democracy: The IMF in Post-Apartheid South Africa." The original source is World Bank (1993), "South Africa: Economic Performance and Policies," vol. 11, main report, p 111.

⁸⁶ *The Natal Mercury*, March 6, 1996.

⁸⁷ See the 1994/95, 1995/96, and 1996/97 budgets.

⁸⁸ *Business Day*, February 2, 1996.

and suggest a substantial reduction in the Secondary Tax on Companies. They also propose increasing the standard rate of VAT and reducing the number of zero-rated items.⁸⁹ On the whole then, this package of existing tax arrangements and proposals, is significantly different from, and in some cases contradictory to, those proposed by MERG and the RDP.

The GNU's monetary policy has also been consistent with that of the De Klerk era. Political elites acted against the recommendations of MERG, and enshrined the independence of the Reserve Bank in the interim constitution. Moreover, they ignored the original RDP proposals to democratize the board of the Reserve Bank. Their prime motivation was the need to develop and maintain business confidence. This was most clearly demonstrated on November 8, 1993, when the Economics Department of the ANC rejected the suggestion of Vella Pillay, the head of MERG, that the Reserve Bank be brought under the government's control. The following day, the ANC and the De Klerk regime released a joint accord for submission to the Multi-Party Negotiations Forum, in which they supported the independence of the Reserve Bank on the grounds that there was an urgent need to maintain the confidence of both foreign investors and South African business.⁹⁰ This accord was subsequently ratified at the Multi-Party Negotiating Forum, leading to the inclusion of a clause in the 1994 constitution that guarantees the independence of the Reserve Bank.

The Bank's essential role, according to Governor Chris Stals, is the protection of the

⁸⁹ See *Business Day*, December 6, 1995.

⁹⁰ See *Business Day*, November 8, 1993; November 9, 1993.

value of the rand by combating inflation and ensuring stability.⁹¹ This conception of the role of the Reserve Bank was supported by the RDP White Paper analyzed earlier in this chapter.⁹² In any case, in an effort to realize lower levels of inflation, Stals raised interest rates on three occasions from 12 to 15 percent between September 1994 and June 1995. Prime lending rates of banks have increased from 15.25 to 18.5 percent.⁹³ The result was that inflation reached its lowest levels in over two decades.⁹⁴ But this success came at a cost. The Reserve Bank's narrow anti-inflationary approach did not facilitate employment creation. Despite the economic recovery since the second quarter of 1993, unemployment actually increased until the fourth quarter of 1994. Between mid-1993 and March 1995, only 52,000 new jobs were created in the formal sector. This figure, when compared to the 420,000 jobs lost in the recession between 1989 and 1993,⁹⁵ suggests that the GNU's economic strategy has not succeeded in significantly addressing the unemployment crisis in South Africa.

A significant amount of economic liberalization has also been undertaken since April 1994. One area of focus of this liberalization initiative was the financial markets. The financial

⁹¹ See Chris Stals (1994), "The Monetary and Currency Policies of the Central Bank," address delivered to the Conference on Prospects for Investment in the New South Africa, July 19, New York, p 3.

⁹² "White Paper on Reconstruction and Development," November 23, 1994, No. 16085, Cape Town, p 25.

⁹³ For a discussion of this, see C. Stals (1995), "Address to the 75th Ordinary General Meeting of Shareholders of the Reserve Bank," reprinted in the *Financial Mail*, August 25, pp 3-4.

⁹⁴ The Central Statistical Service's (CSS) estimate of the average inflation rate for 1994 was 9 percent. See *Business Day*, January 27, 1995.

⁹⁵ These figures are available from the Reserve Bank. See *Business Day*, December 8, 1995.

rand was abolished in March 1995, removing a major obstacle in the path of foreign investors.⁹⁶ In July 1995, the Reserve Bank eased exchange controls even further through asset swap arrangements which allow local institutions to invest a portion of their assets abroad, in exchange for an overseas institution making a reciprocal counter-investment in their existing portfolios.⁹⁷ Exchange controls on residents are also likely to go in the near future. Both Governor Stals and the current Minister of Finance, Trevor Manuel, have committed themselves to this goal. Their motivation for this was expressed by Stals when he stressed that this would facilitate the creation of an "... investor-friendly environment to overcome macro-economic limitations imposed by apartheid...."⁹⁸ This statement, once again, reflects the fact that the motivation behind state elites' decision to liberalize the South African economy is their perception that they are dependent on, and therefore need to encourage the investment in South Africa of, the financial resources of both foreign investors and the domestic business community.

Trade liberalization has also been undertaken by the GNU. Trevor Manuel, in his previous role as Minister of Trade and Industry, initiated a bold trade liberalization program that intended to simplify tariff structures and lower tariff barriers. In mid-1994, he announced significant tariff cuts on imported vehicles, textiles and clothing, and indicated that similar

⁹⁶ This decision was greeted with jubilation by the mainstream media since they believed that this removed one more obstacle that stood in the path of increased foreign investment. See *Sunday Times*, March 12, 1995; and *Business Day*, March 13, 1995.

⁹⁷ See *Business Day*, July 14, 1995.

⁹⁸ *Financial Mail*, August 25, 1995. It should be noted that Stals did warn that exchange controls would only be abolished gradually so as not to place undue pressure on the country's foreign exchange reserves.

measures would be announced in the future with regard to other sectors like chemical, electronics, electrical goods, metals, machinery, paper and furniture.⁹⁹ Manuel's proposals on phased tariff reductions outstripped South Africa's GATT offer in all sectors, leading some to accuse him of a 'holier than GATT' approach.¹⁰⁰ His rationale for undertaking these trade liberalization initiatives is to create a competitive environment in which South African firms and industries are forced to be competitive on global terms.¹⁰¹ This policy direction is broadly supported by international financial agencies, foreign investors, and the domestic business community.¹⁰²

The most dramatic shift on the part of the ANC, however, emerged in relation to privatization. Both MERG and the RDP preached caution in this regard. The ANC itself had long opposed the privatization initiatives of the De Klerk regime, and had even threatened re-nationalization of privatized assets. But this opposition to privatization evaporated as soon as the ANC entered the GNU. Some internal differences did exist over the issue. Jay Naidoo and others associated with the RDP, supported the sale of non-strategic assets as a means of

⁹⁹ See *Business Day*, June 13, 1995; and *The Star*, June 14, 1995.

¹⁰⁰ In an interesting reversal of positions, Leslie Boyd, chairman of Anglo American Industrial Corporation, criticized the GNU for, among other things, proposing tariff reductions that outstripped GATT requirements. See the *Sunday Times*, August 13, 1995.

¹⁰¹ Interview with Trevor Manuel, September 21, 1995. This rationale is, of course, the heart of the neoliberal argument.

¹⁰² As note 96 indicates, some individual industrialists might be unhappy at the pace of these tariff reforms. But at a general level the business community has called for, and is supportive of, these tariff reductions. See South Africa Foundation (1996), "Growth for All: An Economic Strategy for South Africa," pp 24-25. It should be noted that this research body serves as the economic think-tank for Big Business in South Africa.

raising funds for the RDP.¹⁰³ Others, however, felt that privatization should be more wide-ranging and the funds generated should only be used for the repayment of debt. The latter view eventually won the day. In December 1995, Thabo Mbeki announced plans for far-reaching privatization initiatives that included parts of parastatals like Telkom and South African Airways. Mbeki motivated his case for the sale of state assets on the grounds that there was a need to reduce government debt and re-adjust the state's role in the economy, two factors demanded by international financial agencies, foreign investors and the domestic business community.¹⁰⁴ This attempt to minimize state intervention and enhance the role of the market was also reflected in Alec Erwin's 1996 initiatives to foster a partnership with the private sector to fund infrastructural backlogs.¹⁰⁵ While this might make sense in the context of a scarcity of funds, it does undermine the interventionist role of the state, a role that MERG and the RDP conceived as essential if growth and development were to be realized.

The economic strategy of the GNU after April 1994 was eventually codified in June 1996 with the publication of a new government report entitled "Growth, Employment and Redistribution: A Macroeconomic Strategy." This report was preceded by the publication of two other reports that represented the views of the business community and the union movement, respectively. The report of the business community, formally authored by the South Africa Foundation, and entitled "Growth For All: An Economic Strategy for South

¹⁰³ See *Business Day*, November 11, 1994; and *Business Day*, November 14, 1994.

¹⁰⁴ See *The Star*, December 8, 1995, and *Business Day*, December 11, 1995. It should be noted that COSATU came out strongly against these privatization plans.

¹⁰⁵ See *Weekly Mail & Guardian*, April 4-11, 1996.

Africa," advocated a neoliberal economic policy direction with tougher action on crime, streamlining of government expenditure to two percent of GDP through cuts in social spending and the retrenchment of 150,000 civil servants, privatization of government's major commercial holdings, the creation of a flexible two-tier labor market with one being characterized by low labor standards and no minimum wage, and a program to lower tariffs and devalue the rand.¹⁰⁶ The union federations' report, entitled "Social Equity and Job Creation - The Key to a Stable Future," located itself within the RDP's and MERG's developmentalist philosophy, and reiterated many of their earlier discussed proposals.¹⁰⁷

The GNU's "Growth, Employment and Redistribution," was supportive of, and consistent with the central thrust of the South Africa Foundation report.¹⁰⁸ This was not altogether surprising. State elites were being conditioned by the structural distribution of capabilities in the economic arena. This was most clearly evident in the perceptions of Thabo Mbeki, most comprehensively articulated when he argued for a partnership between the state and private capital. This partnership was necessary, he maintained, because high government debt, the mobility of capital, and a changing global environment inhibited the ability of the GNU to implement its own program.¹⁰⁹ These views were supported by the GNU report

¹⁰⁶ South Africa Foundation (1996), "Growth For All: An Economic Strategy for South Africa."

¹⁰⁷ COSATU, FEDSAL, NACTU (1996), "Social Equity and Job Creation - The Key to a Stable Future."

¹⁰⁸ For a critical discussion of "Growth, Employment, and Redistribution," see Jonathan Michie & Vishnu Padayachee [eds.] (1997), *The Political Economy of South Africa's Transition*.

¹⁰⁹ ANC (1996), "The State and Social Transformation," discussion document.

which categorically stated that "a public expenditure growth strategy..." was not possible "in a modern economy with mobile capital ..." since it would lead to "... a deterioration in the budget and foreign balances ..." and create a loss of confidence that would undermine domestic and foreign investment.¹¹⁰ These remarks, and those by Mbeki, indicated that state elites perceived the financial resources of the private sector, and their investment, as essential for the achievement of economic growth and development. This dependence on the resources of the private sector forced the GNU to make economic policy concessions to international financial institutions, foreign investors, and domestic business. Such concessions collectively took the form of a neoliberal economic program.

This was most evident in the GNU's "Growth, Employment, and Redistribution." Establishing targets of a 6.1 percent growth rate and the creation of 409 000 jobs per annum by the year 2000, the report proposed an accelerated program of privatization, deregulation, and fiscal restraint. Foreign exchange was liberalized even further by increasing the proportion of assets that could be swapped by local financial institutions, merging holiday and business allowances to R60,000 per annum,¹¹¹ and raising the borrowing capacity of foreign investors from 50 to 100 percent of shareholders' equity.¹¹² A number of new tax allowances were announced to attract foreign investment. The government also reaffirmed its commitment to

¹¹⁰ Department of Finance (1996), "Growth, Employment, and Redistribution," p 15.

¹¹¹ South Africa has foreign currency restrictions which limits the amount of money its citizens can transfer out of the country. Prior to the new policy, citizens who went on holiday outside the country were entitled to a holiday allowance of R21 000 per person. Business persons were entitled to an annual business allowance of R40 000 to cover their expenses on trips abroad.

¹¹² Department of Finance (1996), "Growth, Employment and Redistribution: A Macro-Economic Strategy," p 12.

the sale of state assets, although it provided no concrete timetables in this regard. Fiscal restraint with a deficit target of 3 percent by 1999, is to be achieved through the rationalization of the public sector, the elimination and scaling down of some social services, budgetary reform, overhaul of the tax structure, and the establishment of more efficient mechanisms for revenue collection.¹¹³

The government's most controversial proposals, however, pertained to the labor market, where it envisaged a national social agreement to contain wage and price increases as means to underpin accelerated investment and job creation. Moreover, it suggested that a minimum wage would not be established across the whole economy, but would rather be determined on a sector and area basis.¹¹⁴ Finally, it should be noted that the government's reforms to create a flexible labor market implied the development of two sectors, one with high labor standards and relatively good wages, and the other with low labor standards and no minimum wage. This fragmentation of the labor market coupled with wage moderation, will, it is envisaged, reduce costs, increase investment, and generate at least 30 percent of new employment opportunities and over 50 percent of all jobs created in the private sector in the next five years.

Of course, the new macroeconomic strategy report professed a commitment to the RDP.¹¹⁵ But as it stood in late 1997, its proposals were diametrically opposed to those of the RDP and MERG. Its emphasis on containing government expenditure, lower fiscal deficits,

¹¹³ Ibid, pp 9-10.

¹¹⁴ Ibid, pp 17-21.

¹¹⁵ Ibid, p 1.

lower inflation, deregulation, privatization, and minimalist state intervention were in fundamental opposition to the basic policies and developmental thrust of MERG and the RDP. Alec Erwin's argument that evidence of the ANC's commitment to a developmentalist approach lay in the passage of some structural legislation, was unconvincing. It was true that some counter-trends did exist. The GNU's commitment to unbundling the conglomerates,¹¹⁶ and the passage of the National Qualifications Framework (NQF) and the Labor Relations Act (LRA), were consistent with recommendations of MERG and the RDP. But these initiatives, other than the LRA, were not necessarily incompatible with neoliberal economic strategies most often associated with the IMF, World Bank, and even the NP's NEM. Moreover, the dismantlement of the RDP office in March 1996 and the transfer of its functions to the office of Deputy President, Thabo Mbeki, suggested that the pendulum might have swung even further away from the developmentalist vision advocated by MERG and the RDP.

In fact, the GNU's macroeconomic strategy report was perfectly consistent with the neoliberal NEM that the ANC had opposed not so long ago. Scholars like Stephen Gelb and Eddie Webster who contested this by pointing to corporatist legislation and state intervention with regards to black economic advancement,¹¹⁷ refused to recognize that neoliberal economic strategies were never applied in their pure form. Even in Thatcherite Britain, elements of the

¹¹⁶ Nicky Oppenheimer, deputy chairman of Anglo-American and De Beers, has predictably come out strongly against government plans to unbundle the conglomerates. See *Business Day*, August 10, 1995.

¹¹⁷ See Eddie Webster (1996), "Speak Out, Social Democrats!," *Mail & Guardian*, August 18; Stephen Gelb and Eddie Webster (1996), "Jobs and Equity: The Social Democratic Challenge," *South African Labour Bulletin*, vol. 20, no. 3; and Stephen Gelb (1996), "The Post-Apartheid Political Economy," L. Swatuk and D. Black (eds.), *Bridging the Rift: The 'New' South Africa in Africa*, Boulder: Westview Press.

social welfare system survived. Contradictory impulses always pervade the real world. This, however, should not prevent us from being able to categorize socio-economic programs. And, the process of categorization should not zoom in on exceptions, but should rather focus on the core of the program under investigation. In the context of South Africa in the 1990's, the core of the GNU's economic strategy was neoliberal in character. Of course, some elements of this strategy did counter the general trend, but that was simply because the program was being implemented by political elites who had to be cognizant of political goals and electoral promises. The existence of corporatist legislation and state initiatives to facilitate black economic empowerment did not negate the neoliberal character of the GNU's economic program. Rather, they should have been merely conceived as contradictory impulses that accompanied the application of neoliberal economics in South Africa.

Conclusion

This chapter set out to answer why the ANC, as the leading partner in the GNU, adopted and implemented a set of economic policies that differed fundamentally from those it advocated prior to its ascension to office and that, indeed, continued in large part the policies of the NP, its political adversary in the election. It has demonstrated that the ANC originally advocated a developmentalist and regulatory economic program that stressed government intervention, regulation of the market, expansion of the public sector, the establishment of a minimum wage, policies aimed at addressing unemployment, and the symbiotic relationship between redistribution and growth. By the 1990's, the NP, international financial agencies, foreign investors, and the domestic business community advanced a

neoliberal economic program that divorced the goals of redistribution and growth, and emphasized minimal state intervention, privatization, deregulation, wage restraint, and low levels of inflation. One would have expected that the ANC's success in the April 1994 elections would have translated into the GNU's adoption and implementation of the ANC's original developmentalist and regulatory economic strategy, especially since the two economic think-tanks most closely associated with it, MERG and ISP, had drawn up detailed proposals in this vein. Instead, however, the neoliberal economic solutions ultimately triumphed and were adopted by the ANC-led GNU.

The chapter has demonstrated that the GNU's adoption of a neoliberal economic program was prompted by the distribution of resources among actors in the economic arena. Political elites identified the distinguishing features of this resource distribution as the hegemonization of market discourse that emanated from the collapse of communism, and the GNU's dependence on the economic resources of international financial agencies, foreign investors and the domestic business community. They believed that the state was unable to unilaterally develop the economy and achieve growth rates that would enable it to address their redistributive agenda. This perception prompted them to temper their economic vision and policies, a process that eventually culminated in the GNU's adoption of a new economic strategy which incorporated the more significant elements of the neoliberal economic programs advocated by international financial agencies, foreign investors, and the domestic business community. Such a concession was conceived as necessary if foreign and domestic capital were to be enticed into investing, or increasing their levels of investment, in the South African economy. The analysis here, then, shows the influences of structural factors on

agency by demonstrating that the substantive features of the democratic transition were configured by elites whose decisions and behavior were conditioned by the changing resource availabilities and, hence, the distribution of capabilities among different actors.

CHAPTER 6

FROM PLURALIST TO CORPORATIST LABOR RELATIONS

Labor relations in South Africa have been fundamentally transformed in the last two decades. Two very different sets of labor reforms were undertaken in this transitional era. In the liberalization phase of the transition (1978-1990), political elites in the apartheid government, concerned by the growing threat posed by the independent black trade unions, hoped to curb black workers' militancy by recognizing and incorporating their unions into a newly established pluralist system of labor relations.¹ This system was characterized by the ideological and programmatic independence of the union movements which was reflected in their commitment to socialism and the radical restructuring of the means of production, leading to adversarial relations among labor, capital, and the state. The ANC did not participate in the establishment of, nor did it take a position of advocacy on, this system of labor relations. ANC-aligned unions like the South African Allied Workers Union (SAAWU)

¹ See chapter 3.

and the African Food and Canning Workers Union (AFCWU), however, opposed union registration in this industrial system on the grounds that it represented collaboration with the apartheid regime and would lead to the cooptation of the black trade unions.² In any case, although most black trade unions did participate in the system, they were neither involved in its establishment, nor did they detail or take a position of advocacy on a preferred system of labor relations. The pluralist system of labor relations that emerged in the liberalization phase of the transition, then, was the initiative solely of the apartheid regime.

