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Magical Market Realism

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In South Africa the present decade has witnessed the transition from a system of racially-driven authoritarian rule towards an outcome far more peacefully defined and democratically realised than most observers would have predicted at the end of the 1980s. As we approach the 1999 national elections, however, we must ask ourselves just what are the most appropriate criteria for evaluating this dramatic process of change. One point of reference might be the mid-1980s formulation from Magdoff and Sweezy (1986) with which, eight years ago in the New Left Review, I began an interim report on South Africa's then fledgling democratic transition:

[South Africa's] system of racial segregation and repression is a veritable paradigm of capitalist super-exploitation. It has a white monopoly capitalist ruling class and an advanced black proletariat. It is so far the only country with a well developed, modern capitalist structure which is not only 'objectively' ripe for revolution but has actually entered a stage of overt and seemingly irreversible revolutionary struggle. (Quoted in Saul 1991:3)

Magdoff and Sweezy did leave open the possibility of other, less palatable outcomes, but noted, by way of summary of what was at stake, that 'a victory for counter-revolution the stabilisation of capitalist relations in South Africa even if in somewhat altered form would ... be [a] stunning defeat for the world revolution' (1986:5). Unfortunately, if measured against such a standard, defeat would seem to be an appropriate description of what has transpired during this decade in South Africa. For 'the stabilisation of capitalist relations' is, by any measure, one clear attribute of the country's transition.

True, the cause of 'world revolution' has taken a fearsome beating since Magdoff and Sweezy wrote the above words a little more than a decade ago, and perhaps South Africa will not now seem the most serious of the defeats that the presumed revolutionary-cum-socialist alternative has suffered in
those years. Indeed a more basic question might well be whether invocation of the ‘S’ word itself can any longer provide us with a very relevant reference-point against which to measure the direction and pace of change these days. After all the world was a very different place in 1986, and not just as viewed through the eyes of a Magdoff or a Sweezy. While there was already plenty of scope for pessimism of the intelligence on the left, there still seemed then to be room for a certain ‘optimism of the will.’

Much of this optimism has been lost in the intervening years. Public pronouncement and academic writing alike reflecting the notion that an ineluctable and transcendent process of ‘globalisation’ is crushing the very plausibility of pro-active states and meaningful national jurisdictions. And even when some quasi-left observers grant somewhat more room for manoeuvre to states and nations they can only envisage policies that might bend the global market just enough to advance the competitive interests of elements of national capital. To think of acting, nationally or globally, in order to challenge the underlying logic of capital or to realise some more social and humane purpose is, at best, seen as merely naive. Thus Hirst and Thompson write, without apparent irony, of what they seem to consider the height of contemporary progressive aspiration:

Such institutional arrangements and strategies can assure some minimal level of international economic governance, at least to the benefit of the major advanced industrial nations. Such governance cannot alter the extreme inequalities between those nations and the rest, in terms of trade and investment, income and wealth. Unfortunately, that is not really the problem raised by the concept of globalisation. The issue is not whether the world’s economy is governable towards ambitious goals like promoting social justice, equality between countries and greater democratic control for the bulk of the world’s people, but whether it is governable at all. (1999:189)

To paraphrase Margaret Thatcher: there is no society, only corporations and their intermediaries. Moreover, it is not merely in ‘the major advanced industrial nations’ that such grim ‘realism’ has become left-liberal/social-democratic common-sense. Poorer countries, those which are even more self-evidently ‘globalisation-takers’ rather than ‘globalisation-makers,’ have swallowed the bait as well: not least, it would seem, those leaders of the ANC of South Africa who have come to argue, pretty unequivocally, that ‘There Is No Alternative’ (TINA). Yet note, before turning more directly to the South Africa case, just how deep the ‘common-sense’ of nouveau market fetishism – Marx’s most subtle category, Polanyi’s worst
nightmare — actually runs. In South Africa itself there is much talk of a ‘trahison des clercs’ with left intellectuals from the good old days of struggle seen to have donned the mantle of ‘TINA’ the better to advance and defend what is in most respects (including its marked ‘competitiveness’/ ‘shaped advantage’ flourishes) a broadly neo-liberal agenda (Padayachee, 1998; Albo, 1996). How far is this from a more general phenomenon, one signalled in, of all places, the New Left Review, where we find these thoughts, much hailed by the editors, from sociologist Jeffrey Alexander:

> It is impossible even for already committed intellectuals to ignore the fact that we are witnessing the death of a major alternative not only in social thought but in society itself. In the foreseeable future, it is unlikely that either citizens or elites will try to structure their primary allocative systems in non-market ways. For their part, social scientists will be far less likely to think of anti-market ‘socialist societies’ as counterfactual alternatives with which to explain their own.

