

On the day that President Nelson Mandela was released from custody in February 1990, he said:

"The white monopoly of political power must be ended and we need a fundamental restructuring of our political and economic systems to address the inequality of apartheid and to create a genuine democratic South Africa"  
(my emphasis).

STT POWER

Power Grows out of the barrel of a gun;  
-Mao Tse-Tung

Money Talks;  
-Anoniem

Knowledge itself is Power;  
-Francis Bacon

Power is the name of the game, Power is the name of the problem;  
-Anoniem

## POWERSHIFT

Toffler distinguishes between a "power shift" (two words) and a "powershift".

"Power shift": a transfer of power

"Powershift": a deep level change in the very nature of power ... it transforms power.

A "Power shift" takes place when the Labour Party becomes the government in the U.K. after a General Election.

A "Powershift" took place in the Western World from 1914 until 1945/50.

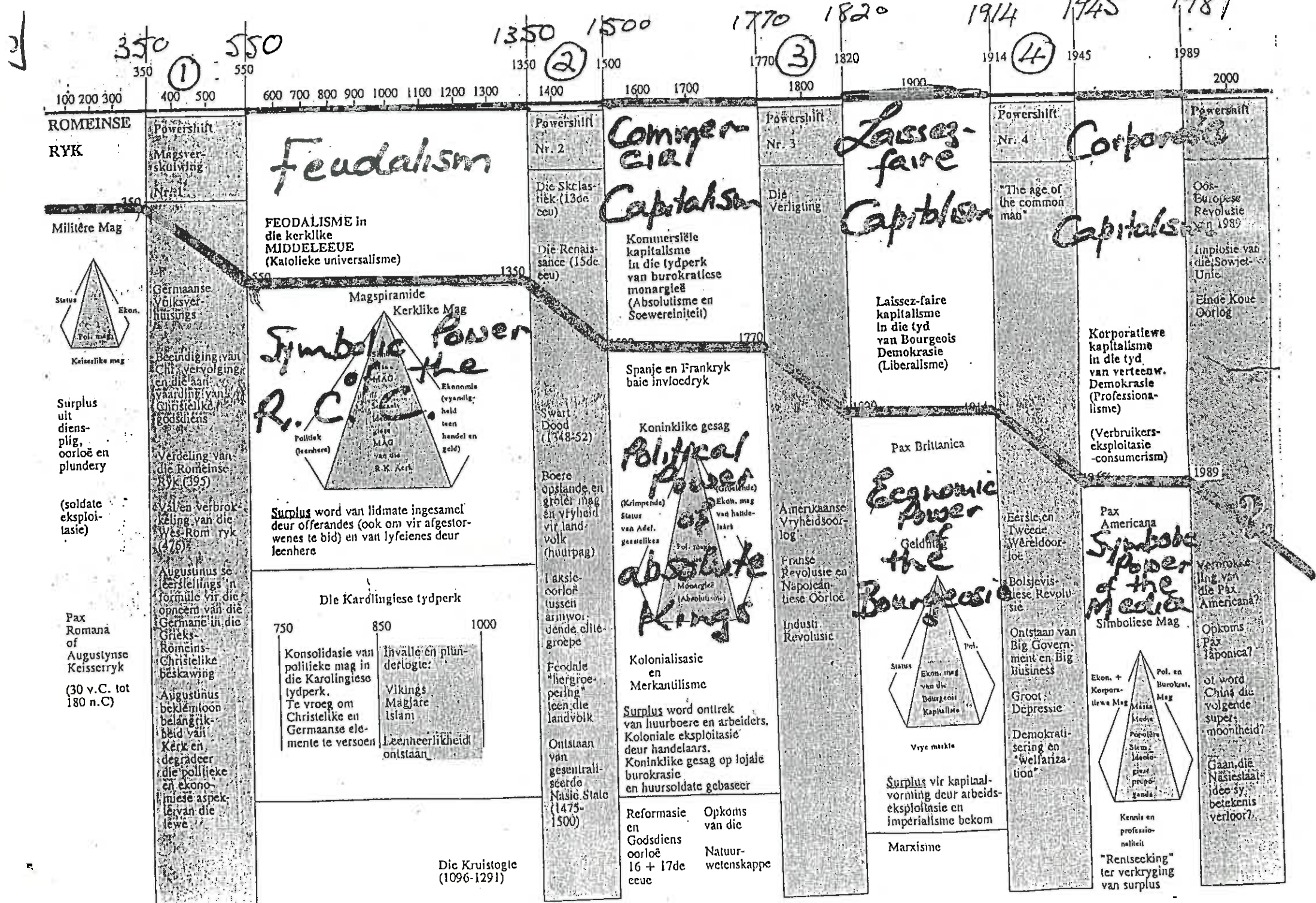
## THE POWER PHENOMENON AS A THREE-SIDED PIRAMID

The Power phenomenon manifest itself in three types of Power:

1. Political Power
2. Economic Power
3. Symbolic Power (or Socio-ideological Power)

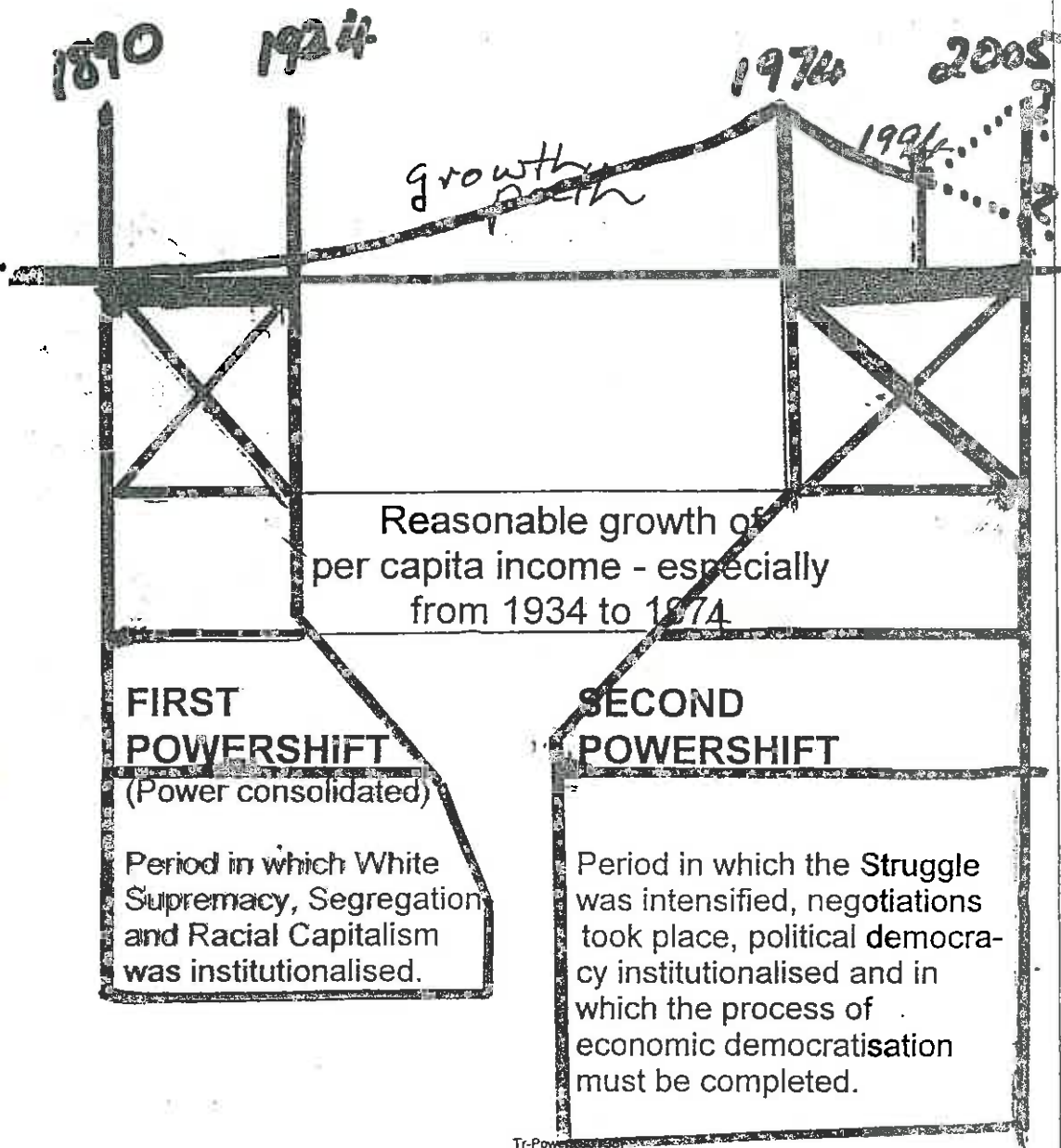
Alan Toffler described in the following words:

Political Power	Muscle	Violence
Economic Power	Money	Wealth
Symbolic Power	Mind	Knowledge





# Two S.A. Powershifts<sup>16</sup>



## THE ORIGIN OF WHITE SUPREMACY

1. During the Anglo-Boer War the imperial politicians gave the Africans the assurance that "equal laws, equal liberty" would be granted to all populations groups after a Boer defeat.
2. But during the negotiations that led to the Peace of Vereeniging in 1902, the British Colonial Authority reneged on these promises by making a crucial concession to the defeated Boers. It promised them that the question of granting the vote to Africans would be postponed until after self government had been restored to the ex-republics.
3. The Act of Westminster (1909) of the British Parliament granted only limited franchise rights to Coloureds and Blacks.
4. The system of White Supremacy was (so to speak) created out of a barrel of a British gun.

## THE ALLIANCE OF GOLD AND MAIZE

1. The single most important piece of segregationist legislation was the Native Land Act of 1913. Shortly after Union, the political alliance between the English-speaking mine-magnats and Afrikaans-speaking farmers was threatened by both group's need for cheap African labour.
2. To avert an open clash on this issue, the Botha/Smuts government and the English Establishment agreed on an economic "alliance of gold and maize". The formula on which this alliance was built - a formula that was inherently exploitative - remained the economic foundation of the system of racial capitalism until the early 1970s.
3. In accordance with the Land Act, the Chamber of Mines was empowered to recruit migrant labour in the African reserves (and in neighbouring countries), while the white (mainly Afrikaner) farmers were given the power to evict African croppers, squatters and other tenants who would not submit to the full control of their time and labour by the landowner.

## THE GOLD INDUSTRY AND BLACK LABOUR

1. The Anglo-Boer War (1899-1902) was an imperial and economic war inspired by the interest of British capitalists.
2. Originally (1890- ± 1905) Blacks were not prepared to work as migrant labourers in the Gold mines.
3. A labour repressive system to deprive Blacks of their traditional livelihood was deliberately implemented to create a Black proletariat.
4. In 1905 Alfred Milner deprived Blacks of large parts of their land. This process was completed by the Land Act (1913) when 1 million of the 5 million Blacks were deprived of their land.

- 110
4. Under the Land Act, more than a million African peasants were abruptly proletarianised. They were made pariahs in their own country.
  5. The Land Act (1913) created the economic rock on which the South African economy was built until 1970 - i.e. extremely cheap black labour.
  6. The real wages of Black migrant labourers on the goldmines were in 1972 20% lower than the level of 1911.

111

#### 1974: BEGINNING OF THE CRISIS FOR WHITE DOMINATION

1. AN IMPORTANT POWERSHIFT TOOK PLACE FROM 1974 - 1976.
  - (A) GENERAL SPINOLA SUCCEEDED WITH A COUP IN LISSABON AND ANGOLA AND MOZAMBIQUE BECAME INDEPENDENT.
  - (B) 1976 SOWETO UNREST.
  - (C) DISINVESTMENT POLICY AND ISOLATION OF SOUTH AFRICA COMMENCED.
2. TO COUNTERACT CRISIS P. W. BOTHA AND HIS GENERALS STARTED WITH THE TOTAL STRATEGY TO COUNTERACT THE (ALLEGED) TOTAL ONSLAUGHT (FROM MOSCOW AND HAVANA).
3. TOTAL STRATEGY THE OFFICIAL POLICY FROM 1978 - 1990. IT COULD NOT BE IMPLEMENTED WITHOUT THE "RIGHTWING" SUPPORT OF PRES. REAGAN AND MRS THATCHER.

1974-1990: THE STRUGGLE INTENSIFIED BETWEEN  
TOTAL STRATEGY AND LIBERATION ORGANISATIONS

1. DEFENCE SPENDING AS A PERCENTAGE OF GDP  
INCREASED FROM 2,2% IN 1972 TO 4,3% IN 1990.
2. P W BOTHA GOVERNMENT IMPLEMENTED A POLICY  
OF COOPTIVE DOMINANCE.
3. STRUCTURAL CORRUPTION BECAME PART OF THE  
SOUTH AFRICAN SYSTEM.
4. STATES OF EMERGENCY WERE DECLARED IN 1985  
AND 1986. THE WHOLE GOVERNMENT BECAME  
SECRETIVE AND SUPPRESSIVE.
5. THE 1980's WAS A "DARK" AND VERY UNFORTUNATE  
PERIOD IN SOUTH AFRICA'S HISTORY.
6. IN 1983 THE UNITED DEMOCRATIC FRONT WAS  
LAUNCHED AS AN INTERNAL ARM OF THE ANC.