In the democratization phase of the transition (1990-1994), however, political elites from both the National Party (NP) and the African National Congress (ANC), supported by labor leaders, collectively undertook reforms that led to the establishment of a corporatist system of labor relations. This corporatist system was founded on the implicit acceptance of the market economy, and it facilitated cooperative relations and established a partnership among unions, businesses, and the state. This chapter explores the reasons why political elites from both the NP and ANC, and labor leaders abandoned the apartheid regime's pluralist system and established a corporatist system of labor relations.

For much of the post-World War II period, the state had maintained a repressive approach to black labor organizations. In the first three decades of apartheid rule, the state attempted to neutralize these organizations by denying them any recognition in the country's labor legislation.³ The 1956 Industrial Conciliation Act prevented the registration of racially

² See Steven Friedman (1987), *Building Tomorrow Today: African Workers in Trade Unions 1970-1984*, Johannesburg: Ravan Press, pp 168-170.

³ It needs to be noted that the marginalization of black trade unions from the country's labor legislation predates the NP's ascension to power in 1948. In fact, the apartheid regime

mixed unions and barred all Africans from belonging to registered unions. African unions were denied access to official channels, and racially structured, white, registered unions were to act as their intermediaries in negotiations with the authorities.⁴ This state strategy had its intended effect. African trade unions were all but destroyed in the decade following the 1960 Sharpeville massacre. Black workers were largely quiescent, an assessment testified to by the fact that the total number of black workers to have gone on strike between 1962 and 1972 constituted less than half the total to have gone on strike in 1973 alone.⁵

But this state strategy of denying legality to the African trade unions foundered on the rocks of the 1970s' strike wave. Confronted with a growing, militant, unregulated African trade union movement, the state scrambled to fashion an alternative strategy to neutralize the emerging threat from South Africa's organized African working class. This strategy constituted one element of the state's reform package implemented in the decade of P.W. Botha's rule.⁶ Reform of the labor relations arena was thus subsumed under the broader

simply adapted an approach that originated in the early part of the century. See Steven Friedman (1987), *Building Tomorrow Today: African Workers in Trade Unions 1970-1984*, chapter 1.

⁴ Ibid, p 34.

⁵ A total of 41,542 workers went on strike between 1962 and 1972. In 1973, 98,378 workers went on strike. See D. MacShane, M. Plaut, & D. Ward (1984), *Power: Black Workers, their Unions and the Struggle for Freedom in South Africa*, England: Spokesman, p 20; and National Manpower Commission (1986), *Certain Aspects of Strikes in the RSA*, Annexure C, pp 85-88. The devastating impact of the repression of the post-Sharpeville years on the trade union movement can also be seen from the fact that the total number of workers to have gone on strike between 1962 and 1972 was far lower than the 70,765 who went on strike between 1950 and 1961. See R. Fine and D. Davis (1990), *Beyond Apartheid: Labor and Liberation in South Africa*, Johannesburg: Ravan Press, Table 7.1, p 159.

⁶ See chapter 3.

political transition that South Africa underwent after the late 1970's.

South Africa's labor relations underwent two very different sets of reforms in the transitional era. The liberalization phase (1978-1990) saw the emergence of a pluralist model of labor relations. African trade unions were legalized and the state attempted to co-opt them through the requirement that they register with the National Manpower Commission. Many of the post-1973 African trade unions did register, but rather than being co-opted, they used the space to increase their membership, strengthen their organization, and advance worker demands.⁷ Labor relations in this era were characterized by a competitive dynamic which was reflected in African trade unions' use of strikes, issue-based negotiations, the industrial relations machinery, and the courts to challenge capital and the state for greater recognition, wage increases, and better working conditions.

The democratization phase (1990-1994) of the transition witnessed the emergence of a corporatist dynamic within the labor relations arena. The state, sometimes taking the lead, and at other times under pressure from labor and/or capital, established a number of legislated institutions through which labor, capital, and representatives of the state together were to work out legislation and long term solutions to a diverse set of contentious issues. The result was the establishment of a pattern of relationships within the industrial relations arena that emphasized the complex interdependence of labor, capital, and the state.

⁷ As note 2 indicated, the requirement to register provoked an intense debate among African trade unions. Some, like the community based unions aligned to the ANC, argued that registration implied co-optation, and should be resisted at all costs. Others, especially those associated with FOSATU, countered by suggesting that the space afforded by registration could be used to build unions and advance worker interests. For a review of this debate, see Steven Friedman (1987), *Building Tomorrow Today: African Workers in Trade Unions 1970-1984*, pp 168-170.

Two distinct models of labor relations thus emerged in the different phases of the transition. As indicated earlier, this chapter explores the reasons why actors in the democratic transition abandoned the pluralist and adopted a corporatist model of labor relations. The hypothesis, confirmed by data, is that elites' sense of economic and political vulnerability, enforced by the changing resource availabilities and, hence, the structural distribution of capabilities, prompted them to establish a corporatist model of labor relations. The chapter identifies the structural distribution of capabilities as being composed of political and ideological resources. The distinguishing feature of the political resource is the organizational strength of COSATU. The delegitimation of communism that resulted from the transformation of the international system, and the impact of the strategic alliance among the ANC, COSATU, and the SACP, on all three actors, are identified as the primary components of the ideological resource. Elites' perceptions of this resource distribution among actors is demonstrated through references to party and state documents, speeches and statements, and interviews conducted by the author with key political leaders. The analysis here, then, shows how structure influences agency by demonstrating that the substantive features of the democratic transition were configured by elites and other actors whose decisions and behavior were conditioned by the distribution of resources among them.

This chapter begins with an investigation of the differing characteristics of the pluralist and corporatist models of labor relations. It will demonstrate their applicability to labor relations in South Africa in the 1980's and 1990's. Thereafter, the chapter will proceed to explore different explanations of corporatism, their usefulness for understanding developments in South Africa's labor relations arena, and actor perceptions of the structural

distribution of capabilities. It then demonstrates how this distribution of capabilities prompted political and union elites to establish a corporatist system of labor relations. Finally, the chapter will conclude by summarizing the findings of its analysis.

Differing Models of Labor Relations

Most commentators of South Africa's labor scene would acknowledge that these two very distinct forms of labor relations emerged in the liberalization and democratization phases of the transition. Most will also concur that the current model of labor relations exhibits a significant number of corporatist features. For example, John Saul's "South Africa: Between Barbarism and Structural Reform," Johann Maree's "Trade Unions and Corporatism in South Africa," Jeremy Baskin's "Corporatism: Some Obstacles Facing the Labour Movement," and Glenn Adler's and Eddie Webster's "Challenging Transition Theory: The Labour Movement, Radical Reform, and Transition to Democracy in South Africa," clearly distinguish the corporatist model of labor relations in the 1990's from the adversarial and conflictual one of the 1980's. None of these studies, however, is directed at investigating the causal factors that prompted the emergence of the corporatist model of labor relations. Rather, they focus on explaining the benefits of corporatism vis-a-vis the adversarial model of labor relations, and identify the obstacles to, and suggest strategies by which, cooperation can be strengthened among unions, businesses, and the state.⁸ These studies, then, reflect the general

⁸ See John Saul (1991), "South Africa: Between Barbarism and Structural Reform," *New Left Review*, no. 188; Johann Maree (1993), "Trade Unions and Corporatism In South Africa," *Transformation*, no. 21; Jeremy Baskin (1993), "Corporatism: Some Obstacles Facing the Labour Movement," Centre for Policy Studies, Research Report, no. 30; Glenn Adler and Eddie Webster (1994), "Challenging Transition Theory: The Labour Movement,

preoccupation of scholars about whether corporatism would benefit or jeopardize the interests of the labor movement. This narrow parameter of the debate is at the expense of a fuller understanding of the changes that have occurred in the nature of labor relations, an understanding that is absolutely necessary if the implications of the existing corporatist model are to be fully identified, and other viable options adequately investigated.

A useful way of identifying the different models of labor relations in the transition might begin with Phillippe Schmitter's distinction between corporatist and pluralist models of interest representation. It should be noted that Schmitter uses these terms not as methodological approaches for understanding the nature of the social formation, but rather as analytical means for capturing the differing pattern of relations that exist among interest groups and the state in various social settings. Schmitter defines a pluralist system of interest representation as one in which "the constituent units are organized into an unspecified number of multiple, voluntary, competitive, nonhierarchically ordered and self-determined categories which are not specially licensed, recognized, subsidized, created or otherwise controlled in leadership selection or interest articulation by the state and which do not exercise a monopoly of representational activity within their respective categories."⁹ Corporatism, by contrast, is defined by him as a system of interest representation in which "the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed by the state and

Radical Reform, and Transition to Democracy in South Africa," paper delivered to the 13th World Congress of Sociology, Germany, 18-23 July.

⁹ Phillippe Schmitter (1974), "Still the Century of Corporatism," *The Review of Politics*, vol. 36, no. 1, p 96.

granted a representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and support."¹⁰

Having defined the two contesting models of interest representation, Schmitter hastens to qualify his definition of corporatism by identifying two different subtypes. The first, societal corporatism, refers to corporatist arrangements in parliamentary democratic societies, where interest organizations are autonomous and granted representational monopoly as a result of the support they enjoy amongst individual members of that particular interest group. In such cases, support of interest organizations constitutes an important aspect of governmental legitimacy. State corporatism, on the other hand, is characteristic of totalitarian and authoritarian societies, where interest organizations are either created or receive recognition and representational monopoly from the state because of the political design of state elites.¹¹ Since alternative interest organizations are, in such cases, eliminated by the state, those with representational monopoly continually remain dependent on the state for their funding and the right to continue operations.

Schmitter recognizes that these definitions are ideal types, and that no regime will fulfill all nine criteria. For example, Alfred Stepan notes in the case of Mexico that in spite of its being regarded as one of the most fully developed corporatist regimes, it does not meet

¹⁰ Ibid, p 97.

¹¹ Ibid, pp 102-105. For a study illustrating the operation of a state-corporatist system, see Kenneth Erickson (1977), *The Brazilian Corporative State and Working-Class Politics*, Berkeley: University of California Press.

four of the nine criteria identified by Schmitter.¹² There is thus merit in the suggestion of Ruth and David Collier that the problem of identifying forms of interest representation should not be approached in either/or terms, but rather as a "series of traits that may be present or absent to varying degrees."¹³ Moreover, for the purposes of this study, it might also be useful to locate the problem of identification in comparative terms; that is to identify and explore the characteristics of the post-1990 model of labor relations in relation to that prevalent in the 1980's.

Labor relations in South Africa in the 1980's typified what Schmitter describes as a pluralist model of interest representation. Labor was represented by a multitude of organizations, all of which were voluntarily constituted and self determined. In the early 1980's, the Federation of South African Trade Unions (FOSATU), the Council of Unions of South Africa (CUSA), and a range of "community unions" competed for the allegiance of black workers. From 1986 onwards, COSATU, the National Council of Trade Unions (NACTU), and to a lesser extent the United Workers Union of South Africa (UWUSA), vied for the support of this constituency.¹⁴ Clerical workers and artisans, mainly but not only of

¹² Alfred Stepan (1978), *The State and Society: Peru in Comparative Perspective*, Princeton: Princeton University Press, pp 68-69.

¹³ Quoted in Alfred Stepan (1978), *The State and Society: Peru in Comparative Perspective*, p 69. For the original source, see David Collier and Ruth Collier (1977), "Who Does What, to Whom, and How: Towards a Comparative Analysis of Latin American Corporatism," James Malloy (ed.) *Authoritarianism and Corporatism in Latin America*, Pittsburgh: University of Pittsburgh Press, p 493. The Colliers subsequently applied their approach comparatively in Ruth Collier and David Collier (1991), *Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America*.

¹⁴ Note that FOSATU merged with a number of the "community unions" to form COSATU, while CUSA merged with the Azanian Congress of Trade Unions (Azactu) to

White, Colored and Indian origin, were largely represented by a range of conservative unions like the Federation of Salaried Staff (FEDSAL), the Confederation of Metal and Building Unions (CMBU), the South African Typographical Union (SATU), the South African Boilermakers' Society (SABS), and the Amalgamated Union of Building Trade Workers (AUBTW). The White right was represented in the labor arena by the South African Confederation of Labor (SACOL), whose most powerful blue-collar affiliates were the Mynwerkersunie (MWU) and the South African Iron, Steel, and Allied Industries Union (Yster & Staal).¹⁵ This proliferation of labor unions, however, did not prevent COSATU and NACTU from becoming the dominant elements in the labor arena in both the 1980's and 1990's. As Chapter 3 indicated, the promotion of black workers to semi-skilled and skilled categories of workers dramatically enhanced their negotiating position vis-a-vis management and the state. Both COSATU and NACTU benefitted from this. From the mid-1980's, they were the two largest union federations in the country. COSATU's membership increased from about 400,000 in 1985 to 1,317,496 in 1994. NACTU's membership approximated 327,000 by 1994. COSATU and NACTU jointly accounted for 74 percent of the total membership of all labor federations.¹⁶

form NACTU. A series of merger talks between COSATU and NACTU foundered on the principles of non-racialism and political alliances. COSATU's membership and activist base was open to persons of all races, and the federation was aligned to the ANC. NACTU insisted on its membership and leadership being confined to persons of African, Colored, and Indian origin. It was aligned with the PAC.

¹⁵ A useful review of the range of unions operating in South Africa is provided in Martin Murray (1994), *The Revolution Deferred: The Painful Birth of Post-Apartheid South Africa*, chapter 7.

¹⁶ These figures are drawn and calculated from a number of tables in Jeremy Baskin [ed.] (1994), *Unions in Transition: COSATU at the Dawn of Democracy*, Johannesburg:

The distinguishing feature of labor relations in the 1980's was the adversarial nature of relations among the dominant union federations, capital, and the state. Both COSATU and NACTU determined their own leadership and programs of action.¹⁷ Their primary focus was to defend workers against retrenchments, increase their wages, and achieve better working conditions. A variety of means, including strikes and negotiations, were utilized to achieve these ends. But both mobilization and engagement strategies were informed by a militant class ideology that conceived gains and losses as part of a longer term struggle to radically restructure the ownership of the means of production. Engagement with capital and the state was not governed by formal political rules or by a broader public discourse that stressed the necessity of a partnership among conflicting social forces. Rather, the union movement retained an ideological and programmatic independence from both the apartheid state and capital. This reflected itself in COSATU's and NACTU's public commitment to socialism: a programmatic goal that envisaged the ultimate destruction of their adversaries. There was thus a competitive dynamic in the relations among the dominant union federations, capital, and the state in the 1980's. The only characteristic of this model of labor relations not consistent with Schmitter's definition was the requirement that all unions register with the National Manpower Commission. Other than this, the model of labor relations in the liberalization phase of the transition can be comfortably categorized as pluralist.

To be sure, the state did attempt to erode some of the pluralist characteristics of labor relations. In the early 1980's, the state attempted to impose restrictions on union membership

National Labor & Economic Development Institute (NALEDI).

¹⁷ See chapter 3 for a discussion of the evolution of the black trade union movement.

by denying union rights to migrant workers.¹⁸ On a number of occasions, senior leaders, organizers, and shop-stewards of the union movement were harassed, detained, and sometimes even killed. In 1986, 529 unionists were detained, and a further 2163 workers were arrested for participating in the activities of their unions. Banning orders were imposed on four other trade unionists, and Moses Mayekiso, the general secretary of the National Union of Metalworkers of South Africa (NUMSA), was first detained under emergency regulations, and subsequently charged with treason.¹⁹ In May 1986, the Inkatha Freedom Party (IFP), with the support of the national state, launched UWUSA in an effort to undermine COSATU and NACTU.²⁰ And, in the late 1980's, the state imposed a number of restrictions on COSATU to prevent it from engaging in political opposition to the state.²¹

But these attempts to control leadership, and to restrict the issues articulated by the unions were largely unsuccessful. Both COSATU and NACTU repelled state initiatives to gag them and limit their adversarial capabilities by ignoring limiting legislation, by organizing against these attempts, and/or by mobilizing international support for their cause. As chapter 3 indicated, unions in the early 1980's ignored legislation that restricted their membership, and organized both urban and migrant workers around a single wage demand. They responded to harassment and detentions by mass protests and publicizing the fate of detained unionists. For instance, an international campaign was organized in both Europe and the United States

¹⁸ See chapter 3.

¹⁹ See David Webster (1987), "Repression and the State of Emergency," pp 155-157.

²⁰ For a discussion of UWUSA, see Alan Fine (1987), "Trends and Developments in Organised Labor," G. Moss and I. Obery (eds.) *South African Review* 4.

²¹ See chapter 3.

around the detention and subsequent trial of Moses Mayekiso. UWUSA, which attempted to organize on a "zulu ticket," was singularly unsuccessful in limiting COSATU's and NACTU's influence, and had organized only 30,000 members by 1994.²² Both COSATU and NACTU also ignored political restrictions, and developed close working alliances with the ANC and PAC, respectively. Thus, despite state efforts to the contrary, COSATU and NACTU retained their independence and adversarial capabilities. The model of labor relations in the 1980's remained largely pluralist in character.

Many of the pluralist characteristics of this model of labor relations extended into the democratization phase of the transition. Both COSATU and NACTU remained voluntarily constituted, and self-determined labor union federations that rejected state attempts to control the selection of their leaders and issues of articulation. Moreover, the adversarial dynamic of their interactions with capital and the state continued in this period. COSATU and NACTU unions embarked on a number of strikes either against retrenchments and/or for increased wages and better working conditions.²³ The union federations launched a number of stayaways to protest the increase in VAT, state complicity in violence, and to force the state to accede to certain political demands. These adversarial interactions were, however,

²² See Jeremy Baskin [ed.] (1994), *Unions in Transition: COSATU at the Dawn of Democracy*, Table 4.2, p 63.

²³ In the first half of 1990, for instance, Andrew Levy & Associates estimated that 1.2 million days were lost through industrial action; a figure that was more than three times that for the corresponding period in 1989, and more than five times that in 1988. Andrew Levy & Associates (1990), "Annual Report on Labor Relations in South Africa." Further statistics from the same source suggest that the number of working days lost in the first nine months of 1992, 1993 and 1994 were 3.1 million, 2.4 million, 2.5 million, respectively. See *Business Day*, September 30, 1994.

gradually beginning to be accompanied by greater complementary and interdependent relationships among the labor unions, capital, and the state in the post-1990 period.