> They will be less likely to explain economic stratification by implicitly comparing it with an egalitarian distribution produced by publicly rather than privately held property, a ‘plausible world’ that inevitably seems to suggest that economic inequality is produced by the existence of private property itself... Similarly, it will become much more difficult to speak about the emptiness of formal democracy, or to explain its limitations by pointing merely to the existence of a dominant economic class, for these explanations, too, require counterfactuals of a traditionally ‘socialist’ kind. In brief, it will be much less easy to explain contemporary social problems by pointing to the capitalist nature of the societies of which they are a part. (1995:65)

A defeat indeed, if this were so. Yet one fears that it is just such an extreme form of withdrawal from the very possibility of socialist theory or practice — and, indeed, from any meaningful critique of capitalism — that also marks the move rightwards of many South African thinkers, policymakers and activists.

Within mainstream African studies (still primarily American-defined) this kind of ‘common-sense’ also has served to underpin, in the name of a ‘new realism’, the glib dismissal of concerns conventionally linked to left political economy (whether of a dependency theory or more orthodox Marxist provenance) and the uncritical embrace of a globalising neoliberalism (Saul forthcoming; Apter and Rosberg 1994; Lewis 1998). Most assertive in this regard has been erstwhile radical Africanist Richard Sklar who seeks in his writings to bury once and for all any
distinction between capitalism and socialism in favour of some kind of 'mixed economy' – which, as defined by Sklar, is to be almost exclusively market-driven and not in fact any more ‘mixed’ than the World Bank and the IMF would wish it to be. Applying this vision to South Africa he strenuously counsels a resolution of any class differences between bourgeoisie and proletariat that might lead to radical demands. He then quotes approvingly an Afrikaner business executive who, at one point during the transition, stated that ‘I’m looking forward to the day when we can come together and stop talking about capitalism and socialism and the free market system, stop talking about Marxism and Leninism and communism and start talking about a new thing – about an objective economic system [sic] which best satisfies the needs of the people in the most effective way’ (1994:138). As framed by his own ‘realistic’ invocation of this ‘objective system,’ Sklar suggests that ‘these words do not bespeak a [bourgeois] class enemy of the proletariat but a potentially cooperative partner for the difficult passage ahead’ (1994:138).

A more subtle – and intellectually serious – reflection of the prevailing mood of many ‘progressives’ is to be found in Adam Przeworski’s studies of the limits of other ‘democratic transitions’ (those in Latin America and Eastern Europe, as it happens, although many will be tempted to see his scenarios regarding the dynamics of ‘elite-pacting’ as also illuminating of apparently parallel processes in South Africa). The framing premise for his own quite limited expectations: ‘Capitalism is irrational; socialism is unfeasible; in the real world people starve – the conclusions we have reached are not encouraging’ (Przeworski, 1991:122).

Of course, in the ‘real world’ of South Africa, many people do indeed starve – however important it may also be that they are now endowed with the franchise. In terms of the Gini coefficient, South Africa remains very close to the top (or is it the bottom?) of the scale, as being amongst the most ‘unequal’ societies in the world. This fact is certain – even if some will say that it is too early (only five years, after all!) to decide whether the ANC can deliver social and economic democracy alongside the forms of political democracy that have been achieved in South Africa. Equally certain is a second fact: that the ANC regards anything approximating the ‘socialism’ of which the South African mass movement once seemed the bearer, as ‘unfeasible’. The market, ‘competitiveness’, ‘neo-liberalism’ are what the economy, both global and local, has come to mean for the new South Africa. But note, as well, that Przeworski, in his pessimism, also found
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capitalism to be ‘irrational’. It is not so clear that prominent members of the ANC, in their haste to embrace the capitalist option, have taken any such grim qualifier seriously. Perhaps they would not be quite so comfortable with TINA if they had. The question remains then: is South Africa now well on its way towards instituting, slowly but surely, the socio-economic transformation that should, by rights, accompany the profound political changes it has experienced – or is it, instead, merely well started ... down a dead-end street?

