

RSA
**SYSTEMIC EXCLUSION IN POST-APARTHEID AFRICA
AND THE ROLE OF CIVIL SOCIETY¹**

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1. INTRODUCTION

Civil Society

Democracy and civil society can be regarded as Siamese twins; they are dependant on each other and the one has to serve the other. Democracy is certainly not only about general elections every 4 or 5 years. In all democratic countries, civil society has the task to question and to challenge the governing elite during and between elections. It belongs to the essence of democracy that those entrusted with political power are not only held accountable periodically by the electorate but also continuously by a great variety of civil society organisations. In a developed capitalist society, it is also part of the task of civil society to play its part in holding those entrusted with economic power accountable for the manner in which they exercise their power.

In developing capitalist countries the role of civil society is even more complex. In many of these countries multi-party democracy is not yet fully institutionalised and many governments govern with huge majorities. Consequently, civil society has an even larger responsibility to act as a countervailing force in political matters. On top of this, civil society in developing countries often have no choice

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but to be inextricably involved in the development process, both as a participant in the development process and as a critical observer of the appropriateness of the development agenda. In this dual function hides a serious dilemma: if civil society becomes too excessively involved in the development process, it runs the risk that it can easily neglect its main task, i.e. to play the role of "critical watchdog" over the way power is exercised and on the appropriateness of the government development agenda.

We have reason to fear that civil society in South Africa has become deprived of its role as "critical watchdog" in post-apartheid period. Civil society is presently rather divided, fragmented, relatively powerless and without a clear agenda. It is neither a hegemonic counter force to the new power constellation – institutionalised in the early 1990s - nor is it an effective critic of the governments' growth and (so-called) development agendas.

Before I can concentrate on the tasks and the deficiencies of civil society in the post-apartheid period, I first have to discuss the root causes of poverty and unemployment and the reasons why both became more severe over the past 10 years. It is alarming that inequality and poverty remain the outstanding characteristics of the South African society ten years after the miraculous transition from apartheid to a representative democracy.

To put the inequality and the poverty problems in their proper historical context, it is necessary to divide South Africa's history *since the mining revolution* in three distinct *systemic* periods. In each of these three systemic periods the power constellation in place moulded society in ways that have had far reaching implications for the inequality and poverty issues of today. The three systemic periods are:

- firstly, the period of extended colonialism from ± 1890-1974 when *systemic exploitation* was introduced and perpetuated;
- secondly, the period of *transition* (from 1974 until 1994) when *systemic exploitation* was gradually replaced by *systemic exclusion*; and
- thirdly, the democratic period since 1994 when *systemic exclusion* is reproduced.

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2. THE PERIOD OF EXTENDED COLONIALISM WHEN SYSTEMIC EXPLOITATION WAS INTRODUCED (1890 – 1974)

South Africa's economic "take-off" took place during the mining revolution at the end of the 19th century. The mining companies could only extract gold profitably and in large quantities (as was demanded by Great Britain) if a *politico-economic system* and a labour system could be institutionalised conducive to the profitable production of gold. The politico-economic system that was institutionalised – on request of the mining companies – in the 25 years from 1890 to 1915 was a political system of *white political dominance* and an economic system of *racial and colonial capitalism*. This politico-economic

system remained virtually intact until the 1970s. In this system a very close symbiotic relationship existed between the whites that controlled South Africa politically, and the whites that controlled the South African economy. Both groups had a huge vested interest in *systemic* exploitation and profited hugely from it.

When gold was discovered the Africans were economically independent. They practised their traditional farming on the land still occupied by them. During the second half of the 19th century many Africans became successful sharecroppers in maize production on white farms or on crown land. The Land Act of 1913 restricted the native reserves to only 8% of the South African territory and outlawed all kinds of sharecropping. The purpose of the Land Act was to turn large numbers of Africans into an impoverished proletariat with no choice but to seek contract labour (at very low wages) on the mines and on white farms. The labour system introduced by the Land Act - and maintained until the 1970s - was a black labour repressive system. This labour system was the bedrock on which *systemic exploitation* was based for a period of at least 60 years.²

The politico-economic system in place in South Africa from ±1890 until 1974 was a highly *dysfunctional* system. It served the interests of the whites exceedingly well and enriched them *undeservedly*. But due to the exploitative nature of the system, the blacks – and

² Due to the deeply institutionalised *systemic exploitation*, the per capita income of Africans declined from 9,1% of white per capita income in 1917 to 6,8% in 1970. During the first 75 years of the 20th century the whites were always less than 20% of the total population, but they constantly received more than 70% of total income. The Africans were almost 70% of the total population, but they received consistently less than 20% of total income. On top of this almost all property was in the hands of the whites.

especially the Africans – were impoverished *undeservedly*. This politico-economic system reached its zenith during the early 1970s. At that time a fault line became deeply embedded in South African society. Almost all the whites were economically in a privileged position as middle class (or bourgeoisie) people, while almost all the blacks were impoverished lower class people. The South African society was a deeply divided *racial* society in 1970.³

3. THE TRANSITIONAL PERIOD (1974-1994) AND THE REPLACEMENT OF SYSTEMIC EXPLOITATION BY SYSTEMIC EXCLUSION

A series of dramatic events in the mid-1970s plunged the white hegemonic order in a crisis of survival. This caused a profound paradigm shift in the ideological thinking of both whites and blacks, and started to change the power relations on which political supremacy and racial capitalism were based. The period from 1974 until 1994 was a period of stagflation, creeping poverty and growing unemployment. It coincided with the liberation struggle when political bargaining power slowly shifted from the whites towards the blacks. During this period the community based organisations (CBOs) acted as a powerful anti-hegemonic movement against the deeply institutionalised power constellation of white political dominance and racial capitalism.