Increasingly, the adversarial dynamic in the model of labor relations was displaced in the 1990's by initiatives that facilitated the emergence of a cooperative relationship among labor unions, capital, and the state. The political dynamic at CODESA and the Multi-Party Negotiating Forum extended itself into the labor relations arena. According to Jayendra Naidoo who served as COSATU's negotiations coordinator in 1992, the union federation had four people participating through the SACP in three of the working groups in CODESA.²⁴ Moreover, it regularly held meetings with the ANC and SACP where it received report-backs and discussed strategies around the negotiations. Naidoo, who is the executive director of the National Economic Development and Labor Council (NEDLAC), acknowledged in an interview that the negotiations dynamic in CODESA crucially influenced COSATU's approach to the establishment of corporatist relations. He argued,

The political negotiations ... (and) the realization we were going to have a Government of National Unity, a formal institutionalized cooperation between the old and the new, ... triggered off a response that had an impact on people's thinking The socio-economic arena had, just like the political arena, a balance of power which prevented one side from seizing everything ... You had to have a long term compromise because of the enormity of the challenges facing us - to create jobs, to create growth, to improve the quality of life - we needed cooperation to deliver this.²⁵

²⁴ COSATU participated in CODESA through the SACP because its application for independent representation was turned down on the grounds that it was not a political party. For a discussion of its interactions with the ANC and SACP on the political negotiations, see Sakhela Buhlungu (1992), "Thumping the Table: Interview with Jayendra Naidoo," *South African Labor Bulletin*, vol. 16, no. 5; and Eddie Webster and Dot Keet (1992), "COSATU's Sam Shilowa Speaks on the National Economic Forum and Other Issues," *South African Labor Bulletin*, vol. 16, no. 3.

²⁵ Interview with Jayendra Naidoo, September 4, 1995.

This approach led to negotiations among unions, capital, and the state on labor and economic policy and on South Africa's entry into the world economy. These negotiations, unlike those of the 1980's, were subsumed under the ideological rubric of national unity, and had as their express purpose the generation of a tripartite plan to make South African companies more competitive in relation to their counterparts in other parts of the world. In this new vision, labor, capital, and the state were conceived as partners in a national project to make the South African economy more competitive. A number of forums and institutions, representing labor, capital, and the state, were informally and, in some cases legislatively, established to facilitate this partnership and negotiate the realization of this vision. Legislation negotiated in these forums was subsequently passed in parliament and promulgated by the state. Wage and other agreements between capital and labor reflected these concerns and were structured to enhance productivity and increase stability on the shop floor. To a large extent then, corporatist traits became dominant in the labor relations model of the democratization phase of the transition.

This is not to suggest that there was complete unanimity among capital, labor, and the state. Indeed, there were a number of disagreements among the three over the RDP, specific legislation, wage agreements, and even constitutional clauses. Policy documents released in 1996 by the state, the South Africa Foundation and COSATU, NACTU, and FEDSAL suggest that agreements over privatization, labor market policy, and time frames for economic reforms, still eluded the three actors.²⁶ But, unlike in the 1980's, these differences among labor, capital, and the state, pertained to the modalities of achieving a goal largely agreed to

²⁶ See chapter 5.

by all three parties. In this sense, labor's articulation of issues was constrained by its commitment to the post-apartheid state's ideology of national unity and reconciliation. Nelson Mandela articulated this best when he described NEDLAC (discussed later), the country's premier corporatist institution, as being built "on the foundation of that emerging national consensus" which has transformed "... opposing camps ... into partners, articulating different and often contradictory interests, but united in pursuit of common goals."²⁷ The location of this corporatist model of labor relations within the parliamentary democracy of the post-apartheid era, and the fact that its constituent units are not established and functionally differentiated by the state, but rather voluntarily constituted and self-determined, indicates that the corporatism in South Africa takes a societal form. The labor relations model in the democratization phase of the transition then, is more typical of those in the social-democratic societies of Western Europe.

The essential difference between the models of labor relations in the liberalization and democratization phases of the transition revolve around the nature of interactions among labor, capital, and the state. In the pluralist labor relations of the 1980's, labor and capital had clashing interests and goals, and each attempted to advance its project through what Schmitter termed "the shifting balance of mechanically intersecting forces."²⁸ By contrast, in the corporatist labor relations of the 1990's, these clashing interests of labor and capital were subsumed under the rubric of a broader state ideology of national unity and reconciliation, and the express purpose of tripartite institutions was, as Schmitter put it, the facilitation of "the

²⁷ Nelson Mandela (1995), "Speech at the Launch of the National Economic Development and Labor Council," February 18, 1995, pp 1-2.

²⁸ Philippe Schmitter (1974), "Still the Century of Corporatism?," p 97.

functional adjustment of an organically interdependent whole."²⁹ The question that needs to be posed is: Why did actors in the transition abandon a pluralist and adopt a corporatist model of labor relations? Answering this requires an analysis of the motivations and perceptions of elites and leaders of labor, capital, and the state.

Explaining the Emergence of Corporatist Institutions

This study hypothesizes that the structural distribution of capabilities motivated political elites and union leaders to adopt a corporatist model of labor relations. Before proceeding to identify the variables that constitute this structural distribution of capabilities, however, it might be useful to review the literature on corporatism to demonstrate that the hypothesis of this study is consistent with the dominant approaches used to explain the emergence of corporatist labor relations.

The international literature on corporatism emanates from three schools, each advancing a distinctive explanation for the prevalence of such arrangements in the modern world. The first, known as the historical continuity school, focussed primarily on Latin America and argued that corporatist political features on the continent have their roots in a political culture historically grounded in hierarchy, status, and patronage. One of the most noted scholars in this school, Howard Wiarda, suggested in 1981 that Latin American nations, because of their distinctive Iberian heritage, represented a "fourth world of development", "a peculiar way of managing the transformations of modern times that has not yet received the

²⁹ Ibid.

attention it merits."³⁰

The central argument of this school was that political arrangements in Latin American nations have their roots in the organic, Catholic, and scholastic premises imparted by the Iberian colonial powers. Wiarda maintained that the organic corporatist theory that governs Latin America's state-society relations "... survived some three centuries of colonial rule but also, in reordered and rebaptized form, the separations from the mother countries in the early nineteenth century, the tempestuous histories that followed.... and on into the period of accelerated industrialization, social change, and ideological challenge of the present."³¹ There is a distinct continuity, he argued, between the pre- and post-colonial periods. The nature of the society and the substantive character of the political and constitutional order extended, in an adapted form, from the pre-colonial into the post-colonial period. Corporatism was thus conceived as having its roots in an elitist, historical, and authoritarian heritage that was imparted to Latin America by its colonial powers.

A second related but distinct interpretation of corporatism emerged from the "societal reflection school" which suggested that corporatist political arrangements were merely a reflection of the natural organization of particular societies. Ronald Rogowski and Lois Wasserspring, two proponents of this thesis, argued that it was natural for groups to emerge in socially segmented societies. The state was excluded from their analysis of how groups emerged. In any case, since these groups were relatively self-directed in their political actions,

³⁰ Howard Wiarda (1981), *Corporatism and National Development in Latin America*, Boulder: Westview Press, p 52.

³¹ *Ibid*, p 55.

Rogowski and Wasserspring maintained that corporatist arrangements automatically emerged to govern the political interactions among these naturally evolved groups. Corporatism was thus a natural political arrangement in socially segmented societies.³²

Both the 'historical continuity' and 'societal reflection' explanations of the origins of corporatism have been subjected to substantial criticism. The essential weakness of the 'historical continuity' explanations was their failure to account for the diversity of political outcomes in geographical areas that were considered to have experienced similar cultural influences. Philippe Schmitter and Alfred Stepan noted in the 1970's that corporatist political arrangements in Latin America were unevenly distributed, and "that corporatist politics is relatively weak in some countries such as Columbia and Ecuador, where the Iberian Catholic ethos is generally considered to be relatively strong."³³ Moreover, Stepan argued that 'historical continuity' explanations did not account for the phenomenon of why stronger and more novel forms of corporatism emerged after a period of relative abeyance. He maintained that corporatist arrangements were more prominent in the Latin America of the 1970's than they were in the 1950's, or even in the latter part of the nineteenth century.

Stepan's criticisms also extended to explanations of the 'societal reflection' school. His principal argument against this interpretation of corporatism was its treatment of society as the independent variable and the political system as the dependent variable. It was this erroneous conception, he believed, that enabled the school to conceive of group formation

³² Rogowski and Wasserspring's work, entitled *Does Political Development Exist? Corporatism in Old and New Societies*, is summarized in Alfred Stepan (1978), *The State and Society: Peru in Comparative Perspective*, pp 59-66.

³³ *Ibid*, p 54.

as a natural process not influenced by political factors. Using Rogowski and Wasserspring's reference point, he demonstrated how the Mexican state influenced the composition and conduct of groups by splitting peasant, urban labor, and civil servants and using the party to organize them independently of each other.³⁴ His empirical analysis of group formation and conduct in the Mexican case then provided a useful counterweight to societal reflection explanations and demonstrated the role of the state in forming groups and engendering corporatist behavior.

The alternative interpretation of corporatism advanced by Stepan, Schmitter, Maier, and Panitch can be labeled "crisis response."³⁵ This perspective simply suggested that corporatist institutional arrangements were state creations in times of crisis. Stepan analyzed the emergence of state corporatism by reviewing the political programs of corporatist regimes in Peru, Brazil, Chile and Mexico. He suggested that the programmatic goal of elites in these societies was to realize an "integral security" that would serve to connect national security and development. State economic elites, he maintained, entered into an alliance with the military and multinational corporations in order to achieve the social peace that was required for the realization of their national development plans. Stepan also argued that corporatism appealed to elites throughout the Third World because "there is a widespread elite fear that the old modes of domination are breaking down, and they search for new mechanisms to link

³⁴ Ibid, p 61.

³⁵ See Alfred Stepan (1978), *The State and Society: Peru in Comparative Perspective*; Philippe Schmitter (1974), "Still the Century of Corporatism;" Charles Maier (1984), "Preconditions for Corporatism," in J. Goldthorpe (ed.) *Order and Conflict in Contemporary Capitalism*, Oxford: Clarendon Press; and L. Panitch (1986), *Working Class Politics in Crisis: Essays on Labor and the State*, London: Verso.

the lower classes to the state and new formulas to legitimize such mechanisms."³⁶ He suggested that a corporatist and statist ideology was the natural political response of elites in Africa and Latin America, once they rejected Liberal and Marxist ideas because of their legitimation of conflict.

Although Stepan's "crisis response" explanation focussed on the origins of state corporatism, it is also relevant to an understanding of the emergence of societal forms of corporatism. One application of this explanation to societal corporatism is Charles Maier's "Preconditions for Corporatism," which suggested that the origins of societal corporatist features in Western Europe could only be understood within the context of the rise of mass labor movements and their political challenge to the Liberal constitutional order. Maier contended that, during and after the First World War, the production demands imposed by the war effort and the need to minimize labor unrest prompted state elites to establish corporatist arrangements. These arrangements were maintained into the period of, and after, the Second World War. The renegotiation of corporatist arrangements in the post-World War II period was motivated, he argued, by state elites' sense of political and economic vulnerability. Sustaining these corporatist features in subsequent decades was facilitated by the strength of social-democratic parties and the legitimation of social democratic ideology which "was built upon the premise of continued bargaining among class actors for political and social gains."³⁷

³⁶ Alfred Stepan (1978), *The State and Society: Peru in Comparative Perspective*, p 58. A similar argument is made in Kenneth Erickson (1977), *The Brazilian Corporative State and Working-Class Politics*.

³⁷ Charles Maier (1984), "Preconditions for Corporatism," p 49.

On balance, then, it seems as if the 'crisis response' explanation is the more useful in explaining the rise of societal corporatism in contemporary South Africa.³⁸ This interpretation is consistent with the hypothesis of this study because it links the analysis of structure and agency. It recognizes that actors are the architects of corporatist features, but that they are motivated to construct corporatist arrangements by their political and economic vulnerability, which emerges from their perceptions of a crisis that constitutes the structural distribution of capabilities. What, then, are the variables that constitute this structural distribution of capabilities?

The analyses cited in this chapter indicate that political elites like Nelson Mandela, Tito Mboweni, and Jayendra Naidoo, and union leaders like Adrienne Bird, Enoch Godongwana, and Geoff Schreiner, perceived the distribution of capabilities as being composed of political and ideological resources. The distribution of political resources was distinguished by the organizational strength of COSATU, and its capacity to, and motivation for, organizing mass protests against the constitutional and economic settlement discussed in chapters 4 and 5. COSATU, with a membership of 1,317,496 in 1994, represented the largest social movement in the country, had an effective organizational machinery and a massive, militant base located in virtually every significant economic sector.³⁹ This gave it the potential

³⁸ The application of a "crisis response" interpretation of corporatism is novel in the South African literature, although some scholars and activists have maintained that corporatist structures and processes are intended to co-opt the union movement. For the latter view, see Alex Callinicos (1992), "Social Democratic Dreams or Class Struggle Realism;" and Bashir Vally (1992), *A Social Contract - The Way Forward*.

³⁹ These figures are provided in Jeremy Baskin [ed.] (1994), *Unions in Transition: COSATU at the Dawn of Democracy*, p 9.

to organize mass protests as was demonstrated in August 1992 when more than 4 million people supported its call to stay away from work.⁴⁰ COSATU also had the motivation to organize such mass protests. Chapters 4 and 5 demonstrated how a particular configuration in the distribution of capabilities that emerged in the late 1980's and early 1990's conditioned and informed the emergence of consensus democracy and a neoliberal economic program. Once the ANC undertook to rule South Africa on these terms, it confronted the problem of not being able to embark on a radical redistribution program that would immediately address the material grievances of, and deliver on the electoral promises it made to its constituencies. COSATU thus had the capacity and motivation for organizing mass protests. Such protests would have threatened the GNU's economic strategy which was, as indicated in chapter 5, premised on generating and maintaining business confidence, enhancing the competitiveness of South African firms, and convincing the foreign and domestic business communities to increase their levels of investment in the productive side of the economy. Mass protests, and the perception of political instability that accompanies this, would have threatened this business confidence, and undermined competitiveness and investment. In this context, corporatism seemed the most feasible response for state elites intent on neutralizing a potential opposition while simultaneously retaining a sense of political stability.

This was clearly evident in an interview with Jayendra Naidoo, and in some of the speeches and documents of Nelson Mandela and Tito Mboweni. Jayendra Naidoo, the executive director of the National Economic Development and Labor Council (NEDLAC),

⁴⁰ NA (1992), "National General Strike," *South African Labor Bulletin*, vol. 16, no. 2, p 13.

underscored the importance of the organizational strength of COSATU in informing the changing resource availabilities when he said, "we have a society where power is very well distributed. Government is ours.... but economic power is theirs.... And Labor is very powerful. This is the last growing trade union movement in the world..... It was obvious that ... the ANC was going to have an impossible job to deliver on all the expectations, and the only way to manage this was to have everybody on board."⁴¹

This concern with COSATU's capacity to destabilize the economic program of the GNU was also reflected in Tito Mboweni's address at the launch of NEDLAC. Mboweni who is the current Minister of Labor, located the launch of NEDLAC within the backdrop of the GNU's economic program which attempted to integrate South Africa into the world economy, and make its firms more competitive and responsive "to markets at a domestic and international level."⁴² This concern of the ANC, however, was not new. Mboweni, in his earlier capacity as the deputy head of the ANC's Department of Economic Planning, raised this concern in 1992, in an address to the Annual Convention of Industrial Personnel Managers. Reflecting on the collapse of communism and the resultant discrediting of commandist economic planning, he argued that,

... if workers withhold their labor power or business people their capital or management skills, then both sides lose.... When workers and employers cooperate in improving the competitive position of the firm, both sides benefit.... A co-operative partnership between labor and capital is a crucial

⁴¹ Interview with Jayendra Naidoo, Johannesburg, September 4, 1995.

⁴² Tito Mboweni (1995), "Building a Firm Base for Policy Consensus," address to the launch of NEDLAC, February 18, p 1.

determinant of stability and international competitiveness.⁴³

Mandela himself underscored the importance of stability for attracting foreign and domestic investment in his opening address to parliament on February 17, 1995, when, after threatening a clampdown on mass protests by workers and students, he proceeded to say, "Everything must be done to encourage a significant upward movement in the rate of investment to increase the productive capacity of the economy, to modernize and restructure the economy, to create jobs and to increase our international competitiveness."⁴⁴

The ideological resource that informed the structural distribution of capabilities was defined by two elements. First, the transformation of the international system, and in particular the collapse of communism in Eastern Europe and the Soviet Union, weakened the ideological capabilities of COSATU.⁴⁵ Communist rule was brought to an end, not by outside interventions, but by the very working classes it professed to represent. For the COSATU leaders, many of whom were members of the SACP, the collapse of communism catalyzed the unraveling of their own ideological framework. It ensured that there was no alternative economic discourse to that of the market. The market was celebrated as the only rational mechanism for the efficient production and allocation of goods within and among societies.

⁴³ Tito Mboweni (1992), "The Role of the Trade Union Movement in the Future South Africa," *South African Labor Bulletin*, vol. 16, no. 8, pp 25-26.

⁴⁴ Nelson Mandela (1995), "Address of President Nelson Mandela on the Occasion of the Opening of the Second Session of the Democratic Parliament," Cape Town, February 17.

⁴⁵ See, for instance, Adrienne Bird & Geoff Schreiner (1992), "COSATU at the Crossroads: Towards Tripartite Corporatism or Democratic Socialism;" and E. Godongwana (1992), "Industrial Restructuring and the Social Contract: Reforming Capitalism or Building Blocks for Socialism."

Moreover, the collapse of communism delegitimated radical and zero-sum outcomes, and promoted in its stead negotiated and compromise solutions to conflict. In this context, corporatist institutions and solutions seemed a natural response for the leadership of COSATU since they at least provided the representatives of the labor movement with a say in the economic decision-making processes of the country.

The importance of the delegitimation of communism and the hegemonization of market discourse for informing the distribution of ideological resources among actors is once again demonstrated in the articles of key union leaders.⁴⁶ Geoff Schreiner and Adrienne Bird, senior unionists in NUMSA and COSATU, suggested in "COSATU at the Crossroads," that the collapse of Eastern Europe and the Soviet Union necessitated a rethink on the meaning of socialism. They argued that the failure of the communist experiment proved "that modern day economies ... do not permit the possibility that all functions of the market can be replaced ... The market and private enterprise have to be allowed a significant role in a future socialist society."⁴⁷ On the basis of this, they proceeded to identify a range of corporatist institutions, like the NEF and the NMC, and suggested that these "become permanent institutional features

⁴⁶ Geoff Schreiner and Adrienne Bird were the national research officer and the national training officer of the National Union of Metalworkers of South Africa (NUMSA), respectively. Enoch Godongwana was the regional secretary of NUMSA in the Border region. All three individuals have now moved on to occupy different positions. Adrienne Bird left the trade union movement to join the Department of Labor, and Geoff Schreiner left to become a freelance consultant. Enoch Godongwana went on to become the national General-Secretary of NUMSA, a position he recently left to join the Eastern Cape regional government.

⁴⁷ Adrienne Bird & Geoff Schreiner (1992), "COSATU at the Crossroads: Towards Tripartite Corporatism or Democratic Socialism," p 23.

of a democratic socialist South Africa."⁴⁸

Enoch Godongwana, the General-Secretary of NUMSA, responding to critics of societal corporatism, suggested that a social accord cannot simply be rejected on the grounds that it is intended to reform capitalism. He argued,

It is important for socialists who reject social contracts not to resort to marxist rhetoric and dogmatism but to provide answers to questions facing the working class today. What do we tell the 9000 workers in the tyre manufacturing industry when tariffs are removed and their jobs are at stake? Do we tell them to wait for a socialist revolution?⁴⁹

These rhetorical questions demonstrate the conundrum of union leaders. Unionists were aware of the limiting potential of the constitutional settlement and the economic program of the GNU. But this was now a political reality. Corporatist institutions and processes seemed a reasonable solution since they at least provided labor leaders with the potential to negotiate a better future for the working class. Corporatism was a realistic, second best solution for the union movement.