Liberating capitalism

If the latter is the case one might be tempted to cite, alongside Magdoff and Sweezy, another grand old name of the left, Frantz Fanon. Is the ANC exercising judicious realism ... or are we witnessing, in South Africa, just another class-driven false decolonisation? It is tempting, certainly, to see the South African transition in familiarly Fanonist terms: the rising African middle-class, both entrepreneurial and political/bureaucratic in provenance, merely sliding comfortably into their political positions as, yes, ‘intermediaries’, and, from these heights, fending off the claims of the poverty-stricken they have left behind.³

Critics will find evidence for this view in statements like that of Nelson Mandela who, as early as 1992, was warning a journalistic interlocutor that ‘we are sitting on a time bomb ... their enemy is now you and me, people who drive a car and have a house. It’s order, anything that relates to order [that’s the target], and it’s a very grave situation’ (Star, September 15, 1992). And they will find further confirmation in The Economist which has written, albeit more in glee than in anger, that ‘For all the fears that resentful ANC socialists would confiscate wealth, the new breed shares the same capitalist aspirations as the old. Though black incomes are barely a sixth of white ones, a black elite is rising on the back of government jobs and the promotion of black business. It is moving into the leafy suburbs, such as Kelvin and Sandton, and adopting the outward symbols of prestige – the BMW, swimming pool, golf handicap and black maid – that so mesmerise status-conscious whites’ (The Economist, October 12, 1996:23)

Or, to take another equally sobering account:

On an April evening almost exactly three years to the day after South Africans voted Nelson Mandela into power, you could watch, at a black-tie dinner in Johannesburg, the dynamics of South African power relations change before your eyes. The dinner celebrated the deal in which Anglo-American – the vast mining house that rules the
South African economy — sold a controlling share of Johnnic, a $2 billion company with blue-chip industrial holdings, to a group of black businesses and trade unions called the National Empowerment Consortium (NEC), led by Cyril Ramaphosa.

‘I think,’ said Anglo-American’s Michael Spicer when introducing Johnnic’s new head, ‘we can call you chairman Cyril rather than comrade Cyril.’ Replied the former trade unionist who led the mineworkers’ charge against the company a decade ago: ‘It’s wonderful to have Anglo as a minority shareholder!’

‘Ramaphosa, the man most responsible for organising the working masses into the collective action that brought apartheid to its knees, now leads another charge: an advance, by the mushrooming black middle class, on the commanding heights of the economy. The corporate sector is crowing.

‘Cyril Ramaphosa was the man who built the unions in the eighties,’ one very senior Anglo-American executive tells me, ‘and he’ll be the one to break them in the nineties.’ (Gevisser 1997:24)

There are those who will express little surprise at this outcome. After all, hadn’t Mandela’s heir apparent, Thabo Mbeki, insisted many years ago that ‘the ANC is no socialist party. It has never pretended to be one, and it is not trying to be. It will not become one by decree or for the purpose of pleasing its “left” critics’ (Mbeki 1984:609). Nonetheless, for many left observers the case for a possible socialist denouement in South Africa had only rarely been based on a naive presumption about the presence of some overwhelming thrust towards radicalism ready to spring unequivocally from any ideology or organisational logic deeply entrenched within the African National Congress per se (or as entrenched, historically, within the formidable Stalinist South African Communist Party either). Rather the source of the possible radicalisation of the liberation movement broadly defined was thought to reside in the larger array of social forces — unionised workers, community organisations and the like — with which the ANC had been forced and/or enabled to interact in the course of the development of a formidable, and ultimately victorious, mass movement. Of course, there was good reason to think that — given the relative centrality of the ANC within that mass movement — the ANC would be a likely political vector of any such radicalisation (although not, most would have said, without real struggle having to occur within the ANC itself). And yet how easy it has been for elites, in, through and around the ANC, to see in this movement not popular energies to be drawn on for on-going struggle but rather a potential source of demands for socio-economic transformation that would
have to be contained, and a potential source for action/social constestation that would have to be, at least in part, demobilised.

It is not difficult now to read the entire democratic transition in South Africa in these terms, and in the spirit, as hinted above, of Fanon's own formulations regarding 'false decolonisations' elsewhere: '... a veritable panic takes hold of the colonialist governments in turn. Their purpose is to capture the vanguard, to turn the movement of liberation to the right and to disarm the people: quick, quick, let's decolonise' (Fanon 1967:55). Not that many observers, even now, write about the democratic transition in South Africa in such terms: the complex process of political negotiations with the incumbent National Party government (and with Gatsha Buthelezi) that served to stifle the white right and facilitate a reasonably peaceful transition have taken pride of place. Less salient, though no less important, is the fact that a second, more tacit, set of 'negotiations' was going on simultaneously, that between the ANC and capital. As I have argued elsewhere, 'the moderation of the ANC's aspirations for socio-economic transformation and the movement's consequent increasing acceptability to powerful vested [capitalist] interests, world-wide and local, was at least as crucial as any constitutional compromise to guaranteeing the smoothness of the transition to "democracy" in South Africa' (Saul 1997:222). By the time of the 1994 election, the ANC was already well launched along the path towards its own brand of 'realistic' reading of the art of the possible in the globalising, post-socialist economy that confronted it.