³ The whites were 18% of the population and received 71% of total income. The Coloureds and Asians were 12% of the population and received 10% of income. The Africans were 70% of the population and received only 19% of total income. (See Whiteford and McGrath, 1994: Table 5.1, and Whiteford and Van Seventer, 1999, Table 2.1 and Sadie, 1989, Table 1).

The period from 1974 to 1994 can be regarded as the *transitional* period when white political dominance was slowly but certainly abolished. It was also the period when the economic system of racial and colonial capitalism was gradually transformed into a *first world capitalist enclave*. The labour reform acts of 1979-81 gave impetus to the trend towards enclavity. During this period *systemic exploitation* was gradually replaced by *systemic exclusion*. While 34% of the total African population was permanently employed in the formal sector in 1970, only 18% were thus unemployed in 1994.

As the politico-economic system of white political dominance and racial capitalism (and the power constellation on which it was based) started to collapse during the struggle, all kinds of *distributional* shifts took place. The income of the top 25% of blacks increasing by more than 40% from 1974 to 1994. The NP government made several concessions to the leader core of the black population in a desperate attempt to convince them of the alleged merits of apartheid. The corporate sector, in their turn, also pampered to the top 25% of the blacks as part and parcel of their new capital-intensive production methods. The income of the lower 60% of the Africans declined, however, by almost 50% between 1974 and 1994.⁴

⁴ This lower 60% of the blacks had no choice but to carry the brunt of the painful transitional process. Before 1974 they were the real victims of *systemic exploitation*. From 1974 to 1994 they became increasingly the victims of the struggle and of *systemic exclusion*. During the transitional period the income of the lower 60% of whites (mainly Afrikaners) also declined by $\pm 40\%$. Consequently they lost part of the higher income growth attained by them during the third quarter of the century. (See Whiteford & McGrath, 1994 and Whiteford and Van Seventer, 1999).

These distributional shifts that took place during the transitional period radically changed the composition of the South African society. The fault line shifted to include the top $\pm 25\%$ of the blacks in a privileged position as a middle-class-in-the-making. Together with the white middle class, the new unfolding black middle class comprised $\pm 30\%$ of the population in 1994.

But the fault line between the privileged and impoverished part of the population became much deeper during the transitional period. The poorest 60% of the blacks were considerably poorer in 1994 than in 1974. At the end of the transitional period $\pm 50\%$ of the population was living under the poverty line. Their poverty has already attained an endogenous dynamic of its own in 1994. Their poverty was already like a snowball rolling from a slope at its own momentum. In 1994 the poor was already exposed to several poverty traps that were not only perpetuating poverty spontaneously, but also augmenting it.

During the transitional period important *power shifts* took place. While the power and legitimacy of the NP was slowly but surely subverted, the corporate sector experienced a rather severe accumulation crisis. But in spite of this crisis, the corporate sector succeeded to consolidate its situation of power and influence. Very lucrative business opportunities became available as a result of the disinvestments drive of foreign corporations, while many corporations also profited from the NP government's high spending on defence and on Armscor. The English-controlled corporations succeeded in convincing, firstly, the Afrikaner corporate sector, then the NP

government of the (alleged) merits of their ideological approach of neoliberalism and free marketeerism. During the latter part of the 1980s the corporate sector also started to negotiate with the ANC in exile. In these negotiations the corporate sector told the ANC that it did not benefit from apartheid and that it was always against it. These claims were, of course, untrue.⁵

4. THE INSTITUTIONALISATION OF A NEW COMPACT OF POWER AND A NEW POLITICO-ECONOMIC SYSTEM DURING THE EARLY 1990s.

The first half of the 1990s was a remarkable period in the history of South Africa. It does not happen often in the history of a country that the politico-economic system disintegrates almost completely and that an institutional vacuum (or *tubule rasa*) is created before a new power constellation and a new politico-economic system could be institutionalised. Although it was not realised at the time, the corporate sector (and its global partners) were during the period of negotiations in such an extraordinary powerful position that it could mould the negotiations to entrench its interests to a more significant extent than ever before. The fall of the Berlin Wall (1989) and the implosion of the Soviet Union (1991) created an opportunity for dogmatic protagonists of free market capitalism to claim a triumphant victory. They completely overstated their case.

⁵ The discriminatory measures (to protect whites against black competition) were cost increasing and the corporate sector was understandably against these measures. But the black labour repressive measures (to force African labour into the modern sector) were cost decreasing and the corporate sector benefited enormously from these measures. Looking at the labour repressive measures from the point of view of the impoverished black majority, it is very unfortunate that the TRC was not authorized to investigate the phenomenon of systemic exploitation. (See Terreblanche, 2002; 124-132).