Finally, the distribution of ideological resources in the labor relations arena was informed by the strategic alliance among the ANC, COSATU, and the SACP. The ANC's and COSATU's participation in the alliance conditioned their strategic choices and behavior. The consensus spirit underlying the political settlement promoted a consensual approach to state-society relations. The normative principle on which the South African transition is founded is 'national unity'. This was the central theme of Nelson Mandela's inaugural address, and it

⁴⁸ Ibid, pp 23-24.

⁴⁹ Enoch Godongwana (1992), "Industrial Restructuring and the Social Contract: Reforming Capitalism or Building Blocks for Socialism?," p 21.

is the principle that has informed much of the ANC's political relationships with both friend and foe. This principle, the overlap of membership between the ANC and COSATU, and the presence of 20 COSATU leaders on the electoral slate of the ANC, and 3 in the cabinet of the GNU, prompted political elites to adopt a consensual approach in dealing with COSATU.⁵⁰ On the other hand, the strategic alliance also facilitated an extension of this consensual spirit into the labor relations arena, crucially influencing COSATU's approach to the establishment of corporatist relations.

This is clearly reflected in a range of statements by political elites and union leaders. As was earlier indicated, Jayendra Naidoo, who served as COSATU's negotiations coordinator in 1992, explicitly recognized the role of the tripartite alliance and the political negotiations in influencing COSATU's approach to the establishment of societal corporatist relations.⁵¹ Tito Mboweni located the emergence of societal corporatism in South Africa in "the tradition of the tripartite alliance among the ANC, COSATU, and the SACP."⁵² And, Nelson Mandela underscored the importance of the political settlement's consensual spirit, which pervaded the labor relations arena through the tripartite alliance, when he described the launching of NEDLAC as another example of our "miracle whose content is defined in terms ... (of) nation-building, national unity, and national reconciliation."⁵³

⁵⁰ See Ashwin Desai & Adam Habib (1995), *COSATU and the Democratic Transition in South Africa: Drifting Towards Corporatism?*

⁵¹ Ibid.

⁵² Tito Mboweni (1992), "The Role of the Trade Union Movement in the Future South Africa," p 24.

⁵³ Nelson Mandela (1995), "Speech at the Launch of the National Economic Development and Labor Council," February 18, p 1.

Political elites, then, demonstrated an acute awareness of the changing resource availabilities and, hence, the structural distribution of capabilities in the labor relations arena. This conditioned their behavior and choices, and prompted them to establish corporatist institutions and processes. Corporatism was a political solution for state elites to neutralize a strong powerful union movement capable of undermining the political settlement and the GNU's economic program. But it was also a 'second best' strategic orientation for a COSATU leadership constrained by the delegitimation of their ideological framework, the rise to hegemony of market discourse, and their desire to remain integrally committed to the new political order negotiated by the ANC in the Multi-Party Negotiating Forum. These perceptions and desires of elites and union leaders laid the foundation of the societal corporatist experiment in South Africa.

Towards the Establishment of Corporatist Institutions

Political elites' and union leaders' conversion to a corporatist ideology can be traced back to the political dynamic that emerged between the state and opposition movements in the 1980's. Confronted by the insurrectionary flavor of political resistance in the mid-1980's, securocrats in the state apparatus developed a repressive program that succeeded in quashing popular resistance and weakening the Congress movement. The state's success in this regard, the strategic alliance formed between the United Democratic Front (UDF) and COSATU in 1986, and the subsequent banning of the UDF, forced the union federation to take up the cudgels and lead political resistance against this repression. In an effort to stem COSATU's political activities, and its increasingly aggressive stance on the shop floor, the securocrats

passed, with the blessing of employers, the Labor Relations Amendment Act (LRA) in 1988. This Act effectively attempted to deprive the union movement of its autonomy and political militancy, gains it had won since the implementation of the Wiehahn reforms in the early 1980's. COSATU and NACTU predictably mobilized against the Act, and their two years of mass struggle culminated in a historic accord in 1991 negotiated among COSATU, NACTU, the South African Consultative Committee on Labor Affairs (SACCOLA), the National Manpower Commission (NMC), and the Department of Manpower.⁵⁴

This accord, known as the Laboria Minute, stipulated that any future amendments to the LRA will be made only with the full consultation of all relevant parties. The Laboria Minute paved the way for negotiations among COSATU, NACTU, and SACCOLA over the amendments to the LRA, ultimately leading to the promulgation of the 1991 Labor Relations Amendment Act.⁵⁵ This act was the first legislation produced through trilateral negotiations among the state administration, employers, and the black trade union movement. In a follow-up accord in November 1992, signed by COSATU and the Minister of Manpower, the state committed itself to passing legislation that extended basic working conditions and labor-relation rights to farm workers, domestic servants, and certain categories of public

⁵⁴ SACCOLA represented the business community in all national negotiations with labor unions and the state. For a discussion of the accord, see Johann Maree (1993), "Trade Unions and Corporatism in South Africa," pp 30-31; and Geoff Schreiner (1991), "Fossils from the Past: Resurrecting and Restructuring the National Manpower Commission," *South African Labor Bulletin*, vol. 16, no. 1.

⁵⁵ A useful summary of the 1991 LRA is provided in Centre for Applied Legal Studies (1991), "The 1991 Labor Relations Amendment Act," *South African Labor Bulletin*, vol. 15, no. 7. It should be noted that researchers associated with the union movement still maintained that the LRA was an obstacle to the emergence of bargained corporatism, and argued for its replacement with new industrial relations legislation. See Jeremy Baskin (1993), "Corporatism: Some Obstacles Facing the Labor Movement."

employees.⁵⁶ For the first time in South African history, organized black labor was drawn into the process of drafting and determining labor legislation for the country. White unions stayed out of this process, and were, for all intents and purposes, shunted aside.

The success of the accord prompted a shift in the strategic thinking of key figures in the dominant trade union federations. As was indicated earlier, the collapse of Eastern Europe and the Soviet Union delegitimated the ideological framework of the COSATU leadership. Unionists like Geoff Schreiner and Adrienne Bird questioned their original definitions of socialism and concluded that the market and private enterprise were necessary mechanisms in any modern economy.⁵⁷ The accord, however, suggested that such a market economy did not preclude the possibility of union participation in public policy. Arguing that this would be a more democratic means of developing public policy, and what a new interpretation of socialism should involve, these key figures in COSATU opened a debate within the federation about the possibility of broadening the labor movement's participation in state institutions and establishing a social contract among labor, capital, and the state.⁵⁸ This represented the first act in the COSATU leadership's attempts to establish societal corporatist relations in South Africa.

In any case, the radical intelligentsia associated with the union federation soon jumped onto the bandwagon, and with the blessing of union leaders, labeled this approach as

⁵⁶ See Johann Maree (1993), "Trade Unions and Corporatism in South Africa," p 31.

⁵⁷ Adrienne Bird & Geoff Schreiner (1992), "COSATU at the Crossroads: Towards Tripartite Corporatism or Democratic Socialism," p 23.

⁵⁸ See Geoff Schreiner (1991), "Fossils from the Past: Resurrecting and Restructuring the National Manpower Commission."

"strategic unionism." and theorized it as an essential part of a broader political project of radical reform. Karl von Holdt, the editor of the *South African Labour Bulletin*, described strategic unionism as "a strategy for far reaching reform of the state, of the workplace, of economic decision-making and of civil society. It is a strategy driven by a broad based coalition of interest groups, at the center of which is the labor movement. Strategic unionism develops a step-by-step program of radical reforms - each of which extends the arena of democratic decision-making, and deepens the power of the working class."⁵⁹ This corporatist form of unionism constituted, in the words of the Canadian academic, John Saul, one element of "a transitional strategy of popular initiatives ... [which] leave a residue of further empowerment - in terms of growing enlightenment/class consciousness, in terms of organizational capacity - for the vast mass of the population, who thus strengthen themselves for further struggles, further victories."⁶⁰

There were differences within the corporatist camp about both its characteristics and

⁵⁹ Karl von Holdt (1992), "What is the Future of Labor," *South African Labor Bulletin*, vol. 16, no. 8, p 33. It should be noted that this definition is broadly consistent with Webster's and Lambert's notion of 'political or social movement unionism', defined as "a form of union organization that facilitates an active engagement in factory based, production politics and in community and state power issues." Rob Lambert & Eddie Webster (1988), "The Re-Emergence of Political Unionism in Contemporary South Africa," W. Cobbet & R. Cohen (ed.) *Popular Struggles in South Africa*, London: James Currey. For a recent comparative study of social movement unionism in Brazil and South Africa, see Gay Seidman (1994), *Manufacturing Militance: Workers' Movements in Brazil and South Africa, 1970-1985*, Berkeley: University of California Press. Seidman's conclusion is that social movement unionism in South Africa and Brazil is an unintended product of the authoritarian forms of industrialization embarked upon by the apartheid and military regimes respectively.

⁶⁰ John Saul (1991), "South Africa: Between Barbarism and Structural Reform," p 6.

its theoretical underpinnings.⁶¹ It should be noted that the debate over corporatism involved two issues. First, it involved the debate over the union movement's participation in tripartite boards or forums that shape public policy. Second, it involved a debate over labor autonomy in workplace matters and collective bargaining with employers. Clarifying the details in both these areas provoked disagreements among supporters of corporatism. For example, some unionists like Geoff Schreiner conceded that the social contract might place limitations on the labor movement's ability to strike.⁶² Others like Enoch Godongwana and Sam Shilowa, the current General-Secretary of COSATU, insisted that the right to strike is fundamental to the existence of the labor movement and should not be traded in any social accord.⁶³ Geoff Schreiner and Adrienne Bird challenged the tripartite conceptions of corporatism informing the proposals of most unionists, and insisted that it should be a multipartite process involving a much broader range of constituencies than simply labor, capital, and the state.⁶⁴ Some scholars used the radical political rhetoric of union leaders as the basis to distinguish the corporatist project in South Africa from those associated with the social democratic societies

⁶¹ Initially, participants in the debate did not use the term corporatism. Its usage became common only after academics like Johann Maree applied it to describe developments in South Africa's labor relations arena. See Johann Maree (1993), "Trade Unions and Corporatism in South Africa."

⁶² Geoff Schreiner (1991), "Fossils from the Past: Resurrecting and Restructuring the National Manpower Commission, p 34.

⁶³ Enoch Godongwana (1992), "Social Contract: Which Way for South Africa?," *South African Labor Bulletin*, vol. 16, no. 4, p 2; and Eddie Webster & Dot Keet (1992), "National Economic Forum: Parallel to CODESA?: Interview with Sam Shilowa," *South African Labor Bulletin*, vol. 16, no. 3, p 16.

⁶⁴ Adrienne Bird & Geoff Schreiner (1992), "COSATU at the Crossroads: Towards Tripartite Corporatism or Democratic Socialism?," *South African Labor Bulletin*, vol. 16, no. 6.

of Western Europe.⁶⁵ while others like Webster and Adler, focussing on institutions, were less concerned about the political implications of acknowledging the similarities between these two experiences. The latter also tended to deny the strategic shift in the political approach of the labor movement in the 1990's, insisting rather that the current corporatist trends of the union federations are consistent with, and are a natural evolution of, COSATU's and NACTU's decision in the early 1980's to register with the Department of Manpower, and participate in the industrial relations machinery that it established.⁶⁶

There were also scholars and unionists who criticized the emerging corporatist orientation of COSATU and NACTU on the grounds that it would weaken and co-opt the union federations.⁶⁷ But, these critics lost the debate within the labor movement, and the first few years of the democratization phase of the transition witnessed COSATU's and NACTU's participation on a range of statutory bodies affecting labor. Between 1990 and 1994, the

⁶⁵ See John Saul (1991), "Structural Reform: Between Barbarism and Structural Reform;" and J. Saul (1992), "Structural Reform: A Model for Revolutionary Transformation in South Africa," *Transformation*, no. 20.

⁶⁶ Glenn Adler & Eddie Webster (1994), "Challenging Transition Theory: The Labor Movement, Radical Reform, and Transition to Democracy in South Africa."

⁶⁷ For critical views from unionists, see Rob Rees (1992), "More Workers' Control Needed," *South African Labor Bulletin*, vol. 16, no. 7; and Alan Horwitz (1992), "Supping with SACCOLA," *South African Labor Bulletin*, vol. 16, no. 7. Both Rob Rees, who was the national organizer of the Paper, Wood and Allied Workers Union (PPAWU), and Alan Horwitz, who was a former national organizer of the South African Commercial, Catering and Allied Workers Union (SACCAWU), argue that the bureaucratization and reformist politics of the COSATU leadership was weakening the union federation. For a critical view from scholars and activists, see Alex Callinicos (1992), "Social Democratic Dreams or Class Struggle Realism," *South African Labor Bulletin*, vol. 16, no. 6; Bashir Vally (1992), *A Social Contract - The Way Forward*, Johannesburg: Phambili Books; and Ashwin Desai & Adam Habib (1994), "Social Movements in Transitional Societies: A Case Study of the Congress of South African Trade Unions," in *South African Sociological Review*, vol. 6, no. 2.

union federations sat on the NMC, the National Training Board (NTB), the National Housing Forum, the National Electricity Forum, and the National Economic Forum (NEF). Participation in the National Manpower Commission (NMC) was preceded by a struggle to restructure it with equal representatives from labor and capital. In August 1992, a statutory, advisory NMC was established by the Minister of Manpower. Unlike in the past where it was composed solely of state appointees, the restructured NMC was made up of equal representatives from employer associations, trade unions, and the state. Seven of the eleven state appointees, however, were independent legal and other experts. Labor and employer representatives were appointed by the largest organizations representing both sides. Industrial relations and other labor policy issues informed the agenda of the NMC.

COSATU's and NACTU's participation in these forums opened up a new front of negotiations. Side by side with the constitutional negotiations, the labor movement, business and the apartheid regime entered into discussions over a range of socio-economic policy matters. These negotiations were, as Jayendra Naidoo indicated, partly influenced by the consensual spirit that was emanating from CODESA and the Multi-Party Negotiating Forum. As this negotiating momentum built up, the participants extended their discussions over a wider set of issues. This ultimately culminated in the establishment of the National Economic Forum (NEF).

The NEF had its roots in the union federations' protests around the introduction of Value-Added Tax (VAT) in 1991. Estimates at the time suggested that the replacement of General Sales Tax (GST) with VAT would lead to a 5 percent increase in the amount of sales

tax paid by low-income households.⁶⁸ This led both COSATU and NACTU to embark on a series of mass actions, culminating in a general strike on November 4 and 5, 1991. Union leaders tied the strike against the VAT with the demand for a national macro-economic forum comprising employers, unions, political parties and the state. Despite massive support for the strike, the union federations were unable to prevent the introduction of VAT. But a year after the strike the state conceded a non-statutory NEF composed of state representatives, COSATU, NACTU, FEDSAL, South African Chamber of Business (SACOB), the Afrikaanse Handelsinstituut (AHI), the Foundation of African Business and Consumer Services (FABCOS), the Steel and Engineering Industries Federation (SEIFSA), and the Chamber of Mines. Macro-economic issues like unemployment and privatization,⁶⁹ and policy proposals like the government's Normative Economic Model and the annual national budget served on the agenda of the NEF and became the focus of negotiations among labor, capital, and the state.

The GNU merged the NMC and the NEF in the post-1994 period to form the National Economic Development and Labour Council (NEDLAC). Officially established through the National Economic Development and Labor Council Act, Act 35 of 1994, and launched on February 18, 1995, NEDLAC is founded on, as its executive director, Jayendra Naidoo maintains, a balance of power. Its establishment symbolizes official recognition of the

⁶⁸ This estimate is that of the Labor Research Service (LRS). See LRS (1991), "Vat Will Hit the Poor," *South African Labor Bulletin*, vol. 15, no. 8, p 79.

⁶⁹ For an overview of some of the debate on these issues in the NEF, see B. Setai (1994), "Some Issues on the Employment Problem in South Africa," in V. Maphai (ed.) *South Africa: The Challenge of Change*, Harare: Sapes Books, pp 151-155.

dispersal of power in the society, and in particular, the capabilities of COSATU and NACTU to undermine the government's economic strategy.⁷⁰ Its purpose is to serve as the vehicle by which government, labor, business, and community organizations negotiate agreements and policies that would, it is hoped, facilitate sustainable growth, greater social equity and increased participation of all stakeholders in the economy of the country.⁷¹ Four separate chambers or councils form the heart of the NEDLAC structure. The first three, focussing on public finance/monetary policy, trade/mining/agricultural/industrial policy, and labor market issues, are composed of equal representatives from organized labor, business, and the government. Broader community participation occurs through the fourth council, known as the development chamber, which is composed of representatives of national community organizations, like the South African National Civic Organisation (SANCO), with a direct interest in development and reconstruction. All four chambers are overseen by an executive council and a management committee constituted of not more than 16 members, comprising the overall conveners of labor, government, and business, as well as the conveners of the partners in each chamber. A full-time secretariat, including an executive director, manages the daily affairs of NEDLAC.⁷²

The principal purpose of NEDLAC is to organize a partnership among government,

⁷⁰ Interview with Jayendra Naidoo, September 4, 1995.

⁷¹ See "Founding Declaration of the National Economic Development and Labor Council (NEDLAC)," adopted by government, organized labor, and organized business on February 19, 1995.

⁷² For a full overview of the structures of NEDLAC, see "Constitution of the National Economic Development and Labor Council," April 25, 1995. See also "Founding Document of the National Economic Development and Labor Council (NEDLAC), February 18, 1995, pp 4-6.

labor, and business in the socio-economic arena. It is a body that attempts to draw the three contending actors into a cooperative process of formulating policies and managing institutions with the purpose of, as Nelson Mandela puts it, consolidating "...nation-building, national unity, and national reconciliation."⁷³ Towards this end, NEDLAC is mandated to consider all proposed labor legislation, and all amendments to social and economic policy, before they are introduced in parliament and/or implemented. It is also required to "promote the formulation of coordinated policy... (through seeking) ... consensus and conclude(ing) agreements on matters pertaining to social and economic policy."⁷⁴ Agreements negotiated in, and proposals recommended by, NEDLAC are expected to be promulgated by parliament.⁷⁵ In this sense, NEDLAC is a corporatist mechanism that emerged and functions within the parameters of the governing ideology of national unity and reconciliation.

NEDLAC's most significant success to date has been the consensus it produced among business, labor, and government around the Labor Relations Bill. A draft form of the Bill was published for comment by the Department of Labor on February 10, 1995. Negotiations around the bill commenced on May 4, when government, labor and business presented their responses to the bill. Thereafter, the Labor Market Chamber of NEDLAC established a negotiating committee to reach consensus on the draft bill. After a number of

⁷³ Nelson Mandela (1995), "Speech at the Launch of the National Economic Development and Labor Council," February 18, p 1.