The taming of such leftward impulses as existed within the ANC leadership did not happen all at once or entirely straightforwardly, of course. But it is possible to map the ANC's slow but sure withdrawal, both during the transition to majority rule and after, from an economic strategy that, to many observers, had appeared likely to be a reasonably radical one. The language of socialism employed in some ANC documents during the period of struggle was fuzzy, certainly. But one could still trace the presuppositions of an economic strategy that seemed more likely to seek to direct capital than merely to respond to it: the key to that emphasis lying in the notion of 'growth through redistribution' (and in the prioritisation of a more inward-oriented economy) that would see industrial production planned and/or coaxed into existence to meet, as the fly-wheel of economic activity, the basic human needs of the mass of the (largely impoverished) population. Ineluctably, however, attempts to put policy flesh on the bones of such an emphasis (on the part of the Macro-Economic Research Group

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[MERG], for example) gave way, within the camp of the liberation movement broadly defined, to the 'competitiveness' model favoured by the Industrial Strategy Project and others (see Adelzadeh, 1996; Freund and Padayachee, 1998; Marais, 1998; Padayachee, 1998).

The ANC's key electoral document, the Reconstruction and Development Programme (RDP), did emphasise both the centrality of basic needs in economic policy-making for the new South Africa and also the vital importance of the mobilisation and empowerment of the mass of South Africans for both democratic and developmental purposes. Its sections on macro-economic strategy were far vaguer, however, and, as events would demonstrate, could as easily lend themselves to neo-liberal inflections as to more radical ones. In any case, RDP economics soon gave way to the centrality of a far more unequivocally market driven set of policies, to be encapsulated, ultimately, in the 'Growth, Employment and Redistribution' (GEAR) strategy and in the thrust of South African government interactions with the WTO, the international financial institutions (IFIs) and the like.

The result? One would be hard-pressed to assert that any project of popular empowerment, militant and self-conscious and on the offensive within the economic and social spheres, has been close to the centre of ANC preoccupations since the 1994 election. Nor have 'basic needs' been close to the centre of the planning process either, although one could have imagined them being used as the crucial point of reference for greater regulation of capital and the bending of its production choices to new purposes. True, the poor have made some gains in the areas of electrification, water supply and housing but these gains have been disastrously limited when measured against any proper accounting of needs, of the promises made or, indeed, of the negative impact of many of the economic restructuring policies that have actually been pursued. Now, if basic needs are to be met – it seems to be assumed by many in senior positions of leadership – this is seen as most likely to occur as the result of the indirect, trickle-down effects of a very different kind of economic strategy, one rooted in the dictates not of the community but of markets (and, principally, the international export and financial markets). In the meantime dramatic levels of unemployment also continue to haunt the country, despite promises made on this front, too, in GEAR.

In short, the ANC's post-apartheid strategy has risked sacrificing to the primacy of the marketplace both any very strong sense of community or any very serious project of political mobilisation for sustained and
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progressive social purpose. Can it come as any surprise that another kind of politics has tended to move into the vacuum so created? Thus, many of the same signs of corruption and clientelist-based political in-fighting (not least within the ANC itself) that are all too apparent in other African countries have begun to surface in the new South Africa. Moreover, keyed both to the relative absence of a sense of overarching social purpose and to the lack of substantial economic advance for the mass of the population, the crime rate has also soared. In consequence, one must then ask: did the ANC not miss a crucial opportunity to translate the popular enthusiasm of the anti-apartheid struggle and the ‘Freedom Election’ into a popularly-driven socio-economic experiment of real revolutionary substance?

True, any such experiment would have had to be circumspect under South African circumstances, and to have exemplified the kind of judicious radical sensibility that I once tried, in these pages, to epitomise under the rubric of ‘structural reform’ (Saul 1992). Such a project could not have ignored the market-place, world and local, nor could it have underestimated the power of other relevant actors in the field. But it would not have fetishised such ‘realities’ either, nor rendered itself quite so powerless to resist their apparent ‘logic’. Doesn’t South Africa now run the risk, as Manuel Castells has recently put it, of merely ‘being pushed aside itself from the harsh competition in the new global economy, once its economy is open’? (1998:127). One may question, in short, the true promise of a South Africa drawn to ‘competitiveness,’ to neo-liberalism and to a ‘realism’ that is largely rooted in faith; faith in the magic of the market.