Parallel to the formal negotiations on South Africa's future political system that took place at Kempton Park, secret and informal negotiations were conducted between a leader core of the ANC and the corporate sector. In these negotiations the corporate sector was strongly supported by global corporatism and by International Monetary Institutions (like the World Bank and the International Monetary Fund). In these negotiations the ANC leadership core was convinced about on the alleged merits of a neoliberal, freemarket fundamentalism and a globally orientated economic approach for South Africa. The corporate sector and the ANC also agreed upon several Elite Compromises. Through these agreements a new *compact of power* was forged and a new politico-economic system became institutionalised. In the new power constellation the corporate sector (and its global partners) emerged in a dominant position, while the ANC was co-opted in a subservient position but on terms very lucrative for the emerging black elite and the emerging black middle class.

The acceptance of a neoliberal, freemarket- and a global- orientated economic approach by the ANC was a serious mistake from the point of view of the impoverished half. It was particularly unfortunate that this economic approach was "superimposed" on the socio-economic "ash-heap" of apartheid and the struggle. (See Marais, 2001: 150-160 and Bond, 1999). The neo-liberal approach was firmly institutionalised when the GEAR-strategy was announced in 1996. GEAR – like its counterparts worldwide – is fundamentally an anti-poor policy, in that it prioritises economic growth, export orientation

and trade and currency deregulation. GEAR's endeavours to solve the problems of social inequity and unemployment through the (alleged) "trickle down" effect. This implies that business confidence, international competitiveness and the large scale commodification of social services must enjoy central stage, while the expansion of public spending was subordinated to stringent budget deficit containment. (See Barchiesi, 2004 and Kotze, 2004). → 17

5. THE NEW POLITICO-ECONOMIC SYSTEM IN ACTION OVER THE PAST 10 YEARS AND THE REPRODUCTION OF SYSTEMIC EXCLUSION

During the past 10 years the South African economy became rather rapidly integrated into global capitalism. Permission was also given to large corporations to shift their main share listings to foreign markets. Macro-economic stability and fiscal discipline was restored. An average growth rate of 2,7% was attained, but it was mainly jobless growth. Employment in the formal sector increased at best by only 300 000, while more than a million additional jobs were created in the informal sector, mainly as a result of the casualisation of job opportunities. Due to the sharp increase in the potential labour supply, unemployment increased (according to the broad definition) from 30% in 1994 to 42% presently, while 16% of the labour force are "employed" in the informal sector.⁶

⁶ Unemployment increased from 1,8 million in 1970 to 4,2 million in 1995 and to ±8,0 million in 2003. (See Gelb, 2003 and SAHDR, 2003, Table 2.7).

The percentage of the total Africans with employment in the former sector declined from 34% in 1970 to 14% presently. The protagonists of neoliberalism and globalisation promised in 1994/95 that this policy approach would be conducive to invite foreign direct investment (FDI) equal to 5% of GDP. The actual annual inflow of FDI was, however, only 1% of GDP.

The economic growth attained over the past 10 years benefited mainly to top 15 million of the population. According to the South African Human Development Report (SAHDR), 2003, (Table 2.20) the percentage of the population that is living under the poverty line, decreased from 51,1% in 1995 to 48,5% in 2002.⁷ However, given that the population has grown during the same period, the total number of poor increased from 20,2 million in 1995 to 21,9 million in 2002. According to the UNDP more than half of all South African women (50,9%) are living under the poverty line compared to men (45,9%). This means that women are bearing a heavier burden of poverty and inequality than men.⁸

⁷ Great controversy exists on poverty statistics. Some economist claims that the percentage of the populating that is living under the poverty line is not as high as indicated by the SAHDR (2003). They claim that less than 40% is living under the poverty line and that the poor has not become poorer over the past 10 years. New estimates on poverty by the Human Research Council (HSRC) (2004) show that the proportion of people living in poverty in South Africa has not changed significantly between 1996 and 2001. According to the HSRC 57% of the population is living in poverty. The HSRC study has shown that the poverty gap has become "deeper" from 1996 to 2001. While R56 billion was necessary to close the poverty gap in 1996, no less than R81 billion was necessary in 2001, indicating that the poor households have sunk deeper into poverty over this period.

⁸ According to the UN report, poverty became deeper (i.e. more severe) and the human development index (HDI) declined from 0,730 in 1995 to 0,635 in 2002. In 1995 the GINI coefficient for South Africa was 0,596; it rose to 0,635 in 2001, suggesting that income *inequality* was worsening. It also continued to perpetuate South Africa's place in the ranks of the most unequal societies in the world. In view of this rising income inequality only 6% of all people who reached retirement age of 65 in 2000, can be regarded as financially independent. (See SAHDR, 2003; 40-50).

The old politico-economic system (of white political dominance and racial capitalism) that reached its zenith in 1970 – was highly dysfunctional. It was responsible for the *systemic exploitation* of $\pm 70\%$ of the population. Our new politico-economic system is, unfortunately, also dysfunctional (although not as highly dysfunctional as the previous one). It is responsible for the *systemic exclusion* of the poor half of the population. It is likely that this *systemic exclusion* will be reproduced as long as the (new) compact of power (between the corporate sector and the ANC government) remains intact and as long as its neoliberal economic approach is perpetuated. The socio-economic situation of the poorer half of the population appears to be in decline since 1994. The combined effects of high (and growing) levels of unemployment, the rampant HIV/AIDS pandemic, the crisis around the high cost of basic services for the poor and the inferior and corrupt service delivery are leading to a constant decline in the living standards of the poorest half of the population. This decline takes place at a time when the living standard of the top 1/3 of the population has increased quite spectacularly over the past 10 years.