⁷⁴ "National Economic Development and Labor Council Act, 1994," Act No. 35, Government Gazette, Cape Town, December 2, 1994, No. 16126, paragraph 5.

⁷⁵ In the words of President Mandela, "the outcome of its (NEDLAC's) deliberations in the all-encompassing arena of development is bound to have an authority that government cannot ignore." "Speech by President Nelson Mandela at the Launch of the National Economic Development and Labor Council," February 18, 1995.

negotiating sessions, two special NEDLAC tripartite workshops involving senior representatives from each constituency, and the assistance of a Committee of Principals and a technical committee, a number of agreements were concluded among labor, business, and government. According to NEDLAC, a total of 149 hours were spent in formal meetings over a ten week period to produce the consensus on the Labor Relations Bill.⁷⁶

The new labor relations legislation is remarkable for a number of reasons. First, it provides workers with an extensive right to strike, and enshrines the right of employers to lock out such workers.⁷⁷ This right to strike, however, excludes workers employed in essential and maintenance services, and does not cover issues involving unfair dismissals and retrenchments. Employers are not permitted to dismiss workers for participating in or furthering the interests of a protected strike. Moreover, they may not employ replacement labor unless the trade union involved in the dispute has been given 7 days notice of their intention to do so. But employers are entitled to lock out workers provided 48 hours notice of their intention has been given in writing to the respective trade union.⁷⁸ The legislation also recognizes the legitimacy of pickets, secondary strikes and stayaways. In the case of the latter, union federations must give NEDLAC 14 days notice of their intention to participate in

⁷⁶ "The Report of the National Economic Development and Labor Council on the Draft Labor Relations Bill," July 21, 1995, pp 1-2.

⁷⁷ See "Labor Relations Bill," introduced by the Minister of Labor to the National Assembly, ISBN 0 621 16576 X, chapter IV.

⁷⁸ A huge conflict emerged between capital and labor around the inclusion of this right in the permanent constitution adopted in May 1996. The conflict was resolved in favor of labor and the proposal of business that the right of lockout be included was rejected. Note, however, that the Constitutional Court has referred this constitution back to the Constituent Assembly to redraft certain clauses so that they accord with the constitutional principles negotiated in the Multi-Party Negotiating Forum.

protest action on socio-economic issues, and attempts must have been made in appropriate forums to address and resolve the issue in question.

Second, the new law legislates a voluntary centralized bargaining system for the first time in South Africa.⁷⁹ Bargaining councils can be voluntarily established by employers and representative unions in particular sectors. They must, however, adopt a constitution that among other characteristics, provides for equal representatives of trade unions and employer organizations, and makes provision for the representation of small and medium enterprises. Once this has been done, the council can request official registration from the Department of Labor. Bargaining councils are authorized to resolve disputes and conclude collective agreements, including those over wages. They are also responsible for promoting and establishing training and education schemes, determining by collective agreement matters around which strikes and lockouts may not be utilized, developing proposals for submission to NEDLAC on policy or legislation that may affect their sector, and establishing and administering a dispute resolution fund and/or any other scheme including pension, provident, medical aid, sick pay holiday, unemployment, etc.

This law also provides for the establishment of an intermediate institution in cases where a Bargaining Council cannot be voluntarily established. In such cases, trade unions or employer organizations representing at least 30 percent of their respective constituencies can request of the registrar that a Statutory Council be established in that sector. The powers of such councils are much more limited. They may not negotiate or conclude agreements over wages. Rather their focus should be to resolve disputes, promote and establish training

⁷⁹ Ibid, chapter III.

programs. and establish and administer funds for the benefit of one or both parties in the council. Provision is also made in the law for the evolution of Statutory Councils into Bargaining Councils if and when employers and trade unions voluntarily consent to it.

Finally, the Labor Relations law allows for the establishment of workplace forums in all enterprises with more than a 100 employees.⁸⁰ Applications for the establishment of such forums must emerge from representative trade unions and must be directed to the Commission for Conciliation, Arbitration and Mediation. The Commission must attempt to establish some consensus between employers and trade unions on the need for and nature of these forums, but may, in the cases where no consensus is reached, proceed with the establishment of such forums. Allocation of seats in these forums must reflect the occupational structure of the workplace. Employers have to consult and attempt to arrive at consensus with workplace forums on, among other issues, the restructuring of the workplace, the re-organization of work, partial or total plant closures, mergers and transfers of ownership, retrenchments, job grading, criteria for merit increases, education and training, and export promotion. The law also makes provisions for cases where no consensus can be reached between employers and workplace forums. In such cases, proposals can only be implemented if forums have been granted the opportunity to suggest alternative proposals, and employers have provided reasons why such alternatives are not feasible. Employers are mandated to enter joint decision-making with workplace forums on "disciplinary codes and procedures, rules relating to the proper regulation of the workplace in so far as they apply to conduct not related to the work performance of employees, measures designed to protect and

⁸⁰ Ibid, chapter V.

advance persons disadvantaged by unfair discrimination, and changes ... to rules regulating social benefit schemes."⁸¹ If no consensus is reached on these issues, then the matter can either be referred to the Commission or to independent arbitrators. It should be noted that employers are required to disclose all pertinent information to workplace forums in order to facilitate their effective participation.

Another innovative feature of the law is the overhaul of the current dispute resolution mechanisms, and in particular the establishment of the Commission of Conciliation, Mediation and Arbitration.⁸² In addition a Labor Court and a Labor Appeal Court have been established as judicial mechanisms with supreme authority over the industrial relations arena.⁸³ There can be no doubt that the law transforms the model of labor relations in South Africa. It establishes corporatist mechanisms that mandate negotiations among business, labor, and government over legislation, wages, work disputes, industrial restructuring, education and training, and a range of other matters. Peace and stability on South Africa's shop floor is its primary purpose, in the hope that this would promote what Mandela and Mboweni identified as the GNU's central economic goals: business confidence, competitiveness, and increased investment.⁸⁴ This legislative attempt to mediate the interests of the country's conflicting

⁸¹ Ibid, pp 100-101.

⁸² See Ibid, chapter VII, Parts A,B,C. Note that the Commission of Conciliation, Mediation, and Arbitration, and the labor courts are still in the process of being established.

⁸³ See Ibid, chapter VII, Parts D,E.

⁸⁴ See Nelson Mandela, (1995), "Address of President Nelson Mandela on the Occasion of the Opening of the Second Session of the Democratic Parliament," Cape Town, February 17; and T. Mboweni (1995), "Building a Firm Base for Policy Consensus," address to the launch of NEDLAC, February 18.

social forces is entirely consistent with the ruling party's governing ideology of national unity and reconciliation. And, it seemingly addresses the demands of the union movements to have a say in the decisions that govern the lives of their constituency.

But corporatism is not only confined to the national level. A myriad of corporatist agreements and structures have emerged at sectoral and plant level over the last few years. In the mining sector, forums comprising representatives of the National Union of Mineworkers (NUM), mining capital and the state, have been established to address the long-term decline of South Africa's gold-mining industry.⁸⁵ Similar forums have emerged in the clothing and textile sector to formulate strategies to restructure the operations of local firms so as to make them more viable and competitive.⁸⁶ And, in the automobile sector, a number of plant level agreements, sectoral wage agreements, and sectoral strategy forums comprising labor, capital, and the state, have emerged in an effort to enhance productivity and make the industry more competitive in relation to its foreign counterparts.⁸⁷ Corporatist mechanisms and agreements thus pervade the entire spectrum of the labor relations arena. South Africa's model of labor relations has, in just a few years, been totally transformed from a pluralist to a corporatist one.

⁸⁵ See Labour Bulletin Correspondent (1991), "Summit on the Mining Crisis: A New Era of Co-determination in the Mining Industry?," *South African Labour Bulletin*, vol. 15, no. 8; and Johann Maree (1993), "Trade Unions and Corporatism in South Africa," p 34.

⁸⁶ *Ibid*, p 35.

⁸⁷ See Ashwin Desai & Adam Habib (1997), "Labor Relations in Transition: The Rise of Corporatism in South Africa's Automobile Industry," *Journal of Modern African Studies*, vol. 35, no. 7.

Conclusion

This chapter set out to explain why actors in the democratic transition abandoned a pluralist, and adopted a corporatist, model of labor relations. It has illustrated that a pluralist model of labor relations, which is distinguished by the programmatic and ideological independence of the union movement, and adversarial relations among labor, capital and the state, emerged in the liberalization phase of the transition. The democratization phase of the transition, by contrast, witnessed the emergence of a corporatist model of labor relations marked by attempts to forge a partnership and establish cooperative relations among labor, capital and the state.

The chapter has demonstrated that elites' sense of economic and political vulnerability, and the ideological crisis of union leaders, enforced by the changing resource availabilities, prompted these actors to establish a corporatist model of labor relations. Elites and union leaders perceived the structural distribution of capabilities in the labor relations arena as being composed of political and ideological resources. The distinguishing feature of the political resource was the organizational strength of COSATU. The distribution of ideological resources was informed by the delegitimation of communism that resulted from the transformation of the international system, and the ideological impact of the strategic alliance among the ANC, COSATU, and the SACP, on all three actors. This distribution of resource availabilities prompted union leaders to rethink their earlier adversarial approach, and to advocate and adopt a corporatist model of labor relations. Elites, on the other hand, recognized the union movements' capabilities to undermine their economic strategy, and they sought to neutralize this through the establishment of corporatist institutions and processes.

The analysis here, then, demonstrated that structural factors constrained the behavior and decisions of key actors in the labor relations arena. This supports the dissertation's general hypothesis that the substantive features of the democratic transition were configured by elites and other actors whose decisions and behavior were conditioned by the changing resource availabilities and, hence, the structural distribution of capabilities.

CHAPTER 7

SHAPING THE INSTITUTIONS AND POLICIES OF POST-APARTHEID SOUTH AFRICA: STRUCTURAL CONSTRAINTS, RESOURCES, AND DECISION-MAKING

This study has sought to explain why negotiated outcomes in the democratic transition differed so significantly from the visions and policies advocated earlier by the ANC. Its hypothesis, confirmed by data, is that political elites and other actors were the architects of these outcomes, but that their choices, decisions, and behavior were conditioned by the structural distribution of capabilities. The analysis here, then, challenges the assumptions and methodology of transition theory which focusses narrowly on elite decisions and pact-making to explain the content and evolution of democratic transitions. This study, by contrast, has focussed on both actor behavior and decisions and the structural distribution of capabilities. It has demonstrated that political elites' and other actors' concessions and compromises, which were prompted by their perceptions of the distribution of resources among them, facilitated the establishment of a consensus democratic system with a neoliberal economic program and

a corporatist model of labor relations. The methodological approach utilized here does not deny the role of elites. Rather, it demonstrates that the role of elites was constrained by the changing resource availabilities, that is, by the structural distribution of capabilities. The case studies documented recognition by elites that changing world political and economic structures altered the resources available to them and thus led them to advocate and to shape policies very different from those they had advocated earlier.

The historical-structural approach of this study conceives historical events as a product of the dynamic interplay between agency and structure. Actors make history, but they do so within the constraints of the structural distribution of capabilities among them. This methodology distinguishes the study from other works on the South African democratic transition. As chapter 2 indicated, although most of these studies on the transition were useful because they have kept activists, scholars, and other interested individuals informed about a transition that was moving at breath-taking pace, they nevertheless did not enable us to come to terms with, and understand why, the transition took the trajectory it did. Two reasons exist for this. First, many of these works were largely descriptive. They were intended simply to tabulate the events rather than explain them. Second, those studies that had attempted explanation had utilized the dominant methodological approaches of transition theory. This meant that they interpreted the transition as a result of elite decisions and pact-making, without explaining what prompted elites to behave in this way. These studies treated historical events as the product of the unfettered interaction of actors.

This dissertation, however, explains the character of the transition as a result of concessions by actors whose choices, decisions, and behavior were conditioned by the

distribution of resources among them. Three case studies, focussing on the constitutional negotiations, economic policy, and labor relations, were analyzed to demonstrate this. These three case studies represent key elements of the democratic transition in South Africa. The issues which these cases cover generated the most intense controversy and debate among actors participating in the democratic transition. Outcomes in these three areas represent the most significant elements of the democratic settlement with wide-ranging implications for citizen participation in the political process, the material standard of living of the population, and civil society organizations' participation in the process of economic decision-making. Analyzing why outcomes in these areas differed from what the architects of the transition originally envisaged, then, enables us to draw broad generalizations about the democratic transition as a whole.

Chapter 4, which focussed on the political negotiations, set out to answer why the constitutional settlement in South Africa differed so significantly from the original proposals of its architects. It demonstrated that the NP initially advocated a consociational democratic vision which emphasized power-sharing, minority vetoes, federalism, and respect for the tenure of civil servants. The ANC, on the other hand, advanced a majoritarian conception of democracy, which stressed majority rule, a unitary state, and individual rights. The constitutional settlement, however, took the form of a consensus democracy. This allows majority decision-making, but establishes a government of national unity for five years. It encourages consensus decision-making, but does not provide vetoes for minority parties. It provides enhanced powers for regional and local government, but still provides the national government with the authority to prevail in cases of conflict. Consensus democracy, then,

represents a mix of consociational and majoritarian features, and thus it differs in good measure from the form of democracy initially advocated by the now-majority party, the ANC.

This chapter demonstrated that this consensual democratic outcome was the result of constitutional concessions by ANC and NP leaders who tailored the demands of their parties to fit the shrinking resources of the post-cold war distribution of capabilities. Political elites in both parties perceived the existence of a power stalemate where the dominant military capabilities resided in the NP, while the ANC enjoyed widespread political support. Moreover, the transformation of the international system enhanced the capabilities of foreign governments, and made the NP and ANC more amenable to a diverse set of diplomatic pressures for a negotiated resolution of South Africa's conflict. The NP was primarily influenced in this regard by diplomatic pressures from the United States, while the ANC was influenced by neighboring African countries, and by the fact that a whole set of its historic diplomatic allies in Eastern Europe and the Soviet Union disappeared from the political scene in the late 1980's and early 1990's. These national and international factors informed political elites' perceptions of a stalemate in South Africa.

This perception of a stalemate prompted both sets of elites to make constitutional concessions. Joe Slovo, the Negotiations Commission of the ANC, and the organization's NEC explicitly recognized that a sense of stalemate, informed partly by the NP's military capabilities and the transformation of the international system, prompted them to make constitutional concessions in the form of the sunset clause for five years, greater powers for regional and local government, and an undertaking to respect the legitimacy of the contracts of civil servants. The NP also recognized this sense of stalemate, and in particular the

widespread support of the ANC, when it resolved, through the Record of Understanding and subsequent cabinet meetings, to treat the ANC as its major negotiating adversary. This then prompted it also to make constitutional concessions in the form of accepting an elected constitution-making body for drawing up the permanent constitution, compromising on federalism, minority vetoes, and a rotating presidency. The result was a settlement that established a consensual democratic system, which was a second-best choice for both major adversaries in the political negotiations, exactly the kind of settlement that Dankwart A. Rustow identified as essential for the genesis of democratic political systems.

The second case study, which was the subject of chapter 5, focussed on the economic debate in South Africa and on the evolution of the economic program of the GNU. This chapter sought to answer why the ANC, as the leading partner in the GNU, adopted and implemented a set of economic policies that differed fundamentally from those it advocated prior to its ascension to office. It demonstrated that the ANC originally advocated a developmental and regulatory economic program that stressed government intervention, regulation of the market, expansion of the public sector, the establishment of a universal minimum wage, policies aimed at addressing unemployment, and the symbiotic relationship between redistribution and growth. The NP, influenced by the international financial agencies and foreign investors, and the domestic business community, advanced a neoliberal economic program that divorced the goals of redistribution and growth. Moreover, it emphasized minimal state intervention, privatization, deregulation, wage restraint with restrictions on the minimum wage, and low levels of inflation. One would have expected that the ANC's success in the April 1994 elections would have translated into the GNU's adoption and

implementation of the ANC's original developmental and regulatory economic strategy. Instead, however, the neoliberal economic solutions ultimately triumphed and were adopted by the ANC-led GNU.

Chapter 5 demonstrated that the GNU's adoption of a neoliberal economic program was prompted by state elites' perceptions of the changing resource availabilities in the economic arena. Its analysis of Thabo Mbeki's "State and Social Transformation," the GNU's macroeconomic strategy document "Growth, Employment and Redistribution," and other statements by ANC and government leaders, illustrated that political elites identified the structural distribution of capabilities as being composed of economic and ideological resources. The distribution of economic resources was informed by the government's dependence on the finances of international financial agencies, foreign investors and the domestic business community. Ideological resources were defined by the hegemony of market ideology which resulted from the collapse of the communist bloc and the transformation of the international economic system. Political elites from the ANC sized up this situation and came to believe that the state was unable unilaterally to develop the economy and achieve growth rates that would enable it to address their redistributive agenda. They thus tempered their economic vision and policies, ultimately resulting in the GNU's adoption of a new economic strategy which incorporated the more significant elements of the neoliberal economic programs advocated by the NP, international financial agencies, foreign investors, and the domestic business community. This concession was conceived as necessary if foreign and domestic capital were to be enticed into investing, or increasing their levels of investment, in the South African economy.

The final case study, which was the subject of chapter 6, focussed on the evolution of labor relations in South Africa. It set out to explain why actors in the democratic transition abandoned a pluralist, and adopted a corporatist, model of labor relations. It demonstrated that a pluralist model of labor relations, distinguished by the programmatic and ideological independence of the union movement, and adversarial relations among labor, capital and the state, emerged in the liberalization phase of the transition. The democratization phase of the transition, by contrast, witnessed the emergence of a corporatist model of labor relations marked by attempts to forge a partnership and establish cooperative relations among labor, capital and the state.

Chapter 6 demonstrated that elites' sense of economic and political vulnerability, and the ideological crisis of union leaders, enforced by the changing resource availabilities, prompted them to abandon the pluralist, and establish a corporatist, model of labor relations. It illustrated, through analyzing speeches, statements, and articles by elites and union leaders, that these actors perceived the changing resource availabilities in the labor relations arena as being composed of political and ideological resources. The distribution of political resources was informed by the organizational strength of COSATU. The ideological resources were determined by the delegitimation of communism that resulted from the transformation of the international system, and the ideological impact of the strategic alliance among the ANC, COSATU, and the SACP, on all three actors. Union leaders, constrained by the unraveling of their ideological framework and influenced by the consensual spirit of the constitutional negotiations, rethought their adversarial approach to labor relations, and ultimately advocated and adopted a corporatist model of labor relations. Political elites, on the other hand, realized

that COSATU had the organizational capabilities to undermine their economic strategy, and they thus sought to neutralize this through the establishment of corporatist institutions and processes.