Resisting Meridional Thatcherism

Not surprisingly, the vast mass of the African population who have seen little or no improvement in their own lives since 1994, are restless. Many are restless about the length of time it is taking to see significant delivery on post-apartheid expectations – even though all would agree, presumably, that five years is a relatively short period in which to right all the manifold injustices of the apartheid era. Much more fundamentally, however, some are restless at the possibility that the ANC is moving, in particular through its embrace of GEAR, in precisely the wrong direction in South Africa. For many (especially amongst the most marginalised of the urban and rural poor), the result of growing disillusionment may merely be retreat to relative passivity: a reluctance to vote at all rather than to vote for any other party than the ANC in the 1999 South African elections. Indeed, a low poll
explained at least in part on just such grounds was deemed a real possibility late last year by no less an authority than Brigalia Mhlopo Bam, the Chairperson of the Independent Electoral Commission (Bam 1998). And such a prediction has also been made, more recently, by many other observers (Electoral Institute of South Africa 1999).

Is a more articulate challenge to ANC policies than mere abstention likely to surface, a challenge giving voice to the suspicion that the party’s chosen economic strategy is not only failing to deliver economic growth or development but is also locking into place stark and growing inequalities?

Some would argue that this must be the case: in a recent issue of *Southern Africa Report*, for example, Stephen Robins (1998) provides a thoughtful evaluation of the Truth and Reconciliation Commission (TRC) which suggests the possibility that no reconciliation of the sort envisaged by the TRC is possible as long as the deeply entrenched inequalities of South Africa are felt to be so little challenged by the present government. And others would argue that it is already the case. Thus, Patrick Bond and Mzwanele Mayekiso (1998) chronicle, in the same issue of *SAR*, not only the many failed promises in the urban sphere but also multiplying examples of township unrest, and suggest the possibility of fresh challenges to conventional ANC/Alliance policies welling up from within civil society based on new trade union-township dweller alliances.

Not that left critics are well received by the powers-that-be. Indeed, last year’s conference of the ANC’s ostensible ally, the South African Communist Party, produced paroxysms of rage both from Mbeki and his principal, Nelson Mandela, against those with the effrontery to criticise GEAR. The language used to whip its allies into line was harsh, variously described by *Southscan* as ‘markedly aggressive,’ a ‘scathing ...barrage’, and a ‘public onslaught’. Mbeki accused SACP leaders of ‘fake revolutionary posturing’, terming them ‘charlatans’ and ‘confidence tricksters’ who were attempting to build their organisation ‘on the basis of scavenging on the carcass of a savaged ANC’ (*Southscan*, July 10, 1998:107-108). As for Mandela, he stated firmly that ‘GEAR, as I have said before, is the fundamental policy of the ANC. We will not change it because of your pressure’. And he hinted darkly of the consequences that might well follow from any continued criticism of GEAR (*Southscan*, July 10, 1998:107-108).

Though the rhetorical fury unleashed by Mandela and Mbeki at the SACP conference was particularly vitriolic, this kind of attack is part of an
offensive that has also been unleashed over the past year or so against the 
ANC's other major ally (but sometime GEAR critic), the trade union 
federation COSATU. What impact such threats will have on the militancy 
of COSATU remains to be seen, although the federation has continued, 
certainly, to press various substantive criticisms of ANC strategy. Nor are 
the communists and the unions alone. There are also those emergent 
township militants evoked by Bond and Mayekiso who, they suggest, have 
begun to hint that the ANC emperor has too few clothes. There are members 
of the ANC itself who are less than satisfied with the direction things have 
taken in the past few years. And there are the churches. Anglican Archbishop 
Winston Ndungane was himself slammed by Mandela for questioning the 
gospel according to GEAR last year. But the churches nonetheless returned 
to the charge at their tri-annual conference of the South African Council of 
Churches. There that redoubtable campaigner against apartheid (and former 
secretary general of the SACC), Dr. Beyers Naude, argued that 'while 
GEAR is a “party political issue”, when it affects the poor, the church has 
no option but to intervene'. At the same meeting, Mzwandile Nuns, 
representing the worker ministry in Kwazulu-Natal, noted the government’s 
argument that they are 'cutting social spending in favour of lower company 
taxation which will subsequently create an environment for more companies 
to invest'. But, he continued, 'what we see on the ground is different. The 
bulk of poor people remain where they were many years ago'. The lesson? 
As another delegate to the conference, Professor Takatso Mofokeng, put it, 
the churches 'should go back to the trenches, because it seems that is the 
language the government understands': 'People should demand what they 
are entitled to and use the methodology that works. GEAR didn’t come up 
for referendum. If people are not happy about it they must stand up against 
it'! (Hlongwa 1998).