SOCIAL SPENDING  
AS % OF GDP - 1987

	SOUTH AFRICA	HIGH MIDDLE INCOME COUNTRIES	INDUS- TRIA- LISED COUNTRIES
EDUCATION	6,3	4,2	5,0
HEALTH	3,3	2,6	5,0
SOCIAL PROTECTION & WELFARE	2,1	8,7	11,2
SOCIAL SERVICES	13,9	15,7	23,5
DEFENCE	4,3	2,3	5,0

114

## CHANGES IN THE RELATIVE INCOME OF THE FOUR POPULATION GROUPS SINCE 1975

1. DURING THE PERIOD OF CREEPING POVERTY (SINCE 1974) STRANGE CHANGES TOOK PLACE IN THE DISTRIBUTION OF INCOME BETWEEN THE DIFFERENT POPULATION GROUPS.

2. AFRICANS

(A) THE INCOME OF THE TOP 20% INCREASED BY 40%. (6 MILLION AFRICANS BECAME BOURGEOISIE.

(B) UNFORTUNATELY THE INCOME OF THE LOWER 40% DECLINED BY MORE THAN 40%. (THIS 13 MILLION IS DESPERATELY POOR. THEY LIVE IN ABSOLUTE POVERTY.)

3. COLOUREDS

THE INCOME OF THE TOP 60% HAS INCREASED WHILE THE LOWER 40% HAS BECOME MARGINALLY POORER.

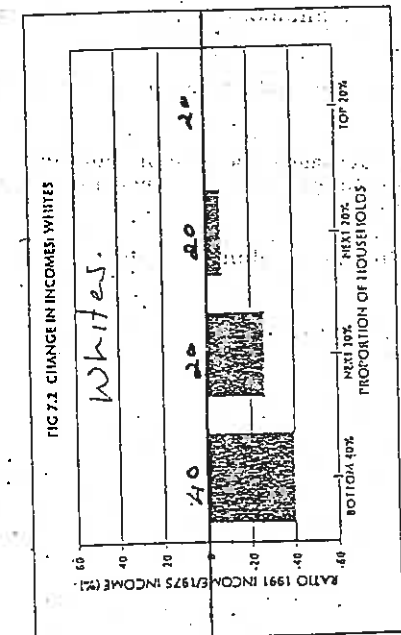
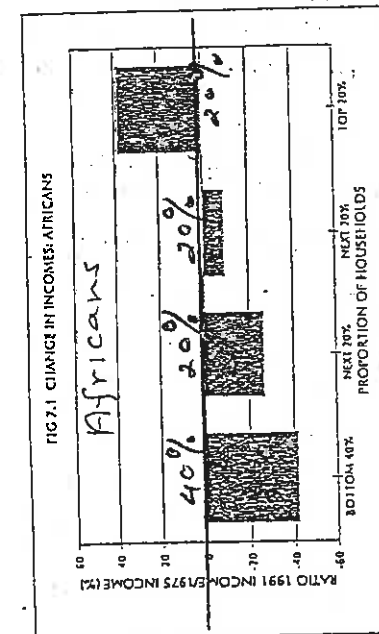
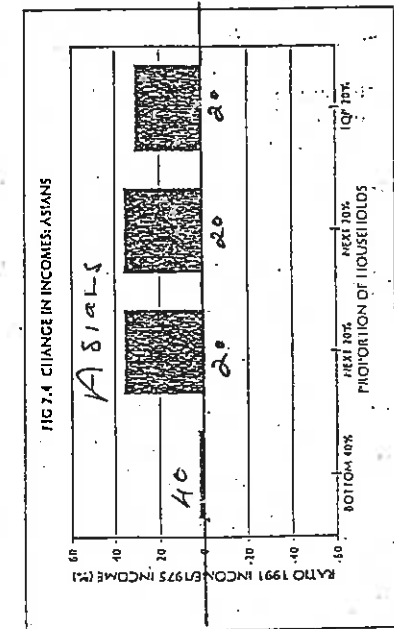
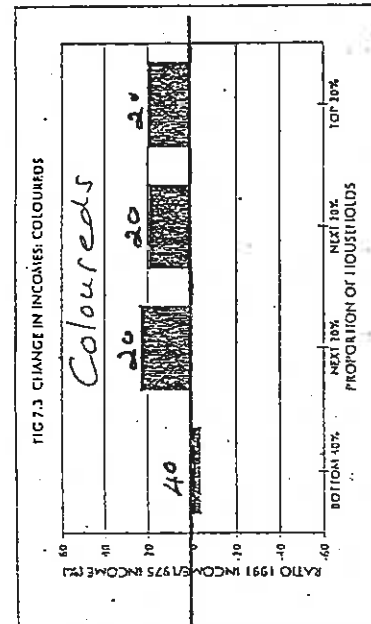
4. ASIANS