All of the case studies, then, demonstrated that the distribution of resources among actors was crucial in prompting shifts in their behavior and decisions. Political elites and other actors were of course at the forefront of crafting settlements in the constitutional, economic and labor relations arenas. Their concessions and compromises enabled the emergence of a consensus democracy, a neoliberal economic program, and a corporatist model of labor relations. These concessions and compromises, however, emerged because political elites and other actors sensed the changing resource availabilities and, hence, the structural distribution of capabilities in South Africa. This analysis indicated that while transition theory's focus on elites and other actors is appropriate, it is not enough to provide a full understanding of outcomes in, and forms of democratic transitions. A simple focus on elites does not permit one to understand the motivations behind elite decisions and behavior. Inclusion of the structural distribution of capabilities as an analytical variable is crucial. This inclusion, as was demonstrated in this dissertation, enabled an understanding of the motivations behind the decisions and behavior of elites, leaders and other actors when they crafted the settlements. Democratic settlements must thus be conceived as the products of the dynamic interplay between agency and structure.

The significance of this study is that it adds a necessary correction to much of the literature on the South African transition. As indicated earlier, this literature has tended to focus on political elites and other actors without sufficiently explaining the motivations behind

their decisions and behavior. This study's inclusion of the structural distribution of capabilities as an analytical variable enabled an understanding and explanation of these motivations. In this sense it built on the analysis of earlier studies, and provided a fuller picture of the character and the political factors that conditioned the evolution of South Africa's democratic transition.

This is necessary, of course, not only for coming to terms with historical developments in South Africa, but also for facilitating the necessary task of consolidating democracy in the country. Democratic consolidation is dependent on an understanding of the forces and factors that conditioned the form and content of the transition. Such an understanding enables activists and scholars to locate the task of democratic consolidation within the contextual reality of South Africa and the world in this last decade of the current millennium. Hopefully it will also enable these same activists and scholars to develop political strategies for the consolidation of democracy that ultimately realise those hopes and aspirations of the millions of South Africans who celebrated Nelson Mandela's march to freedom on that fateful summer's afternoon of February 11, 1990.

BIBLIOGRAPHY

BOOKS

Adam. Heribert & Moodley, Kogila (1993). *The Opening of the Apartheid Mind: Options for the New South Africa*, Berkeley: University of California Press.

Africa Research Centre (1989). *The Sanctions Weapon*. Cape Town: Buchu Books.

Aglietta. Michel (1979). *A Theory of Capitalists Regulation: The US Experience*. London: New Left Books.

Anderson. Benedict (1983). *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, London: Verso.

Atkinson. Doreen & Friedman. Steven [eds.] (1994). *The Small Miracle: South Africa's Negotiated Settlement*. Johannesburg: Ravan Press.

Barrell. Howard (1990). *MK: The ANC's Armed Struggle*, London: Penguin.

Baskin, Jeremy [ed.] (1994). *Unions in Transition: COSATU at the Dawn of Democracy*. Johannesburg: National Labor & Economic Development Institute (NALEDI).

Beaufré. Andre (1963). *Introduction to Strategy*, New York: Praeger.

Bennett. Douglas & Sharpe. Kenneth (1985). *Transnational Corporations versus the State: The Political Economy of the Mexican Auto Industry*, Princeton: Princeton University Press.

Black, Philip & Dollery, Brian [eds.] (1992). *Leading Issues in South African Microeconomics: Selected Readings*, Johannesburg: Southern Book Publishers.

Black, Philip & Dollery, Brian [eds.] (1989). *Leading Issues in South African Macroeconomics: Selected Readings*, Johannesburg: Southern Book Publishers.

Bond, Patrick (1991). *Commanding Heights & Community Control: New Economics for a New South Africa*, Johannesburg: Ravan Press.

Baylis, John, Booth, Ken, Garnett, John & Williams, Phil (1975). *Contemporary Strategy: Theories and Policies*, London: Croom Helm.

Brickhill, Jeremy & Brooks, Alan (1980). *Whirlwind Before the Storm*, London: International Defense and Aid Fund for Southern Africa.

- Callinicos, Alex (1988), *South Africa: Between Reform and Revolution*. London: Bookmarks.
- Cardoso, Fernando Henrique & Faletto, Enzo (1979), *Dependency and Development in Latin America*. Berkeley: University of California Press.
- Cole, Josette (1987), *Crossroads: The Politics of Reform 1976-1986*. Johannesburg: Ravan Press.
- Collier, Ruth & Collier, David (1991), *Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America*. Princeton: Princeton University Press.
- Commonwealth Secretariat (1989). *South Africa: The Sanctions Report*. London: James Currey.
- Dahl, Robert (1971), *Polyarchy: Participation and Opposition*. New Haven: Yale University Press.
- Dahl, Robert (1961), *Who Governs?*. New Haven: Yale University Press.
- Davies, Robert, O'Meara, Dan & Dlamini, Siphon (1985). *The Struggle for South Africa*. London: Zed Books.
- De Klerk, Willem (1991). *FW de Klerk: The Man in His Time*. Johannesburg: Jonathan Ball Publishers.
- Desai, Ashwin (1996), *Arise Ye Coolies: Apartheid and the Indian 1960-1995*. Johannesburg: Impact Africa Publishing CC.
- Di Palma, Giuseppe (1990), *To Craft Democracies: An Essay on Democratic Transition*. Berkeley: University of California.
- Dunning, John & Cantwell, John (1987), *Directory of Statistics of International Investment & Production*, England: Macmillan Publishers Ltd.
- Eminent Church Persons Group (1989), *South Africa: The Sanctions Mission*, London: Zed Books Ltd.
- Erickson, Kenneth (1977), *The Brazilian Corporative State and Working-Class Politics*, Berkeley: University of California Press.
- Evans, Peter, Rueschemeyer, Dietrich & Skocpol, Theda (eds.) (1985), *Bringing the State Back In*, Cambridge: Cambridge University Press.

- Evans, Peter (1979). *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil*. Princeton: Princeton University Press.
- Fine, Robert & Davis, Dennis (1990). *Beyond Apartheid: Labour and Liberation in South Africa*. Johannesburg: Ravan Press.
- Frank, Andre Gunder (1967). *Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil*. New York: Monthly Review Press.
- Frieden, Jeffry & Lake, David (1991). *International Political Economy: Perspectives on Global Power and Wealth*. New York: St. Martin's Press.
- Friedman, Steven (ed.) (1993). *The Long Journey: South Africa's Quest for a Negotiated Settlement*. Johannesburg: Ravan Press.
- Friedman, Steven & Humphries, Richard (eds.) (1992). *Federalism and its Foes*. Johannesburg: Centre for Policy Studies.
- Friedman, Steven (1987). *Building Tomorrow Today: African Workers in Trade Unions 1970-1984*. Johannesburg: Ravan Press.
- Gerhart, Gail (1978). *Black Power in South Africa*. Berkeley: University of California Press.
- Giddens, Anthony (1984). *The Constitution of Society: Outline of a Theory of Structuration*. Cambridge: Polity Press.
- Giddens, Anthony (1979). *Central Problems in Social Theory: Action, Structure, and Contradiction in Social Analysis*. Berkeley: University of California Press.
- Giliomee, Hermann, Schlemmer, Lawrence & Hauptfleisch, Sarita (eds.) (1994). *The Bold Experiment: South Africa's New Democracy*. Halfway House: Southern Book Publishers (Pty) Ltd.
- Giliomee, Hermann & Schlemmer, Lawrence (1989). *From Apartheid to Nation-Building*. Cape Town: Oxford University Press.
- Giliomee, Hermann & Schlemmer, Lawrence (eds.) (1989). *Negotiating South Africa's Future*. New York: St. Martin's Press.
- Greenberg, Stanley (1987). *Legitimizing the Illegitimate: State, Markets, and Resistance in South Africa*. Berkeley: University of California Press.
- Greenberg, Stanley (1980). *Race and State in Capitalist Development: South Africa in Comparative Perspective*. New Haven: Yale University Press.

- Grundy, Kenneth (1988). *The Militarization of South African Politics*. Oxford: Oxford University Press.
- Gurr, Ted (1970). *Why Men Rebel?*, Princeton: Princeton University Press.
- Higley, John & Gunther, Richard (1992), *Elites and Democratic Consolidation in Latin America and Southern Europe*, Cambridge: Cambridge University Press.
- Hindson, Doug (1987), *Pass Controls and the Urban African Proletariat*, Johannesburg: Ravan Press.
- Hirson, Baruch (1979), *Year of Fire, Year of Ash*, London: Zed Press.
- Horowitz, Donald (1991), *A Democratic South Africa: Constitutional Engineering in a Divided Society*, Cape Town: Oxford University Press.
- Humphries, Richard & Reitzes, Maxine (1995), *Civil Society After Apartheid*, Johannesburg: Creda Press.
- Huntington, Samuel (1991), *The Third World Wave: Democratization in the late Twentieth Century*, Oklahoma: University of Oklahoma Press.
- Joffe, Avril, Kaplan, David, Kaplinsky, Raphael & Lewis, David (1995), *Improving Manufacturing Performance in South Africa: Report of the Industrial Strategy Project*, Cape Town: UCT Press.
- Johnstone, Frederick (1976), *Class, Race and Gold: A Study of Class Relations and Racial Discrimination in South Africa*, London: Routledge & Kegan Paul.
- Kane-Berman, John (1978), *Soweto: Black Revolt, White Reaction*, Johannesburg: Ravan.
- Lijphart, Arend (1984), *Democracies: Patterns of Majoritarian and Consensus Government in Twenty-One Countries*, New Haven: Yale University Press.
- Lijphart, Arend (1977), *Democracy in Plural Societies: A Comparative Exploration*, New Haven: Yale University.
- Lipietz, Alain (1986), *Mirages and Miracles*, London: New Left Books.
- Linz, Juan & Stepan, Alfred (1978), *The Breakdown of Democratic Regimes: Crisis, Breakdown, and Re-equilibration*, Baltimore: John Hopkins University Press.
- Lipset, Seymour Martin (1960), *Political Man*, Garden City: Doubleday.

- Lipton, Merle & Simkins, Charles [eds.] (1993), *State and Market*, Boulder: Westview Press.
- Lipton, Merle (1986), *Capitalism and Apartheid: South Africa, 1910-1984*, Washington: Gower Publishing Company Ltd.
- Lodge, Tom & Nasson, Bill (1991), *All, Here, and Now: Black Politics in South Africa in the 1980's*, Cape Town: David Philip.
- Lodge, Tom (1983), *Black Politics in South Africa since 1945*, New York: Longman Group Ltd.
- MacShane, Denis, Plaut, Martin & Ward, David (1984), *Power: Black Workers, their Unions and the Struggle for Freedom in South Africa*, England: Spokesman.
- Mare, Gerhard (1993), *Ethnicity and Politics in South Africa*, London: Zed Books.
- Marx, Anthony (1992), *Lessons of Struggle: South African Internal Opposition, 1960-1990*, New York: Oxford University Press.
- McCuen, John (1966), *The Art of Counter-Revolutionary War*, London: Faber.
- Michie, Jonathan & Padayachee, Vishnu (1997), *The Political Economy of South Africa's Transition*, London: Dryden Press.
- Miliband, Ralph (1969), *The State in Capitalist Society*, New York: Basic Books.
- Miliband, Ralph & Panitch, Leo (eds.) (1994), *The Socialist Register 1994*, London: Merlin Press.
- Moll, Peter, Natrass, Nicoli, & Loots, Lieb [eds.] (1991), *Redistribution: How Can It Work in South Africa?*, Cape Town: David Philip.
- Moore Jr, Barrington (1966), *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*, Boston: Beacon Press.
- Moss, Glenn & Obery, Ingrid [eds.] (1992), *South African Review 6: From 'Red Friday' To Codesa*, Johannesburg: Ravan Press.
- Munck, Ronaldo (1989), *Latin America: The Transition to Democracy*, London: Zed Books Ltd.
- Murray, Martin (1994), *The Revolution Deferred: The Painful Birth of Post-Apartheid South Africa*, London: Verso.

- Nattrass, Nicoli (1992). *Profits and Wages: The South African Economic Challenge*. Johannesburg: Penguin.
- No Sizwe (1979). *One Azania, One Nation: The National Question in South Africa*. London: Zed Press.
- O'Donnell, Guillermo, Schmitter, Philippe & Whitehead, Lawrence (1986). *Transitions from Authoritarian Rule*. Baltimore: John Hopkins University Press.
- O'Donnell, Guillermo & Schmitter, Philippe (1986). *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies*, vol. 4. USA: John Hopkins University Press.
- O'Donnell, Guillermo (1979). *Modernization and Bureaucratic-Authoritarianism*, Berkeley: University of California.
- Orkin, Mark (1989). *Sanctions Against Apartheid*. Cape Town: David Philip.
- O'Meara, Dan (1983). *Volkskapitalisme: Class, Capital and Ideology in the Development of Afrikaner Nationalism 1934-1948*. Cambridge: Cambridge University Press.
- Ottaway, David (1993). *Chained Together: Mandela, De Klerk, and the Struggle to Remake South Africa*. New York: Random House.
- Panitch, Leo (1986). *Working Class Politics in Crisis: Essays on Labour and the State*. London: Verso.
- Petras, James (1973). *Latin America: From Dependence to Revolution*. New York: John Wiley.
- Poulantzas, Nicos (1973). *Political Power and Social Classes*. London: New Left Books.
- Price, Robert (1991). *The Apartheid State in Crisis: Political Transformation in South Africa, 1975-1990*. New York: Oxford University Press.
- Pridham, Geoffrey (ed.) (1984). *The New Mediterranean Democracies: Regime Transition in Spain, Greece and Portugal*. London: Frank Cass and Company Ltd.
- Przeworski, Adam (1991). *Democracy and the Market*. Cambridge: Cambridge University Press.
- Rhodie, Nicolaas & Venter, Hermanus (1960). *Apartheid: A Socio-Historical Exposition of the Origin and Development of the Apartheid Idea*. Pretoria: Haum.

- Schumpeter. Joseph (1947). *Capitalism, Socialism and Democracy*. New York: Harper.
- Seidman, Gay (1994). *Manufacturing Militance: Workers' Movements in Brazil and South Africa, 1970-1985*. Berkeley: University of California Press.
- Slabbert, Frederick van Zyl (1992). *The Quest for Democracy: South Africa in Transition*. Johannesburg: Penguin.
- Slabbert, Frederick van Zyl (1989). *The System and the Struggle: Reform, Revolt and Reaction in South Africa*. Johannesburg: Jonathan Ball Publishers.
- Sorensen, Georg (1993). *Democracy and Democratization: Processes and Prospects in a Changing World*. Boulder: Westview Press.
- Sparks, Allister (1994). *Tomorrow is Another Country*. Sandton: Strunk Book Distributors (PTY) Ltd.
- Sparks, Allister (1990). *The Mind of South Africa*. New York: Ballantine Books.
- Stepan, Alfred (1978). *The State and Society: Peru in Comparative Perspective*. Princeton: Princeton University Press.
- Suttner, Raymond & Cronin, Jeremy (1986). *Thirty Years of the Freedom Charter*. Johannesburg: Ravan Press.
- Tarrow, Sidney (1994). *Power in Movement: Social Movements, Collective Action and Politics*. Cambridge: Cambridge University Press.
- Vally, Bashir (1992). *A Social Contract-The Way Forward*. Johannesburg: Phambili Books.
- Van Ameringen, Marc [ed.] (1995). *Building a New South Africa: Economic Policy*, vol. 1. Ottawa: International Development Research Center.
- Vanhanen, Tatu (1990). *The Process of Democratization: A Comparative Study of 147 States*. New York: Taylor & Francis New York Inc.
- Von Clausewitz, Carl (1949). *On War*, translated by J.J. Graham, London: Routledge.
- Whiteford, Andrew & McGrath, Mike (nd). *Distribution of Income in South Africa*. Pretoria: Human Science Research Council.
- Waldmeir, Patti (1997). *Anatomy of a Miracle: The End of Apartheid and the Birth of a New South Africa*. London: Viking.

Weber, Max (1948). *From Max Weber: Essays in Sociology*. translated and edited by Hans H. Gerth & C. Wright Mills. London: Routledge.

Wedgwood, Cicely V. (1945). *William the Silent, William of Nassau, Prince of Orange, 1533-1584*. New Haven. Yale University Press.

Wiarda, Howard (1981). *Corporatism and National Development in Latin America*. Boulder: Westview Press.

Wolpe, Harold (1988). *Race, Class and the Apartheid State*. Amsterdam: UNESCO Press.

CHAPTERS IN BOOKS

Althusser, Louis (1971). "Ideology and Ideological State Apparatuses." in Louis Althusser, *Lenin and Philosophy and Other Essays*, New York: Monthly Review Press.

Armstrong, Amanda (1987). "Hear No Evil, Speak No Evil: Media Restrictions and the State of Emergency." in Glenn Moss & Ingrid Obery (eds.), *South African Review 4*. Johannesburg: Ravan Press.

Bond, Patrick & Mayekiso, Mzwanele (1996). "Developing Resistance. Resisting 'Development': Reflections from the South African Struggle." in Leo Panitch (ed.), *Socialist Register 1996*. London: Merlin Press.

Bromberger, Norman & Hughes, Kenneth (1987). "Capitalism and Underdevelopment in South Africa." in Jeffrey Butler, Richard Elphick, & David Welsh (eds.), *Democratic Liberalism in South Africa: Its History and Prospect*. Cape Town: David Philip (Pty) Ltd.

Chaskalson, Matthew, Jochelson, Karen & Seekings, Jeremy (1987). "Rent Boycotts and the Urban Political Economy," in Glenn Moss & Ingrid Obery (eds.), *South African Review 4*. Johannesburg: Ravan Press.

Cobbett, William, Glaser, Daryl, Hindson, Doug & Swilling, Mark (1988), "A Critical Analysis of the South African State's Reform Strategies in the 1980's," in Philip Frankel, Noam Pines, & Mark Swilling (eds.), *State, Resistance and Change in South Africa*. Johannesburg: Southern Book Publishers.

Collier, David & Collier, Ruth (1977), "Who Does What, to Whom, and How: Towards a Comparative Analysis of Latin American Corporatism," in James Malloy (ed.) *Authoritarianism and Corporatism in Latin America*, Pittsburgh: University of Pittsburgh Press.