But why are the (new) politico-economic system – and the power relations and ideological orientation on which it is based – dysfunctional? Why is it excluding the poorer half of the population from the advantages of the new South Africa?

Both the *political* and the *economical* facets of our new politico-economic system contribute to the dysfunctionality of the new system. In our new democracy members of parliament are elected on a proportional basis. This election practice places extraordinary party political power in the hands of the ANC. The National Executive Council (NEC) of the ANC is elected at ANC conferences that are convened every five years. The ANC members that attend these conferences are largely (if not exclusively) middle class people with typical middle class ideological orientations. It is, therefore, not surprising that the ANC conferences and the NEC have regularly condoned the neoliberal, free market and global orientated economic approach of the leader core in spite of the growing unemployment. The new black elite and the new black middle class (bourgeoisie) (\pm 11 million people) have attained a vested interest in neoliberalism, in black economy empowerment (BEE) and in affirmative action (AA).⁹

In spite of its rhetoric, the ANC government is a pro-middle class government and not a pro-poor government. This orientation will persist as long as the black middle class remains in control of the government. From a governance point of view, the ANC is not a strong government. It cannot stand its ground under pressure of local and global corporatism and the white and black civil society organisations in middle class circles.

⁹ It is not surprising that through the BEE and AA more resources and opportunities were transferred – over the past 10 years - from whites to the black middle class (11 million) than to the 22 million that are living below the poverty line. It is often alleged that many whites are critically orientated towards BEE and AA. But if one consider the high priority given to the promotion of the economic interests of the black middle class through BEE and AA, then it is the (mainly) black poor that have justifiable reasons to complain about the manner in which black middle class is pampered by the ANC-government to the detriment of the poor.

It is true that the majority of the poor have voted in large numbers for the ANC in three successive elections. Although the ANC attained almost 70% of the vote in the 2004 election, the participation of the electorate was markedly lower than in the two previous elections. Only 75% of the potential electorate took the trouble to register for the election, while only 76% of the registered voters cast their vote. Consequently only 38% of the potential electorate of 27,5 million voted for the ANC. The ANC cannot regard this percentage as high enough to claim a “contract with the people”.

The economic (or capitalist) facet of our new politico-economic system also contributes to the reproduction of *systemic exclusion*. During the transitional period (1974-1994) the economic system was transformed from an economic system of racial and colonial capitalism into a *first world capitalist enclave* that disengaged itself from the employment of unskilled African labour. Over the past 10 years the ANC government’s economic approach— an approach that was installed on request of the corporate sector – strongly stimulated the trend towards an *open first world capitalist enclave*. This capitalist enclave is based on modern technology, it is efficient, it is dynamic and it is smart, but it is increasingly marginalizing the poor from the formal sector of the economy. We have not experienced the large influx of FDI that was promised. If a larger influx of FDI can be attained, the economic growth rate will be higher, but will in all probability not increase employment to the necessary extent, while its trickledown effect will also be rather small. The persistence of relative low growth rates in the capitalist enclave and the worsening of

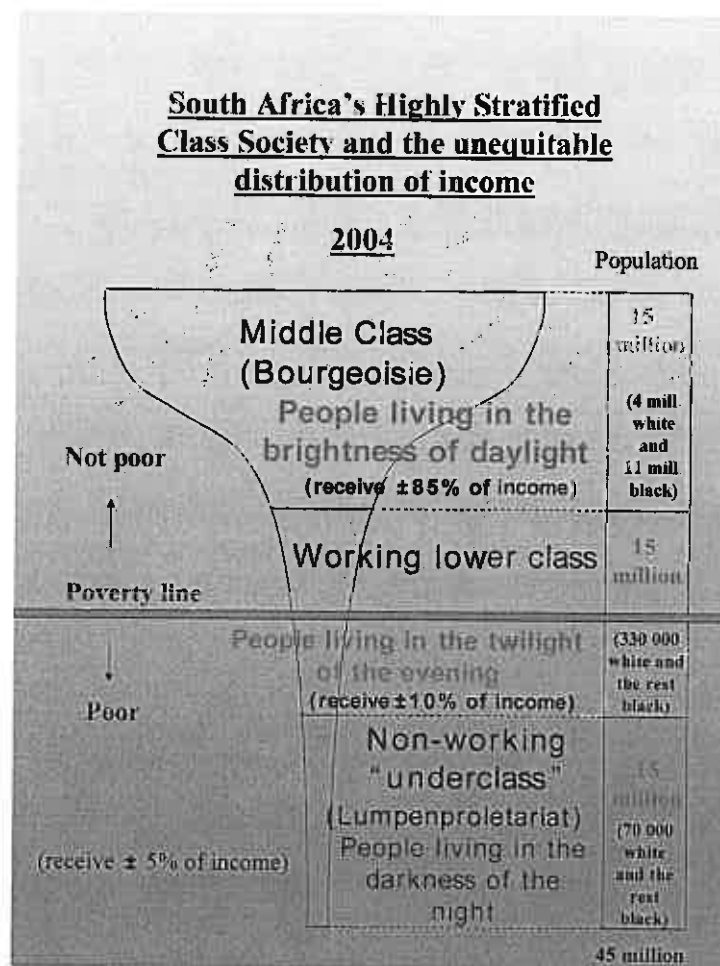
income distribution and unemployment – within the framework of global capitalism – indicate a growth path that falls short of sustainable development goals. (Mhone, 2000).