THEIR INCOME HAS INCREASED BY 30%.

5. WHITES

THE INCOME OF THE LOWER 60% (ALMOST ALL OF THEM AFRIKANERS) HAS DECLINED. (THIS IMPOVERISHMENT OF WHITES IS THE MAIN REASON FOR THE EXTREME RIGHTWING MOVEMENT IN AFRIKANER CIRCLES.)

6. THE SHIFT OF INCOME FROM WHITES TO PEOPLE OTHER THAN WHITE IS AN INDICATION THAT BARGAINING POWER HAS ALREADY SHIFTED AWAY FROM WHITES SINCE THE MIDDLE OF THE 1970s.

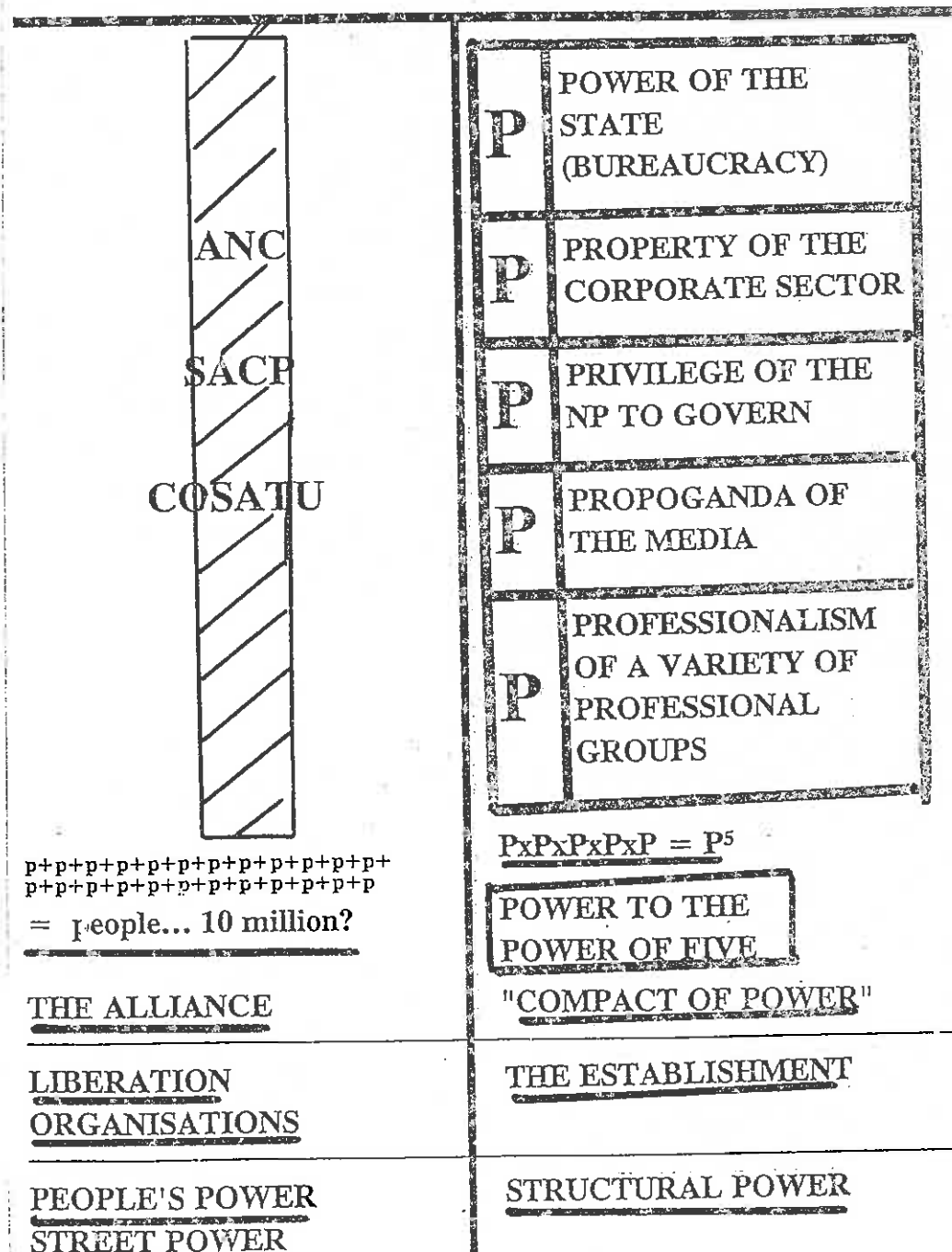




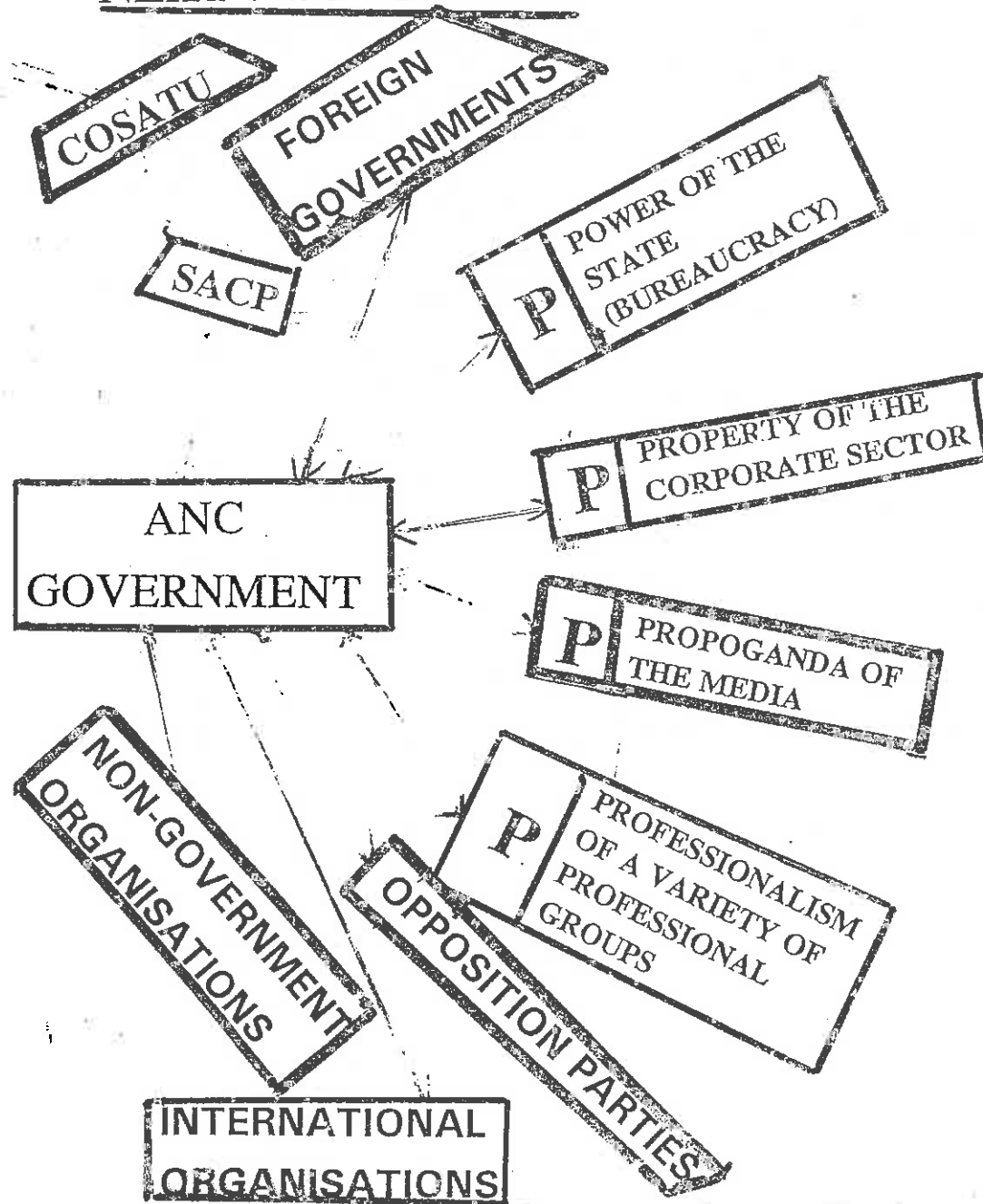
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77