Of course, the evidence on the potential for popular mobilisation 
remains mixed. A recent survey carried out by Sociology of Work Project 
(SWOP) at the University of the Witwatersrand, for example, suggests that 
most unionised workers are still confident enough of the good faith of the 
ANC to plump for it pretty uncritically in the up-coming election while, 
more discouragingly, they also reveal themselves to be far more ignorant 
about GEAR than they are critical of it (Southall and Wood 1999). One 
wonders, too, whether the fresh migration of senior trade union leaders 
onto the ANC electoral list and, in all probability, into parliament will be 
any more empowering of workers’ interests within the alliance than was
true of the rather similar bleeding of the union movement in 1994. For the moment, this latter phenomenon seems more like further evidence of co-optation than anything else, framed as it is by news-stories about a government coolly indicating ‘that in its new term it will ease up on the newly introduced and restrictive labour legislation, one of the business community’s main bugbears, [thus] demonstrating its confidence that trade union militancy has peaked’! (Southscan, April 16, 1999). Perhaps a Richard Sklar would find in these developments comforting evidence of a ‘normalisation’ of industrial relations and worker politics – although others might choose to think of them as cruel evidence of ‘depoliticisation.’ Moreover, even if (such evidence to the contrary notwithstanding) workers and their leaders do prove more able and willing to stay the course of pushing radical demands, there remain countless problems inherent in linking up such organised workers with the unemployed and urban marginalised – not to mention (as Mahmood Mamdani reminds us) in linking up the imperatives of urban politics to the preoccupations of rural dwellers (Mamdani 1996).

And yet; critics can continue to cite other, more concrete, progressive initiatives occurring across the country, like the unions’ success in setting at least some of the terms of recent labour legislation; like the growing strength of the local Jubilee 2000 campaign; like the activism of SANGOCO (the South African NGO Coalition) through its Poverty Hearings and its attendant ‘Economics Commission’ which has sought to design a new framework for economic and social policies. Moreover, there is some reason to think that Thabo Mbeki, ANC president and successor to Nelson Mandela as South African president, does feel himself in danger of being caught between a rock and a hard place over such issues. One of the principal architects of the ANC’s neo-liberal strategy of the appeasement of capital (local and global) as presumptive engine of South African economic transformation, he also has this popular constituency to deal with: if not, pressingly, in this year’s election, at least in future ones. Small wonder, then, that Mbeki has also permitted himself some pretty radical-sounding diatribes of his own in the past year, including attacks not only on wealthy whites (afflicted, he says, by ‘social amnesia’) but also on a ‘black elite’ that abuses ‘freedom in the name of entitlement’. This latter group, he charges, ‘seek to hijack the sacrifices which millions of ordinary people made to liberate our country for noble purposes, in order to satisfy a seemingly insatiable and morally unbound greed and personal thirst for wealth and comfort, regardless of the cost to our society’. And he concludes
with a warning about ‘the danger of a mounting rage to which we must respond seriously’ (Southscan, June 12, 1998).

Not that Mbeki and his colleagues seem about to reverse their overall policy direction. Has the ANC’s leadership chosen to sanctify market solutions because they feel such solutions are likely to service their own nascent class interests? Or have they done so because they feel such ‘solutions’ either to be intrinsically developmental (or perhaps only inevitable) under existing circumstances, world-wide and local? No doubt both academics and activists will continue to debate this issue. What does seem clear is that Mbeki and company will, for the foreseeable future, feel challenged to find ways to make their conservative economic positions convincing in political terms to an increasingly suspicious and/or indifferent black population. Whether a dash of radical rhetoric and a dollop of ‘African Renaissance’ (Mbeki’s currently preferred claim to the moral high-ground) will prove sufficient for this purpose remains to be seen.