The distributional shifts that have taken place over the past 30 years transformed the SA society from a deeply divided *racial society* into a deeply divided *class society*. With the reproduction of *systemic exploitation* over the past 10 years, the fault line in the South African society has shifted further, but also became deeper. Over the past 10 years the position of the emerging black middle class was *very much* consolidated, while the poor became poorer.

We can divide the total population of 45 million in three classes of 15 million each. The top 15 million is the multi-racial middle class or *bourgeoisie*¹⁰ (± 4 million white and ± 11 million black), the next 15 million is the *working lower class* and the next 15 million is *the non-working underclass*. The middle class (bourgeoisie) receives $\pm 85\%$ of total income, the working lower class $\pm 10\%$ of income and the non-working underclass only $\pm 5\%$ of total income. The social and economic human rights of the *underclass* are in a dismal state of affairs. According to the UNDP report 37,7% of households (± 18 million people) were still deprived of "good" access to four to six of the following basic services in 2001: health, energy, sanitation, education, communication, housing and drinking water. (See SAHDR, 2003: 98).

¹⁰ The middle class or bourgeoisie includes the white and black elite (or haute bourgeoisie) the middle middle class (for bourgeoisie) and the lower middle class (or petite bourgeoisie).

The fact that the top one-third of the population receives $\pm 85\%$ of total income and the lower one-third only $\pm 5\%$ of income is from a human rights point of view an unacceptable state of affairs. *It is a reflection of how deeply social injustice is ingrained in the South African society after decades of systemic exploitation and systemic exclusion.* It is also – from a stability point of view – a dangerous situation. It is indeed difficult to understand why the extravagant wealth of the old white and the new black middle class can be condoned in a country in which the *underclass* of 15 million are living in such abject poverty and squalor.



Social spending has increased from 51% of the non-interest spending in 1992 to 58,3% in 2004/5.¹¹ The increased spending on social services is laudable, but by far not large enough to improve the social and economic human rights of the poorer half of the population to a satisfactory degree. The increased spending on social services has increased the "social wage" of the poor, but probably not enough to compensate for the pauperisation effect of the rolling snow ball. In 1994 the poor was already exposed to several poverty traps that were not only perpetuating poverty spontaneously, but also augmenting it. We can identify the following poverty traps: high and rising levels of unemployment in a relative slow growing economy; deeply institutionalised inequalities in the distribution of *power, property and opportunities* between the multi-racial middle class ($\pm 1/3$ of the population) and the (mainly black) poorest half of the population; disrupted and fragmented social structures and the syndrome of chronic community poverty among the poorest half of the population; the mutually reinforcing dynamics of violence, criminality, and ill-health (especially aids) on the one-hand and the process of pauperisation on the other, and the low levels of education of the poorer half of the population and the inferior education system at the disposal of the poor.

In its Election Manifest (2004) the ANC promised the electorate that both poverty and unemployment will be cut by half over the next 10 years. This implies that only 24% of the population will live below

¹¹ The government will spend in the financial year of 2004/5 R76 billion on education, R60 billion on social society and welfare services R42,6 billion on health services and R18 billion on housing and social development (Budget, 2004).

the poverty line in 2014 and that unemployment will be cut from 42% of the potential labour force presently to only 21% in 2014. Both these promises are unattainable – especially if the government is to stick to its economic approach of neoliberalism, freemarketeerism and globalisation. The poverty problem is too deep and too comprehensive to be cut by half in 10 years time. The potential labour force will increase from 20 million in 2003 to 23 million in 2014. To reduce unemployment from 42% in 2003 to 21% in 2014, almost 7 million additional jobs will have to be created in both the formal and informal sectors over the next 10 years. This is highly unlikely.

Looking at the inequality and poverty problem from a long-term perspective, the real problem is not the unequal distribution of income, *but the unequal distribution of (institutionalised) power and the dysfunctionality of our new politico-economic system.* In the old South Africa political and economic power were in the hands of a *white middle class* ($\pm 15-20\%$ of the population). This middle class controlled the politico-economic system to its own advantage and maintained *systemic exploitation*. Over the past 10 years political and economic power is in the hands of the new *multi-racial middle class* ($\pm 30-35\%$ of the population) and in the hands of global corporatism. This middle class controlled (~~in cooperation with global corporatism~~) the new politico-economic system to its own advantage and is responsible for the reproduction of *systemic exclusion*. *Against this background it ought to be clear to all that inequality, poverty and unemployment have become systemic problems that needs systemic solutions.* We must face the hard reality that as long as the present

politico-economic system - and the power relations and ideological orientation on which it is based – remains in place, the system will remain *dysfunctional*, the fault line will become deeper and the rich will become richer and the poor poorer.