# RESTRUCTURING OF THE POWER RELATIONSHIPS DURING THE NEXT 5 TO 10 YEARS



## THE ECONOMIC CHALLENGE OF THE FUTURE

1. MOVING THE ECONOMY  
ONTO A HIGHER GROWTH  
RATE
2. BRINGING ABOUT  
GREATER EQUITY AND  
FAIRNESS
3. BRINGING ABOUT A MORE  
EQUITABLE  
DISTRIBUTION OF  
PROPERTY, POWER AND  
CONTROL

Pres. Mandela - 24 May 1994

Our definition of freedom requires that we speak not only of political freedoms.

My government's commitment to create a people-centred society of liberty binds us to the pursuit of the goals of freedom from want, freedom from hunger, freedom from deprivation, freedom from ignorance, freedom from suppression and freedom from fear.

## PEOPLE-CENTRED SOCIETY OF LIBERTY vs FREEMARKETEER PROPAGANDA

1. Individual freedom of Economic Liberalism is a negative concept of freedom - (freedom from legal restraint for privileged minority).
2. Individual freedom of PCS of L is a positive concept of freedom - freedom from socio-economic bondage.
3. Economic Liberalism in favour of the freedom of the chicken run - of chickens and foxes.
4. After 100 years of Racial Capitalism and Apartheid millions of South Africans still live in socio-economic "captivity".

## A MARKET ORIENTATED ECONOMIC SYSTEM

Pres. Mandela has committed himself at several occasions towards the maintenance of a market orientated economic system.

This, however, is a far cry from the system propagated by the Freemarketeers. It is important that people in the corporate sector and in the mainstream media should realise that a free market system and a people-centred society of liberty are completely irreconcilable.

A market-orientated economic system (ie an appropriate system of Democratic Capitalism) and a people-centred society of liberty can indeed be reconcilable. [The people-centred society of liberty presupposed positive socio-economic freedom for the great majority, while a free market system is based on the negative (economic) freedom of the rich elite.

## R D P

The South African economy is in a deepseated structural crisis and as such requires fundamental restructuring.

Economic deprivation has created a fertile base for the violence and instability now engulfing our country.



34

## THE KEY PROGRAMMES OF THE R D P

1. Meeting basic needs.
2. Developing our human resources.
3. Building the economy.
4. Democratising the state and society.
5. Implementing the R D P.

25

## MEETING BASIC NEEDS - AIM OF THE RDP

1. EMPLOYMENT OPPORTUNITIES - 5 to 6 million potential labourers cannot get employment in formal sector (40% of labour force).
2. LAND REFORM - 30% of agricultural land must be redistributed in 5 years.
3. HOUSING - 1,3 million units are needed (300 000 annually).
4. WATER & SANITATION - 12 million people do not have access to clear water - 21 million do not have adequate sanitation.
5. ENERGY & ELECTRICITY - only 36% of households have electricity.
6. TELECOMMUNICATION - 1 out of every 100 Blacks has a telephone compared to 60 out of 100 Whites.

7. TRANSPORTATION - Apartheid cities have created a high transport problem (Black taxi's not the solution).
8. ENVIRONMENT - apartheid distorted the use of natural resources rather seriously.
9. NUTRITION - Malnutrition rather wide spread.
10. HEALTH STRUCTURES - SA spends R550 per capita annually. It is 10 times more than what is requested by World Bank. But very unequally spent and very inefficient.
11. SOCIAL SECURITY & SOCIAL WELFARE - SA spends 2,2% of GDP on safety net in 1987 while other middle income countries spend 8,6% of GDP.