Davies, Robert (1987), "South African Regional Policy Post-Nkomati: May 1985-December

- 1986," in Glenn Moss & Ingrid Obery (eds.) *South African Review 4*. Johannesburg: Ravan Press.
- Fine, Alan (1987). "Trends and Developments in Organised Labor," in Glenn Moss & Ingrid Obery (eds.) *South African Review 4*. Johannesburg: Ravan Press.
- Frank, Andre Gunder (1993). "Marketing Democracy in an Undemocratic Market." in Barry Gills, Joel Rocamora, and Richard Wilson (eds.) *Low Intensity Democracy*. London: Pluto Press.
- Gelb, Stephen (1996). "The Post-Apartheid Political Economy." in Larry Swatuk & David Black (ed.). *Bridging the Rift: The 'New' South Africa in Africa*. Boulder Colon: Westview Press.
- Grest, Jeremy (1988). "The Crisis of Local Government in South Africa." in Philip Frankel, Noam Pines, & Mark Swilling (eds.), *State, Resistance and Change in South Africa*. Johannesburg: Southern Book Publishers.
- Hindson, Doug (1991). "The Restructuring of Labour Markets in South Africa: 1970's and 1980's." in Stephen Gelb (ed.), *South Africa's Economic Crisis*. Cape Town: David Philip.
- Horowitz, Donald (1993). "Comparing Democratic Systems," in Larry Diamond & Mark Plattner (eds.), *The Global Resurgence of Democracy*. Baltimore: John Hopkins University Press.
- Lambert, Rob & Webster, Eddie (1988). "The Re-Emergence of Political Unionism in Contemporary South Africa," in William Cobbett & Robin Cohen (eds.) *Popular Struggles in South Africa*. London: James Currey.
- Legassick, Martin (1975). "South Africa: Forced Labor, Industrialization and Racial Differentiation." in Richard Harris (ed.), *The Political Economy of Africa*, London: John Wiley & Son.
- Lijphart, Arend (1994). "Prospects for Power-Sharing in the New South Africa," in Andrew Reynolds (ed.) *Election 94: The Campaigns, Results and Future Prospects*, Cape Town: David Philip.
- Juan Linz (1993). "The Perils of Presidentialism," in Larry Diamond & Marc Plattner (eds.), *The Global Resurgence of Democracy*, Baltimore: John Hopkins University Press.
- Tom Lodge (1987). "The African National Congress after the Kabwe Conference," in Glenn Moss & Ingrid Obery (eds.), *South African Review 4*, Johannesburg: Ravan Press.
- Maier, Charles (1984). "Preconditions for Corporatism," in Jonathan Goldthorpe (ed.), *Order*

- and Conflict in Contemporary Capitalism*. Oxford: Clarendon Press.
- Mann, Michael (1988), "The Giant Stirs: South African Business in the Age of Reform," in Philip Frankel, Noam Pines, & Mark Swilling (eds.), *State, Resistance and Change in South Africa*. Johannesburg: Southern Books Publishers.
- Marx, Karl (1972). "The Eighteenth Brumaire of Louis Bonaparte," in Robert Tucker (ed.), *The Marx-Engels Reader*. New York: W.W. Norton.
- Nef, Jorge (1991). "Normalization, Popular Struggles, and the Receiver State," in Jan Knipper Black (ed.), *Latin America: Its Problems and Its Promise*. Boulder: Westview Press.
- O'Dowd, Michael (1978). "South Africa in the Light of the Stages of Economic Growth," in Lawrence Schlemmer & Eddie Webster (eds.), *Change, Reform and Economic Growth in South Africa*. Johannesburg: Ravan Press.
- Padayachee, Vishnu (1997), "The Evolution of South Africa's International Financial Relations and Policy: 1985-95," in Jonathan Michie & Vishnu Padayachee (eds.), *The Political Economy of South Africa's Transition*. London: Dryden Press.
- Pastor Jr., Manuel (1991). "Latin America, the Debt Crisis, and the International Monetary Fund," in Jeffrey Frieden & David Lake (eds.), *International Political Economy: Perspectives on Global Power and Wealth*. New York: St. Martin's Press.
- Platzky, Laurine (1987). "Restructuring and Apartheid: Relocation during the State of Emergency," in Glenn Moss & Ingrid Obery (eds.), *South African Review 4*. Johannesburg: Ravan Press.
- Sarakinsky, Ivor (1994). "Rehearsing Joint Rule," in Doreen Atkinson & Steven Friedman (eds.), *The Small Miracle: South Africa's Negotiated Settlement*, Johannesburg: Ravan Press.
- Saul, John (1994), "Thinking the Thinkable: Globalism, Socialism and Democracy in the South African Transition," in Ralph Miliband & Leo Panitch (eds.), *The Socialist Register 1994*, London: Merlin Press.
- Setai, B (1994), "Some Issues on the Employment Problem in South Africa," in Vincent Maphai (ed.), *South Africa: The Challenge of Change*, Harare: Sapes Books.
- Shaw, Mark (1994), "Biting the Bullet: Negotiating the New Military," in Doreen Atkinson & Steven Friedman (eds.), *The Small Miracle: South Africa's Negotiated Settlement*, Johannesburg: Ravan Press.
- Swilling, Mark (1987), "Stayaways, Urban Protest and the State," in South African Research Service (eds.), *South African Review 3*, Johannesburg: Ravan Press.

Waltz, Kenneth (1986), "Political Structures," in Robert Keohane (ed.), *Neorealism and its Critics*. New York: Columbia University Press.

Webster, David (1987), "Repression and the State of Emergency," in Glenn Moss & Ingrid Obery (eds.), *South African Review 4*, Johannesburg: Ravan Press.

Welsh, David (1987), "Democratic Liberalism and Theories of Racial Stratification," in Jeffrey Butler, Richard Elphick, & David Welsh (eds.), *Democratic Liberalism in South Africa: Its History and Prospect*. Cape Town: David Philip (Pty) Ltd.

Yudelman, David (1987), "State and Capital in South Africa," in Jeffrey Butler, Richard Elphick, & David Welsh (eds.), *Democratic Liberalism in South Africa: Its History and Prospect*. Cape Town: David Philip (Pty) Ltd.

PERIODICALS, CONFERENCE PAPERS, NEWSPAPERS, AND REFERENCE WORKS

Adelzadeh, Azghar & Padayachee Vishnu (1994), "The RDP White Paper: Reconstruction of a Development Vision," *Transformation*, no. 25.

Adler, Glenn & Webster, Eddie (1994), "Challenging Transition Theory: The Labour Movement, Radical Reform, and the Transition to Democracy in South Africa," paper presented to the 13th World Congress of Sociology, Germany: July 18-23

Africa - South of the Sahara 1995, 24th edition. England: Europa Publications Ltd.

African Business. June 1994.

African Business. November 1993.

Africa Confidential, October 29, 1989.

Alexander, Neville (1986), "Approaches to the National Question in South Africa," *Transformation*, no. 1.

Almond, Gabriel & Genco, Stephen (1977), "Clouds, Clocks, and the Study of Politics," *World Politics*, no. 29.

ANC Youth League (1992), "Summary of Ideas on Negotiations and the Way Forward," *The African Communist*, no. 131.

Atlas, James (1995), "Pinpointing a Moment on the Map of History," *The New York Times*, March 19.

- Barrell, Howard (1987), "Soviet Policy in Southern Africa." *Work in Progress*, no.48.
- Baskin, Jeremy (1993). "Corporatism: Some Obstacles Facing the Labour Movement." Centre for Policy Studies, Research Report, no. 30.
- Bell, Trevor (1995). "Improving Manufacturing Performance in South Africa: A Contrary View," *Transformation*, no. 28.
- Bell, Trevor (1993). "The Impact of Sanctions on South Africa." *Journal Of Contemporary African Studies*, vol. 12, no. 1.
- Bermeo, Nancy (1990). "Rethinking Regime Change." *Comparative Politics*, vol. 22, no. 3.
- Bird, Adrienne & Schreiner, Geoff (1992). "COSATU at the Crossroads: Towards Tripartite Corporatism or Democratic Socialism?," *South African Labour Bulletin*, vol. 16, no. 6.
- Bluestone, Barry & Harrison, Bennett (1988), "The Growth of Low-Wage Employment: 1963-86," *American Economic Review*, vol. 78, no. 2.
- Bomman, E (nd). "Patterns of Group Identification in South Africa and their Implications for Reconciliation." Research Paper, Centre for Socio-Political Analysis, Pretoria: HSRC.
- Buhlungu, Sakhela (1992). "Thumping the Table: Interview with Jayendra Naidoo." *South African Labour Bulletin*, vol. 16, no. 5.
- Business Day*, September 30, 1997.
- Business Day*, February 2, 1996.
- Business Day*, December 11, 1995.
- Business Day*, December 8, 1995.
- Business Day*, December 6, 1995.
- Business Day*, August 10, 1995.
- Business Day*, July 14, 1995.
- Business Day*, June 13, 1995.
- Business Day*, March 20, 1995.
- Business Day*, March 13, 1995.

- Business Day*, January 27, 1995.
- Business Day*, November 14, 1994.
- Business Day*, November 11, 1994.
- Business Day*, March 24, 1994.
- Callinicos, Alex (1996), "South Africa After Apartheid," *International Socialism*, no. 70.
- Callinicos, Alex (1992). "Social Democratic Dreams or Class Struggle Realism." *South African Labour Bulletin*, vol. 16, no. 6.
- Central Advisory Service (1993), "The Key Issues in the Normative Economic Model," Pretoria: Government Printer.
- Central Statistical Service [CSS] (1994). *South African Statistics*, Pretoria: Government Printer.
- Central Statistical Service [CSS] (1991), *South African Statistics*, Pretoria: Government Printer.
- Centre for Applied Legal Studies (1991). "The 1991 Labor Relations Amendment Act." *South African Labour Bulletin*, vol. 15, no.7.
- Clark, Simon (1988), "Overaccumulation, Class Struggle and the Regulation Approach," *Capital & Class*, no. 36.
- Citizen*, March 19, 1994.
- Cronin, Jeremy (1994), "Sell-Out, or the Culminating Moment: Trying to Make Sense of the Transition." paper presented to the History Workshop, University of Witwatersrand: 13-15 July.
- Cronin, Jeremy (1992), "The Boat, the Tap, and the Leipzig way," *The African Communist*, no. 130.
- Cronin, Jeremy (1992), "Dreaming of the Final Showdown: A Reply to Jordan and Nzimande," *The African Communist*, no. 131.
- Daniel, John (1996), "A Response to Guelke: The Cold War Factor in South Africa's Transition," *Journal of Contemporary African Studies*, vol. 14, no. 1.
- Davies, James (1962), "Toward a Theory of Revolution," *American Sociological Review*, no.

27.

Desai. Ashwin & Habib. Adam (1997), "Labour Relations in Transition: The Rise of Corporatism in South Africa's Automobile Industry," *Journal of Modern African Studies*, vol. 35, no. 7.

Desai. Ashwin & Habib. Adam (1995), "COSATU and the Democratic Transition in South Africa: Drifting Towards Corporatism?," *South Asia Bulletin: Comparative Studies of South Asia, Africa and the Middle East*, vol. XV, no. 1.

Desai. Ashwin & Habib. Adam (1994), "Social Movements in Transitional Societies: A Case Study of the Congress of South African Trade Unions," *South African Sociological Review*, vol. 6, no. 2.

Dessler. David (1989), "What's at Stake in the Agent-Structure Debate?," *International Organization*, no. 43.

Du Toit, Andre (1990), "South Africa as Another Case of Transition from Authoritarian Rule." Research Paper. Cape Town: IDASA.

Erickson. Kenneth & Peppe, Patrick (1976), "Dependent Capitalist Development, U.S. Foreign Policy, and Repression of the Working Class in Chile and Brazil," *Latin American Perspectives*, winter edition.

Erwin. Alec (1992), "Economic Reconstruction: Towards a Socialist Economy," *The African Communist*, second quarter.

Fine. Ben (1994), "Politics and Economics in ANC Economic Policy: An Alternative Assessment," *Transformation*, no. 25.

Fine. Ben (1994), "Privatization and the RDP: A Critical Assessment," *Transformation*, no.27.

Fine, Ben (1986), "The Freedom Charter: A Critical Appreciation," *South African Labour Bulletin*, vol. 11, no. 3.

Financial Times, November 21, 1995.

Financial Mail, December 3, 1976.

Finance Week, September 5-11, 1996.

Finance Week 200, March 28, 1995.

- Fleshman, Mike & Cason, Jim (1988), "The State of Apartheid: Assessing Sanctions at Year 1." in *Transformation*, no. 7.
- Friedman, Steven (1994). "Holding a Divided Centre: Prospects for Legitimacy and Governance in Post-Settlement South Africa," paper delivered to the 16th World Congress of the International Political Science Association, Berlin, August 21-25.
- Friedman, Steven (1993). "South Africa's Reluctant Transition." *Journal of Democracy*. John Hopkins University Press: April Edition.
- Gelb, Stephen & Webster, Eddie (1996). "Jobs and Equity: The Social Democratic challenge," *South African Labour Bulletin*, vol. 20, no. 3.
- Gelb, Stephen (1990). "Democratising Economic Growth: Crisis and Growth Models for the Future." paper presented to the Economic Society of South Africa, Durban, June 5.
- Gelb, Stephen (1988), "Moving Forward on Sanctions: A Reply to Fleshman and Cason." in *Transformation*, no. 7.
- Ginsburg, David (1996). "The Democratization of South Africa: Transition Theory Tested." *Transformation*, no. 29.
- Glyn, Andrew (1992). "The Costs of Stability: The Advanced Capitalist Countries in the 1980s." *New Left Review*, no. 195.
- Glyn, Andrew & Rowthorn, Bob (1988), "West European Unemployment: Corporatism and Structural Change." *American Economic Review*, vol. 78, no. 2.
- Godogwana, Enoch (1992). "Social Contract: Which Way for South Africa?." *South African Labour Bulletin*, vol. 16, no. 4.
- Gwala, Harry (1992), "Negotiations as Presented by Joe Slovo." *The African Communist*, no. 131.
- Habib, Adam, Pillay, Devan & Desai, Ashwin (1998), "South Africa and the Global Order: The Structural Conditioning of a Transition to Democracy," *Journal of Contemporary African Studies*, vol. 16, no. 1.
- Habib, Adam (1991), "The SACP's Restructuring of Communist Theory and Practice: A Shift to the Right," *Transformation*, no. 14.
- Hindson, Doug & Cranshaw, Owen (1990), "Occupational Racial Structure in South African Industry 1965-1987," vol. 4, Table 5, unpublished data based on the Manpower Surveys, CSS, Pretoria.

- Hudson, Peter & Sarakinsky, Mike (1986). "Class Interests and Politics: The Case of the Urban African Bourgeoisie." in South African Research Service (ed.), *South African Review* 3. Johannesburg: Ravan Press.
- Innes, Duncan (1986), "Monetarism and the South African Crisis." in South African Research Service (eds.), *South African Review* 3, Johannesburg: Ravan Press.
- Innes, Duncan (1985), "The Freedom Charter and Workers' Control," *South African Labour Bulletin*, vol. 11, no. 2.
- Jordan, Pallo (1992). "Strategic Debate in the ANC: A Response to Joe Slovo." *The African Communist*, no. 131.
- Jung, Courtney & Shapiro, Ian (1994/1995). "South Africa's Negotiated Transition: Democracy and Opposition in Comparative Perspective." *Politics and Society*, vol. 23, no. 3.
- Kaplinsky, Raphael (1994). "Economic Restructuring in South Africa: The Debate Continues: A Response." *Journal of Southern African Studies*, vol. 20, no. 4.
- Karis, Tom (1995). "'A Small Miracle' Continues: South Africa, 1994-1999." *The Round Table*, no. 334.
- Karl, Terry Lyn (1990), "Dilemmas of Democratization in Latin America." *Comparative Politics*, vol. 23, no. 1.
- Keesing's Contemporary Archives*, September 1986.
- Keesing's Contemporary Archives*, August 1985.
- Keesing's Contemporary Archives*, July 1977.
- Kitschelt, Herbert (1992), "Political Regime Change: Structure and Process-Driven Explanations?," *American Political Science Review*, vol. 86, no. 4.
- Labour Bulletin Correspondent (1991), "Summit on the Mining Crisis: A New Era of Co-determination in the Mining Industry?," *South African Labour Bulletin*, vol. 15, no. 8.
- Labour Monitoring Group (LMG) (1985), "Report: The November Stayaway," in *South African Labour Bulletin*, vol. 10, no. 6.
- Labour Monitoring Group (LMG) (1985), "The March Stayaways in Port Elizabeth and Uitenhage," in *South Africa Bulletin Labour*, vol. 11, no. 1.

- Labour Research Service [LRS] (1991). "Vat Will Hit the Poor." *South African Labour Bulletin*, vol. 15, no. 8.
- Legassick, Martin (1985). "South Africa in Crisis: What Route to Democracy." *African Affairs*, vol. 84, no. 334.
- Legassick, Martin (1974). "South Africa: Capital Accumulation and Violence." *Economy and Society*, vol. 3, no.3.
- Lijphart, Arend (1985). "Power-Sharing in South Africa." *Institute of International Studies: Policy Papers in International Affairs*, no. 24.
- Lipset, Seymour Martin (1959). "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review*, vol. LIII.
- London Financial Times*, November 1991.
- MacDonald, Michael (1996). "Power Politics in the New South Africa," *Journal of Southern African Studies*, vol. 22.
- MacDonald, Michael (1992). "The Siren's Song: The Political Logic of Power-Sharing in South Africa." *Journal of Southern African Studies*, vol. 18, no.4.
- Mahoney, James & Snyder, Richard (nd), "Rethinking Agency and Structure in the Study of Regime Change." unpublished manuscript.
- Maree, Johann (1993). "Trade Unions and Corporatism in South Africa." *Transformation*, no. 21.
- Mboweni, Tito (1992). "The Role of the Trade Union Movement in the Future South Africa." *South African Labour Bulletin*, vol. 16, no. 8.
- McCarthy, Jeff & Bernstein, Ann (1995), "Post-Apartheid Population and Income Trends: A New Analysis," CDE report.
- Meth, Charles (nd), "The Productivity Problem," unpublished mimeo.
- Moll, Terence (1991), "Growth Through Redistribution: A Dangerous Fantasy," *South African Journal of Economics*, vol. 59, no. 3.
- Morris, Mike & Padayachee, Vishnu (1989), "Hegemonic Projects, Accumulation Strategies and State Reform Policy in South Africa," *Labor, Capital and Society*, vol. 22, no.1.
- Munck, Gerardo (1994), "Democratic Transitions in Comparative Perspective," *Comparative*

- Politics*, vol. 26, no. 3.
- N.A. (1991). "National General Strike." *South African Labour Bulletin*, vol. 16, no. 2.
- Nattrass, Nicoli (1994). "Politics and Economics in ANC Economic Policy." *African Affairs*, no. 93.
- Nattrass, Nicoli (1994). "Economic Restructuring in South Africa: The Debate Continues." *Journal of Southern African Studies*, vol. 20, no. 4.
- New York Times*, January 20, 1995.
- Nzimande, Blade (1992). "Let Us Take the People with Us: A Reply to Joe Slovo." *The African Communist*, no. 131.
- O'Donnell, Guillermo (1994). "Delegative Democracy." *Journal of Democracy*, vol. 5.
- O'Donnell, Guillermo (1993). "On the State, Democratization, and Some Conceptual Problems: A Latin American View with Glances at Some Postcommunist countries." *World Development*, vol. 21, no. 8.
- Padayachee, Vishnu (1994). "Debt, Development and Democracy: The IMF in Post-Apartheid South Africa." *Review of African Political Economy*, no.62.
- Padayachee, Vishnu (1987). "Apartheid South Africa and the International Monetary Fund." *Transformation*, vol. 3
- Political Update*, Second Update, 1994.
- Rantete, Johannes & Giliomee, Hermann (1992), "Transition to Democracy Through Transaction?: Bilateral Negotiations Between the ANC and NP in South Africa," *African Affairs*, no. 91.
- Rees, Rob (1992), "More Workers' Control Needed," *South African Labour Bulletin*, vol. 16, no. 7.
- Remmer, Karen (1991), "New Wine or Old Bottlenecks?: The Study of Latin American Democracy," *Comparative Politics*, vol. 23, no. 4.
- Rustow, Dankwart A. (1970), "Transitions to Democracy: Towards a Dynamic Model," *Comparative Politics*, vol. 2, no. 3.
- Saul, John (1992), "Structural Reform: A Model For the Revolutionary Transformation of South Africa," *Transformation*, no. 20.