To change the present politico-economic system it will be necessary to renegotiate the elite compromises on which agreement were reached in the early 1990s. It is very unlikely that the corporate sector and its global partners will be prepared to enter into such renegotiations. Consequently, the danger exists that the compact of power that was institutionalised in the early 1990 will remain intact for the foreseeable future. The prospect of solving the problems of inequality, poverty and unemployment to a satisfactory degree is, therefore, rather bleak.

The task of civil society must be judged against the background of two things: firstly, against the background of the (mainly uncontrolled) power concentrated in the hands of the (new) *compact of power* (between the corporate sector and the ANC government) and secondly against the background of the deteriorating socio-economic situation of the poorer half of the population and the apparent inability of the government's growth and (so-called) development agenda to prevent the looming social crisis. There can be little doubt that sweeping political changes have taken place in South Africa. Yet, as much as South Africa has changed politically, it has remained virtually the same economically. Our new democracy is in the invidious position

to deal with the paradox of *political equality* alongside *economic inequality*. During the negotiated transition the ANC has unfortunately compromised its democratic mandate and consequently it cannot live up to its task to alleviate the serious poverty problem bequeathed to it by the apartheid regime.

Civil society has, therefore, an enormous task in the deepening of our nascent democracy, in the alleviation of our huge poverty problem and in strengthening the government in its search for a functional economic system and an appropriate development agenda. But to accomplish these enormous tasks, civil society will have to take a strong adversary position against the new politico-economic system and against the power relations and ideological orientation on which it is based.

6. THE DEMOBILISATION OF CIVIL SOCIETY IN THE 1990s AND ITS CO-OPTION AS A “SOCIAL PARTNER”

The strategic role played by civil society during the struggle cannot easily be over emphasized. During the 1970s and 1980s the anti-apartheid struggle was clearly driven by the imperatives of spontaneous mass action, characterised by the Durban strike (1973), the Soweto unrest (1976) and activities of the UDF in the early 1980s (Johnson, 2002: 232). After the formation of UDF-and COSATU (in 1985) a number of strategic bridgeheads were established which enable the working class and the oppressed to partake in the struggle in a well-organised and focussed manner. The highly politicised

(mainly black) civil society acted as a huge anti-hegemonic movement to get rid of the apartheid regime. This broad movement was driven by an angry consciousness and by a growing awareness of its potential power. It was led by an able and well-discipline leader core and was reasonably well-funded by mainly foreign donors. This is not the place to ask whether the “inciles” or the “exciles” played the most important role in defeating apartheid. Together they attained an amazing political victory.

It is important to remember that the strength of the anti-apartheid movement was based on a multitude of genuine local concerns of the CBO's that became affiliated with the UDF. These local concerns were about bread-and-butter issues and about human rights violations. Although the overarching goal (i.e. the dismantling of the apartheid regime) was attained in 1994, the genuine local concerns that fuelled the struggle were not solved but became more severe for the poorer half of the population over the past 10 years.

Early in the 1990s great expectations existed that the post-apartheid government would see to it that the basic human needs of the poor would be met as part of a comprehensive redistribution and development process. Unfortunately, the expected – and highly needed – development and poverty alleviation did not materialise. What did happen was a considerable demobilisation of civil society organisations. The reasons for this demobilisation are rather complex and must be understood as part and parcel of the institutionalisation of a new power constellation in post-apartheid South Africa.

I have no doubt that the 1990s will be regarded by historians as an important *formative* period in our country's history. During this decade, the ANC leadership was pressurised from two opposite sides. On the one side local and foreign business pressurised it to liberalise the economy, and to re-engage it as quickly as possible into global capitalism. On the other side the broad-based social movement pressurised it to implement an agenda for economic democratization, socio-economic development and poverty alleviation. Given the balance of forces in South Africa and in the world – after the collapse of the Soviet Union – the leader core of the ANC concluded a “social contract” with local and foreign business. This contract determined the “rules” according to which the economic “game” was going to be played in the new South Africa. According to these “rules”, corporatism – both locally and globally – was put in a dominant position and the new government in a subservient position. As soon as *corporate dominance* was institutionalised the manoeuvring space of the new government was closed to such an extent that it could not enter into a similar “social contract” with the social movement. It, therefore, became necessary for the (new) government to establish new “rules” to regulate state-society relations. The institutionalisation of these rules happened in different stages. In the first stage – mainly during the first half of the 1990s – civil society was ^{and disempowered} demobilised and deprived from the highly politicised role it played during the struggle period. In the second stage – mainly during the second half of the 1990s – a large part of civil society (and mainly the larger NGOs) was

co-opted as "social partners" in the delivery of services and the consolidation of state power. (Johnson 2002)

Several events during the first half of the 1990s facilitated the leader core of the ANC in its endeavour to demobilise civil society. The euphoria about the victory that was attained over the overarching enemy (i.e. the apartheid regime) led to the suspension of local struggles. The "big" victory was so spectacular that local concern about the "small" but serious grievances - that continue to exist in every corner of the country - was easily forgotten. What was highly needed in the early 1990s was a new conceptualisation of the task of an independent civil society in articulating and in solving the serious developmental problems. It was necessary to "retool" civil society under new leadership structures and to supply it with new financial resources to meet the "old" local concerns that were (temporarily) put aside during the struggle. This reconseptualisation and the reorganisation of civil society were not accomplished. On the contrary, civil society found itself in an organisational vacuum. The local concerns that fuelled the struggle were either forgotten or put on hold to be address at an unspecified latter stage.