Will others within the ANC feel inclined to go further? For example, a news report late last year found at least some within the ANC to be hinting at an ‘intention to change targets set by the GEAR strategy’ (Haffajee 1998). And this sense of possible renewed openness in ANC economic policy was reinforced by publication of an internal ANC discussion document entitled ‘The state, property relations and social transformation’. It is true that the document (whose precise provenance is not entirely clear, although it appears on the ANC’s official web page) ridicules any tendency ‘within the NLM [the National Liberation Movement] ... to propose solutions that would be way out of line with current realities, such as punitive taxes’. Yet it is just as uneasy about an equally ‘dangerous tendency ... to be so awed by financial capital that we throw the NLM prostrate in front of this sector as if in pagan prayer’ (ANC 1998). More specifically, the document allows the notion of ‘the developmental state’, so much maligned by recent critics of the early years of post-independence experimentation in Africa, to assume centrality in its formulations:

...in terms of the broad array of economic and social policy, information and even political integrity, the state has lost much of its national sovereignty. This applies more so to developing countries. While on the one hand they are called upon to starve and prettify themselves to compete on the ‘catwalk’ of attracting the limited amounts of foreign direct investment (FDIs), they are on the other hand reduced to bulimia by the vagaries of an extremely impetuous and whimsical market suitor!
Can a developmental state survive, let alone thrive, under such conditions? The answer is yes! The starting point should be that constructors of this concept should not live in a fool's paradise. They cannot pretend that they operate in an environment entirely of their own making ... [However] what is of even greater significance is that many forces, both within and outside the government, both in the developed and developing world, do appreciate the disadvantages of the dictates of the multinationals and particularly the predatory nature of international financial capital. A significant sector of humanity is honestly searching for answers to these problems; and the ANC alliance is part of this global movement. (ANC 1998)

In consequence, the document suggests, not only should this developmental state ‘use the resources that it commands to ensure redistribution of wealth in the interest of the poor and disadvantaged’ but ‘it should put in place regulatory and other mechanisms that not only seek to obviate market failure, but also afford the state the capacity to intervene in a pro-active way to facilitate growth and redistribution’! (ANC 1998).

It would be unwise, perhaps, to overstate the significance of such formulations. Overall, the message of this discussion document is more cautious and ‘balanced’ than some of these quotations, taken alone, might suggest; it is circumspect, in particular (and not altogether mistakenly), about the limits of institutional capacity and shortfalls of effective leverage that must qualify the rebirth of a more transformative government strategy in South Africa. Does it reflect, nonetheless, a South African version of that souring of the neo-liberal honeymoon that has become more of a worldwide phenomenon than might have been hoped even a few years ago, a shift that might begin to put not just the ‘developmental state’ but even socialism back on the agenda? In the event, the press tells us, such signs of profane thinking (and of possible divisions) within the ANC over these issues were ‘not roundly welcomed by economic hawks like Deputy President Thabo Mbeki and Minister of Finance Trevor Manuel’ (Haffajee 1998). Moreover, when Mbeki himself felt moved in a recent speech to suggest that South Africans ‘must be in the forefront in challenging the notion of “the market” as a modern God, a supernatural phenomenon to whose dictates everything human must bow in a spirit of powerlessness’ he immediately fleshed out this seemingly radical assertion by praising the IMF, the World Bank and the WTO as examples of the kind of ‘human intervention’ that is needed! (Mbeki 1998a).
As a result it is equally difficult to know just what weight to give to other Mbeki pronouncements such as that to the twelfth heads of state meeting of the Non-Aligned Movement late last year to the effect that ‘the “free market” path of development ... has failed to live up to the expectations of the people of the South’ (1998b). Or to Mandela’s more recent statement, earlier this year at the Davos forum that brought together heads of state and of multinational corporations to discuss the question: ‘Is global capitalism delivering the goods?’ There Mandela asked some questions of his own: ‘Is globalisation only to benefit the powerful and the speculators? Does it offer nothing to men, women and children who are ravaged by poverty’? (The Globe & Mail, January 30, 1999). The fact remains that, despite such protestations, one waits in vain for Mandela and Mbeki to draw more assertive conclusions for domestic policy from such (apparently quite fleeting) suspicions regarding the magic of the market.