- Saul, John (1991). "South Africa: Between 'Barbarism' and 'Structural Reform'." *New Left Review*, no. 188.
- Schmitter, Philippe (1974). "Still the Century of Corporatism?." *The Review of Politics*, vol. 36, no. 1.
- Schreiner, Geoff (1991), "Fossils from the Past: Resurrecting and Restructuring the National Manpower Commission," *South African Labor Bulletin*, vol. 16.
- Selinsky, D (1994). "Fears About South Africa." *Dialogue*, vol. 6, no. 6.
- Sender, John (1994). "Economic Restructuring in South Africa: Reactionary Rhetoric Prevails." *Journal of Southern African Studies*, vol. 20, no. 4.
- Sewell Jr, William (1992). "A Theory of Structure: Duality, Agency, and Transformation," *American Journal of Sociology*, vol. 98, no. 1.
- Shapiro, Ian (1993). "Democratic Innovation: South Africa in Comparative Context." *World Politics*, vol. 46, no. 1.
- Shubane, Khehla (1994). "Strategies for Economic Advancement." in "Stabilizing Democracy in South Africa: The Challenges of Post-Apartheid Development." Resource Documents, Johannesburg: Centre Policy Studies.
- Sitas, Ari (1993). "Managing the Democratic Revolution." *South African Labour Bulletin*, vol. 17, no.2.
- Slovo, Joe (1992). "Negotiations: What Room for Compromise?," *The African Communist*, no. 130.
- Slovo, Joe (1990), "Has Socialism Failed?," *South African Labour Bulletin*, vol. 14, no. 6.
- Slovo, Joe (1990), "Nudging the Balance from 'Free' to 'Plan'," *Weekly Mail*, March 30.
- South African Institute of Race Relations (1988), *Race Relations Survey 1987*, Johannesburg: SAIRR.
- South African Institute of Race Relations (1985), *Race Relations Survey 1984*, Johannesburg: SAIRR.
- South African Institute of Race Relations (1984), *Race Relations Survey 1983*, Johannesburg: SAIRR.
- South African Institute of Race Relations (1984), *Race Relations Survey*, Johannesburg:

SAIRR.

South African Institute of Race Relations (1977). *Race Relations Survey*, Johannesburg: SAIRR.

Southern Africa Report, October 29, 1993.

Stepan. Alfred & Skach. Cindy (1993). "Constitutional Frameworks and Democratic Consolidation: Parliamentarianism versus Presidentialism." *World Politics*, vol. 46, no. 1.

Sunday Star, September 13, 1992.

Suttner, Raymond (1992). "Ensuring Stable Transition to Democratic Power." *The African Communist*, no. 131.

Taylor, Rupert (94/95). "The New South Africa: Consociational or Consensual Power-Sharing?." *ASEN Bulletin*, no. 8, Winter edition.

Taylor, Rupert (1992). "South Africa: A Consociational Path to Peace." *Transformation*, no. 17.

Time, May 24, 1994.

The African Communist (1996), no. 144.

The African Communist (1993), no. 133.

The Cape Times, November 12, 1992.

The Daily News, October 2, 1997.

The Daily News, October 1, 1997.

The Natal Mercury, March 6, 1996.

The Natal Witness, April 15, 1993.

The Star, December 8, 1995.

The Star, June 14, 1995.

The Star, December 12, 1992.

The Star, May 20, 1990.

- The Star*, July 21, 1987.
- The Sunday Times*, June 16, 1996.
- The Sunday Times*, August 13, 1995.
- The Sunday Times*, March 12, 1995.
- The Sunday Times*, September 13, 1992.
- The Sunday Times*, June 1, 1986.
- The Sunday Times*, September 29, 1985.
- The Sunday Tribune*, June 30, 1996.
- The Weekend Argus*, October 10, 1992.
- The Weekly Mail and Guardian*, January 31-February 7, 1997.
- The Weekly Mail and Guardian*, August 2-7, 1996.
- The Weekly Mail and Guardian*, April 4-11, 1996.
- The Weekly Mail and Guardian*, March 1, 1996.
- The Weekly Mail and Guardian*, August 25 - September 2, 1995.
- The Weekly Mail and Guardian*, July 7-14, 1995.
- The Weekly Mail and Guardian*, April 21-28, 1995.
- The Weekly Mail and Guardian*, April 7-14, 1995.
- The Weekly Mail*, March 30-4, 1990.
- The Weekly Mail*, July 31- August 7, 1987.
- Von Holdt, Karl (1992), "What is the Future of Labor," *South African Labour Bulletin*, vol. 16, no. 8.
- Von Holdt, Karl & Webster, Eddie (1992), "Towards a Socialist theory of Radical Reform: From Resistance to Reconstruction in the Labour Movement," paper presented to the Ruth

First Memorial Symposium, University of Western Cape: 17-18 August.

Webster, Eddie (1996), "Speak Out. Social Democrats." *Mail & Guardian*, August 18.

Webster, Eddie & Keet, Dot (1992). "National Economic Forum: Parallel to CODESA?: Interview with Sam Shilowa." *South African Labour Bulletin*. vol. 16, no.3.

Welsh, Dot (1993), "Holding the Centre." *Towards Democracy*, 2nd Quarter.

Wolpe, Harold (1972). "Capitalism and Cheap Labor-Power in South Africa: From Segregation to Apartheid." *Economy and Society*. vol 1, no 4.

ORGANISATIONAL, GOVERNMENTAL DOCUMENTS AND SPEECHES

ANC (1996). "The State and Social Transformation." discussion document.

ANC (1994). "The Reconstruction and Development Program: A Policy Framework." Johannesburg: Umanyano Publications.

ANC (1992) "Press Release on the Meeting of the National Executive Committee." September 3.

ANC (1992). "Negotiations: A Strategic Perspective," adopted by the NEC. November 25.

ANC (1992) "Press Statement of the National Executive Committee." November 25.

ANC (1992). "Negotiations Bulletin," April 9.

ANC (1992). "Statement of the Emergency Meeting of the National Executive Committee." June 23.

ANC (1992), "Ten Proposed Regions for a United South Africa," February.

ANC (1992), "Ready to Govern,".

ANC (1991), "Constitutional Principles and Structures for a Democratic South Africa," April.

ANC (1990), "Discussion Document on Economic Policy," prepared at a workshop held in Harare, September 20-23.

ANC (1990), "Recommendations on Post-Apartheid Economic Policy," proceedings of workshop held in Harare, April 28 - May 1.

ANC (1969). "Strategy and Tactics of the African National Congress." adopted at the Morogoro Conference. April 25-May 1.

ANC (nd) . "Freedom Charter," program of the African National Congress.

ANC (nd). "The Constitution, Minorities and the new South Africa." document submitted to CODESA.

Andrew Levy & Associates (1996). "Press Statement." March 29.

Andrew Levy & Associates (1995). "Annual Report on Labor Relations in South Africa 1995."

Buthelezi. Mangosuthu (1992). "Statement by Mangosuthu Buthelezi, Chief Minister of KwaZulu and President of Inkatha Freedom Party." September 27.

COSATU, NACTU & FEDSAL (1996). "Social Equity and Job Creation-The Key to a Stable Future."

De Klerk, Frederick W., Mandela, Nelson & Buthelezi, Mangosuthu (1994). "Memorandum of Agreement." April 19.

De Klerk, Frederick W. (1992). "Memorandum to Mr. N. Mandela from F.W. De Klerk." July 2.

Department of Finance (1996). "Growth, Employment and Redistribution: A Macro-Economic Strategy for South Africa."

Jacobs, Japie (1991). "Macro-Economic Regulation: Trade-Off Between More Rapid Economic Growth and Socio-Economic Upliftment Programmes." address delivered to the Economic Symposium hosted by the Centre for Policy Studies and the Konrad-Adenauer Foundation, Airport Sun Hotel, October 7.

Mandela, Nelson (1995). "Speech at the launch of the National Economic Development and Labour Council," February 18.

Mandela, Nelson (1992). "Memorandum to F.W. DE Klerk from Mr. N. Mandela," June 27.

Mandela, Nelson (1990). "Speech delivered on Release from Prison," Cape Town City Hall, February 11.

Macro-Economic Research Group [MERG] (1993). "Making Democracy Work: A Framework for Macroeconomic Policy in South Africa," South Africa: Centre for Development Studies.

Mboweni. Tito (1995). "Building a Base for Policy Consensus," address delivered at the launch of NEDLAC, February 18.

National Forum (nd) , "The Azanian Manifesto," program of the National Forum.

National Manpower Commission (1986). "Certain Aspects of Strikes in the RSA." Pretoria: Government Printer.

National Party (nd), "Constitutional Rule in a Participatory Democracy: The National Party's Framework for a New Democratic South Africa."

Nedcor & Old Mutual (nd). "Growing Together: Institutions and Initiatives for Economic Democracy and Growth." report of the Professional Economic Panel.

NEDLAC (1996). "NEDLAC Annual Summit : Report on NEDLAC Activities."

NEDLAC (1995). "The Report of the National Economic Development and Labor Council on the Draft Labor Relations." July 21.

NEDLAC (1995). "Constitution of the National Economic Development and Labor Council." April 25.

NEDLAC (1995). "Founding Declaration of the National Economic Development and Labor council (NEDLAC)," adopted by government, organized labor, and organized business on February 19.

NEDLAC (1995). "Founding Document of the National Economic Development and Labor Council (NEDLAC)," February 18.

NEUM (nd) . "Ten Point Programme," program of the New Unity Movement.

NEDLAC (1995), "The Report of the National Economic Development and Labour Council on the Draft Labour Relations Bill," July 21.

RSA (1996), "The Constitution of the Republic of South Africa," Act 108, Pretoria: Government Printer.

RSA (1994), "National Economic Development and Labor Council Act, 1994," Act No. 35, Government Gazette, Cape Town, December 2.

RSA (1994). "White Paper on Reconstruction and Development," November 23, No. 16085, Cape Town.

RSA (1994). "Republic of South Africa 1994 General Election: National Results by Province and District." prepared by the Election Administration Directorate of the Independent Electoral Commission, May 26.

RSA (1994). "Constitution of the Republic of South Africa Second Amendment Act, 1994." *Government Gazette*, Cape Town, April 26, No. 15681.

RSA (1994). "Local Government Transition Act, 1993." Act No. 209. *Government Gazette*, Cape Town, February 2, No. 15468.

RSA (1994). "Constitution of the Republic of South Africa, 1993." Act No. 200. *Government Gazette*, Cape Town, January 28, No. 15466.

RSA (1993). "Government Proposals on a Charter of Fundamental Rights." February 2.

RSA (1986). "White Paper on the Report of the Committee for Constitutional Affairs on an Urbanization Strategy for the Republic of South Africa," Cape Town: Government Printer.

RSA (1985). "Report of the Committee for Constitutional Affairs on an Urbanization Strategy for the Republic of South Africa." 21 August, Cape Town: Government Printer.

RSA (1979). "Report of the Commission of Inquiry into Labor Legislation." Pretoria: Government Printer.

RSA (1979). "Report of the Commission of Inquiry into Legislation Affecting the Utilisation of Manpower," Pretoria: Government Printer.

RSA (nd). "Government Proposals regarding a Transitional Constitution for South Africa. document submitted to CODESA.

RSA & ANC (1992), "Record of Understanding," September 26.

RSA & ANC (1991), "Report of the Working Group Under Paragraph Three of the Pretoria Minute, February 12.

RSA & ANC (1990), "Pretoria Minute," August 6.

RSA & ANC (1990), "Groote Schuur Minute," May 3.

SANDF (1996), "SANDF Internal Communication Bulletin," July.

Skweyiya, Zola (1992), "Proposed Constitutional Arrangements and the Structure of Regional and Local Government," address delivered to the Border/Eastern Cape/Transkei Conference on Regional Government, 28-29 November.

SACP (1989). "The Path to Power: Program of the South African Communist Party," London: Inkululeko Publications.

SACP (1981). "The Road to South Africa's Freedom." *South African Communist Speak: Documents from the History of the South African Communist Party 1915-1980*. London: Inkululeko Publications.

South Africa Foundation (1996). "Growth for All: An Economic Strategy for South Africa."

Stals, Chris (1995). "Address to the 75th Ordinary General Meeting of Shareholders of the Reserve Bank." reprinted in the *Financial Mail*, August 25.

Stals, Chris (1995). "Governor's Address." *Annual Economic Report*. South African Reserve Bank.

Stals, Chris (1994). "The Monetary and Currency Policies of the Central Bank." address delivered to the Conference on Prospects for Investment in the New South Africa, July 19, New York.

Tambo, Oliver (1985). "Render South Africa Ungovernable." *Sechaba*. March edition.

United Nations (1994). *The United Nations and Apartheid 1948-1994*. New York: United Nations Department of Public Affairs.

United Nations (1992). *United Nations Statistical Yearbook 1990/91*. New York: United Nations Press.

Van der Merwe, Stoffel (1985). "... and What about the black People?." National Party Pamphlet.

World Bank (1993). "South Africa: Economic Performance and Policies," vol. 11.

INTERVIEWS

Alexander, Neville, Chair of WOSA September 30, 1995, Johannesburg.

Carolus, Cheryl, Deputy General-Secretary of ANC, August 24, 1995, Johannesburg.

Cronin, Jeremy, Deputy General-Secretary of SACP, September 7, 1995, Johannesburg.

Donkers, Ando and Johan Jacob, Deputy Director-General and Director of Constitutional Affairs respectively, September 5, 1995, Pretoria.

Erwin, Alec. Minister of Trade and Industry. September 14, 1995. Durban.

Etkind, Roger. National Education Officer of NUMSA. September 5, 1995. Johannesburg.

Gabriel, Howard. Special Advisor to Jay Naidoo. Minister of Post and Telecommunications. September 29, 1995. Cape Town.

Gordan, Pravin. Chair of CODESA and Co-Chair of Multi-Party Negotiating Forum. November 28, 1995. Durban.

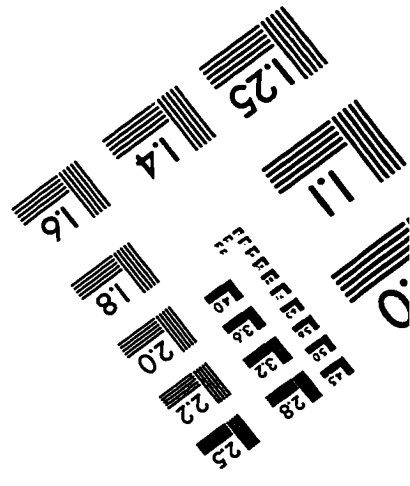
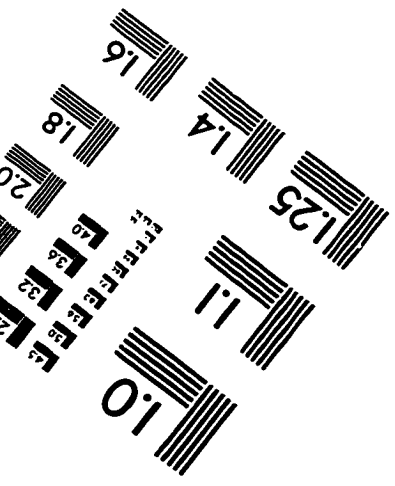
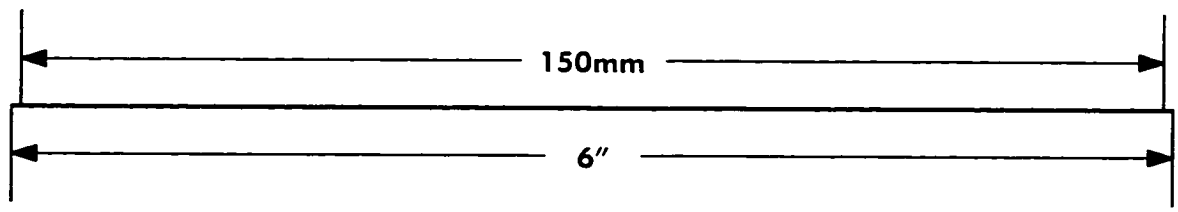
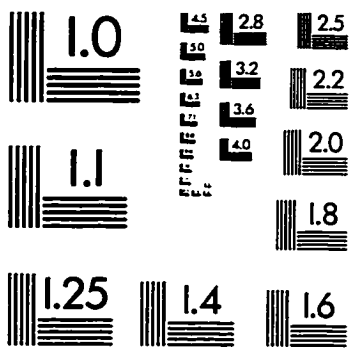
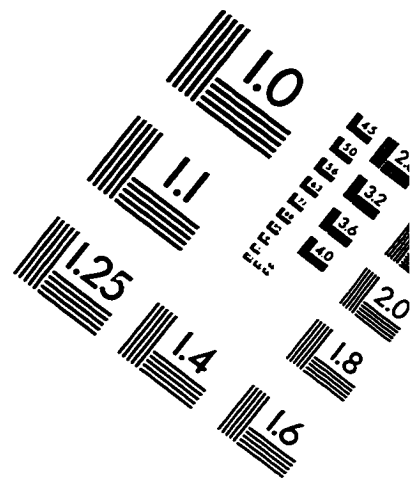
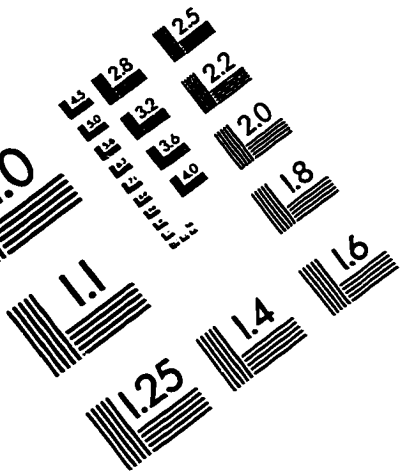
Manuel, Trevor. Minister of Finance. September 21, 1995. Pretoria.

Naidoo, Jayendra. Director of NEDLAC. September 4, 1995. Johannesburg.

Mdlalose, Frank. Chair of IFP and Premier of KwaZulu-Natal. September 7, 1995. Ulundi.

Von Holdt, Karl. Former Editor of the South African Labour Bulletin. September 5, 1995. Johannesburg.

IMAGE EVALUATION TEST TARGET (QA-3)



APPLIED IMAGE, Inc
1653 East Main Street
Rochester, NY 14609 USA
Phone: 716/482-0300
Fax: 716/288-5989

© 1993, Applied Image, Inc., All Rights Reserved