We can identify at least three other factors that had a paralysing effect on civil society. Firstly, the foreign donor funds (that played such an indispensable role during the struggle) were either suspended or redirected by the ANC. This created a survival crisis for many GNOs that made it easy for the new government to co-opt these organisations in its own organisational structures. Secondly, a significant number of

senior leaders of civil society during the struggle period migrated “upwards” to occupy senior political, bureaucratic or private sector positions. The upward migration of struggle leaders was strongly motivated by a spirit of careerism that replaced the community spirit characteristic of the pre-1994 anti-apartheid CSOs. This large scale “bleeding” of civil society created a huge leadership vacuum in its ranks. (See Kotze, 2004, 12-14).

Thirdly, after the defeat of apartheid many civil society organisations slumped into an existential crisis doubting its own purpose and direction. The struggle against the apartheid regime was clear and it coordinated a plethora of CBOs into a well disciplined army – literally and figuratively spoken. After 1994 the new “enemy” adopted many faces: poverty, unemployment, landlessness, crime, violence, Aids, etc. etc. To mobilise the people against an enemy with so many faces proved to be an almost impossible task. When the GEAR strategy was announced in 1996, a new enemy and a new face were added to the many faces that were already haunting the CBOs. The new “enemy” persisted in being a daunting one. The new leader core of civil society was taught to fight political, military and developmental battles. In 1996 it was suddenly confronted with an “economic” and ideological battle against neoliberalism, market fundamentalism and globalisation. To complicate matters the public were told in 1996 by the ANC leadership that the GEAR strategy was not negotiable. (See Barchiesi, 2004: 16-19).

During the second half of the 1990s a large part of civil society was “remoulded” from the “top” (by the new government) as a tool in the delivery of services and in the consolidation of state power. When the ANC took over the coercive apparatus of state in 1994, it signalled a shift in the relationship between civil society and the (new) state. While the relationship between the (old) state and society was one of opposition and conflict, it was after 1994 transformed into a relationship of *partnership* and *coordination*. While civil society was previously a strong anti-hegemonic force, a large part of it was after 1994 co-opted as a “social partner” and deprived of its highly needed role as a “watchdog” vis-à-vis the state. (See Greenberg, 2004: 23).

Hein Marais described the new state society relationship as follows in 2001: “Conceptionally civil society had virtually collapsed into the post-apartheid state” (Marais, 2001: 284). Many society organisations were for all practical purposes “co-opted” as junior partners by the government and entrusted with function that “transformed” then into an extension of the bureaucracy.

This trend is captured in a quote made by Welfare Minister Zola Skweyiya at the end of 2003: “[the NGOs] do not understand their role. They think it is to theorise about democracy, like before 1994. They should be helping in strengthening democracy and helping with service delivery to the poor”. As far as the minister is concerned, civil society no longer has the task to question and to challenge the government, but only the task to be a subservient servant of the (new) state. (See Greenberg, 2004, 23-25).

At the end of the formative 1990s the government's philosophy on state-society relations was firmly institutionalised in a new power constellation. The relationship between the political and economic spheres has since been substantially different than the relationship between the political and civil society spheres. The relations between the political and economic spheres are based on a "social contract" or an "elite pact" in which corporate (both local and global corporatism) is in a dominant position and the government in a subservient position. The relationships between the political and the civil society spheres is based on a "social partnership" in which a large part of civil society has been "transformed" as tool of service delivery and as a tool to contain the emerging social crisis.

[Krista Johnson summarised the ANC philosophy on state-society relationships since 1994 as follows:

"On the economic front, ... the ANC government adapting itself to the imperatives of the global capitalist economy. In the political sphere, it requires that democracy be limited in its scope and disengaged from the idea of social progress and that popular organisations within civil society be demobilised. ...[After the ANC took power there is a] tendency within the ANC leadership... to view the process of mass action or popular participation [in the public dialogue] solely as a process of tearing down rather than of building up. Similarly, many people in leadership positions in the ANC..... believe the need for mass action is in the contemporary context either unnecessary or subversive. Thus all calls for mass action or participation [in the political dialogue] are characterised as destructive, regardless of the legitimacy of the demands ...The result of this vanguardist approach (that privileges co-ordination and centralised leadership over decentralised mass action) is a governing strategy that – despite the continued official rhetoric of democracy and people-

driven development – systematically limits the public space for people to participate outside the highly regulated and institutionalised settings defined by the state” (See Johnson; 2002: 229 – 233).