How wise, then, the abandonment of socialist theory and practice by so many in South Africa? Perhaps no one has established more suggestive parameters for discussing these questions than the distinguished South African scholar-activist Colin Bundy. Advocating, at the very outset of the transition period, a socialist project for a post-apartheid South Africa, Bundy noted that ‘there will be many who remain unconvinced. They believe that would-be socialists in South Africa are doomed to defeat: epochally quixotic, tilting forlornly at windmills driven for the rest of history by capitalist energies. To speak of “prospects” for socialism, they say, requires a leap of faith.’ And ‘perhaps it does,’ Bundy concedes; at the very least it ‘requires stamina, creativity and collective resourcefulness.’ And yet, as he continues, ‘to imagine that a milder mannered capitalist order can secure a decent future for the majority of South Africans — or that de-racialising bourgeois rule will meet the aspirations of exploited and oppressed people — or that South Africa can somehow be absolved its economic history and enter a future like that of Sweden or Taiwan: now that really requires a leap of faith’ (Bundy 1991).

True, as noted above, even many of those who have no such faith may feel driven back, however grimly, to the apparent logic of TINA. Given the nature of the global power structure and of South Africa’s own internal balance of class forces, the more sceptical will be tempted to recall Roger Murray’s suggestive formulation of several decades ago — he was writing about Ghana but implied that the point might have broader resonance for the continent as a whole — that the “historically necessary” may not prove
to be the ‘historically possible’ (Murray 1967). It remains to be seen whether Africans, in South Africa and beyond, will rest content with this bleak prospect and the limitations upon claims to social justice, cast in class, racial and gender terms, that it implies. In neighbouring Zimbabwe, Patrick Bond finds promise in the possible emergence of a new left-oppositional party under the sponsorship of the trade unions and other popular organisations: ‘What is crucial,’ he writes, ‘is that the opposition’s political orientation is potentially both post-nationalist and post-neoliberal, perhaps for the first time in African history’ (Bond 1999). South African conditions, political and economic, are different from those in Zimbabwe. Nonetheless, the question of just how long the mass of South Africans – so used to mobilising heroically to advance their interests – will themselves rest content with the kind of bleak perspectives granted them by ‘magical market realism’ before they are also moved to reactivate the struggle to realise more humane and genuinely developmental socio-economic strategies in their country is one of the key questions for Africa as we approach the millennium.

Notes
1. For a similar view, see Weiss 1997. Indeed, Weiss is so enmeshed in the kind of crack-pot realism that haloes market logic and corporate concerns as not to mention any alternative prospects at all.
2. As Cox (nd) writes, ‘this [assimilation into the global market economy] is the primary form of alienation in the world today – the imagining of a force created by people that stands over them proclaiming that ‘there is no alternative’.
3. As Fanon puts it: ‘The national middle-class discovers its historic mission: that of intermediary. Seen through its eyes, its mission has nothing to do with transforming the nation; it consists, prosaically, of being the transmission line between the nation and a capitalism, rampant though camouflaged, which today puts on the masque of neo-colonialism’ (1967:122).
4. The general thrust of this quotation remains suggestive despite Ramaphosa’s own shifting fortunes in his business ventures. See ‘Ramaphosa’s departure raises key black empowerment issues,’ Southscan, 1999.
5. The government’s own Poverty and Inequality Report, prepared under the direction of Professor J May of the University of Natal for the office of the deputy president, suggests that about 50 per cent of households or 18 million people are classified ‘poor,’ earning less than R353 per adult per month. Of these, 20 per cent of households or ten million people are ‘ultra-poor,’ earning less than R194 per month per adult equivalent. The poorest 40 per cent of households account for 11 per cent of total income, while the richest ten per
cent of households, equivalent to only seven per cent of the population, accrue over 40 per cent of total income. At 0.58, South Africa’s Gini coefficient (a measure of the degree of inequality) is, as noted earlier, one of the highest in the world.

6. For a more encouraging reading, from a radical perspective, of SWOP’s finding and, indeed, of the militant potential of worker assertions see Satgar and Jardine, nd. For further background, see Bassett 1999.

7. Indeed, Mbeki continues to feature much more prominently his on-going pre-electoral attempts at elite-pacting with the venomous Buthelezi and the IFP than he does any championing of worker interests through the election process. For a suitably sardonic view of recent ANC/IFP relations, see Maré 1999.

8. For a more general argument as to the unlikelihood of a capitalist transformation of Africa see Saul and Leys 1999.

9. But how different? In 1997 I asked a progressive Zimbabwean friend who had recently emigrated to South Africa to compare the two experiences. Highlighting the post-liberation scramble for power and perks in each case, he emphasised the similarities, noting only a difference in scale and significance: ‘Zimbabwe was the trailer,’ he said wryly. ‘South Africa is the movie.’

References


——— 1998b. ‘Speech at the twelfth heads of state meeting of the Non-Aligned Movement in South Africa’, September 3.


Magical Market Realism