7. SIGNS OF A RIVAL OF CIVIL SOCIETY AS AN ANTI-HEGEMONIC FORCE?

An outstanding characteristic of civil society over the past 10 years, is the sharp divide that has developed between the larger NGOs and the smaller CBOs. As many civil society organisations experience serious financial and existential crises in the 1990s, the government came to the rescue of larger NGOs and co-opted them as social partners in service delivery. The government also needed them for social containment in a worsening social situation. As the government is persisting with its neo-liberal and market fundamentalist approach and as the social cost of economic restructuring continues to escalates for the poorer half of the population, the government became aware of the dangers involved in a situation of social and political instability. In this situation the larger NGOs were not only needed for service delivery and social containment, but also to give highly needed ideological legitimisation to the government (Kotze, 2004: 20). The strong partnership relation that was built between the government on the one hand and all the different churches and the South African Council of Churches on the other, is a good example of the kind of partnership relationships that was built between the government and larger NGOs. While the different churches played a pivotal role during the struggle, they are now in a too close partnership with the government and seemingly unaware of the systemic nature of the

poverty and the unemployment problems. As long as the churches remain fully occupied in service delivery, it is unlikely that they will ask inconvenient questions about the role of the business sector and about the government's inappropriate economic approach. It is rather unfortunate that the churches have abdicated from their "watchdog" function so conspicuously.

The great emphasis the government is putting on service delivery and on the role of the NGOs in service delivery, is apparently part of a broader strategy to shift the discourse not only away from discussions on the root cause of poverty and unemployment but also from the governments neoliberal economic approach. Although concern about the poor levels of service delivery must receive the necessary attention, the big discourse in South Africa ought to be about the root causes of poverty and unemployment and about the dysfunctionality of our new politico-economic system that is reproducing social exclusion. In his State of the Nation address in February 2004, President Mbeki said that "*we, [i.e. the ANC government] do not foresee that there will be any need for new and major policy initiatives*". The government's spin-machine has indeed succeeded to determine the parameters of the public discourse and to remove discussion about corporate dominance, and about the inappropriateness of the government's neo-liberal approach from the public discourse.

COSATU tries very hard to focus attention on the unsustainability of the government's economic policy, but as a member of the Alliance it cannot be a catalyst for a new anti-hegemonic movement. Together with most of the other trade unions, COSATU is clearly locked in a defence of the interests of their members. It is, therefore, unlikely that COSATU and other trade unions can be convinced that the poverty and unemployment problems are *systemic* problems that need *systemic* solutions.

As the government remains a "captive" of corporatative dominance and as the larger NGOs are increasingly involved in service delivery, there are signs of a civil society revival in the ranks of smaller community based organisations. These organisations are responding to the basic needs' grievances of the poor in the worsening poverty situation. Thousands of new organisations have been launched as protest movements against the privatisation of basic services, against the commoditisation of public goods and against poor and corrupt service delivery. Some of them are small survivalist and self-help networks and represent desperate responses to the hardship their members are experiencing among conditions of abject poverty, chronic illness and amidst crime and violence. Many of these community based organisations are driven by an angry consciousness about the injustices that remain unattended in the post-apartheid period. Many of the new community-based organisations still lack the experience and the capacity to built linkages with other CBOs that are experiencing similar grievances. It is for this reason unlikely that the growing number of small CBOs will become effectively organised as

part of a new anti-hegemonic movement in the near future. It would, however, be a mistake to underestimate the hostility that lurks in the ranks of the large number of new community based organisations. (See Kotze, 2004: 16-24).

There are a few larger social movement organisations – mainly in urban areas – that have the necessary organisational efficiency and display strong animosity – against the new power constellation and against the government's economic orthodoxy – to become the core of a comprehensive new anti-hegemonic movement. Some of the organisations in this group are the Treatment Action Campaign, Jubilee South Africa, the Anti-Privatisation Forum and the Landless People's Movement. Desai and Pithouse claim that *"it is in organisations like [the abovementioned] that our nation has come alive and it is here that the real fight to defend and deepen our democracy is being fought"*. (Article in The Mercury, 8 March 2004).

These organisations are not only involved in periodic mass actions, but also in legal actions to focus attention on the gap between the government's human rights rhetoric and its practice. The fact that the government enjoys international legitimacy in spite of its inability to improve the living conditions of the poorer half of the population, poses a challenge to these activist organisation. A way of dealing with this challenge would be to argue that the legitimacy of the post-apartheid government must depend on the extent to which it succeeds to deal effectively with the legacy of apartheid. (See Greenstein, 2004: 30-34).

A large part of the social disruptions experienced over the past 10 years can be linked directly to the government's globalisation strategy. It is, therefore, not only permissible but also necessary for local social movements to built close partnership relations with global civil society. The marches on the United Nations' Conference against Racism in Durban in August 2001 and on the World Summit for Sustainable Development in August 2002 are indications that the new wave of social movement in South Africa is starting to develop explicit relations with the global movement against corporate globalisation. (See Barchiesi, 2004: 33-35). But, as explained by John Keane in his brilliant book, *Global Civil Society?* quite a lot of work is still to be done before the local social movement can become an integral part of the "global civil society" and before this society can succeed as an effective anti-hegemonic movement against global capitalism. *or against global apartheid as the Mbeki has described global capitalism* Keane defines "global civil society" as follows:

"Global civil society is seen as an autonomous social space within which individuals, groups and movements can effectively organise and manoeuvre on a world scale to undo and transform existing power relations, especially those of big business. This society is conceived as a certain kind of universalising community marked by "public opinion" cultural codes are narrations "in a democratic idiom" and "international practices like civility, equality, criticism and respect". (Keane, 2003, 62-62), quoting J.C. Alexander).

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