## REASONS WHY WE SHOULD CONCENTRATE ON THE "R" OF THE RDP

1. Deep-seated structural crisis;
2. Danger of a "Second Revolution";
3. Reconstruction has become a buzz word -  
meaning of "to reconstruct":  
*to rebuild, to remake, to reorganise, to  
reassemble, to recreate, to remould, to  
transform, to reorientate;*
4. Bourgeois Establishment less enthusiastic about  
the "R" of the RDP;

## FOUR DIFFERENT LEVELS OF RECONSTRUCTION

1. Reconstruction on the systemic level - ie on the broad level of the political and economic power relationships.
2. Reconstruction concerning the unequal distribution of wealth property and economic control.
3. Reconstruction of the public sector and government's spending patterns.
4. Reconstruction concerning the reorientation of "human capital" (including all professional capacities) and to reset the mindset of the privileged minority.

## RECONSTRUCTION ON THE SYSTEMIC LEVEL

The importance of restructuring on the systemic level to transform the power relationships constructed during the century of white political domination and Racial Capitalism can hardly be overemphasized.

Although an important transformation of our political system took place in April, on-going changes in the relationships between the GNU and other centres of power - such as the bureaucracy, the corporate sector, the media and organised professional groups - must still take place.

The process of reconstructing our political and economic system - to create a stable and sustainable system of Democratic Capitalism - will only be completed when a broadly based pluralistic network of power groups has been institutionalised.

130

## FINANCE FOR THE RDP

1. It will come from revenues, issuing debt and grants.
2. The largest part of all RDP proposals will be financed by better use of existing resources.
3. The RDP will redirect government spending, rather than increase it.
4. We must finance the RDP in ways that preserve macro-economic balances.

131

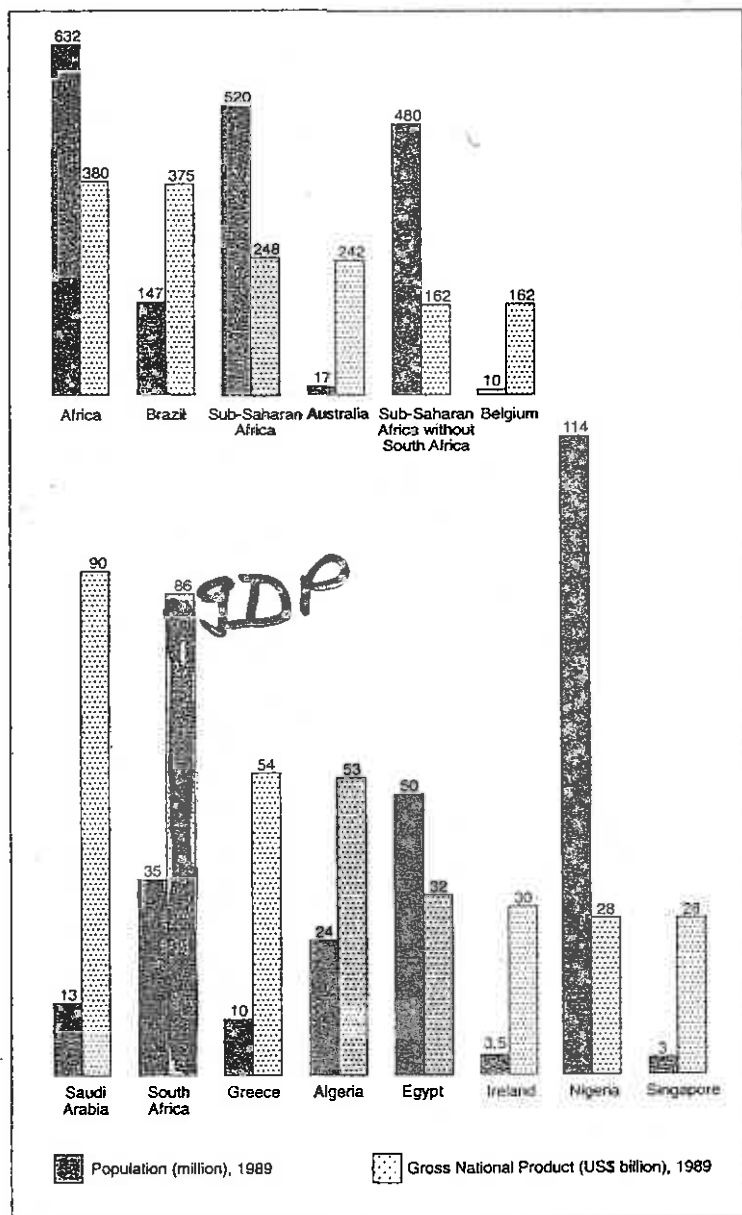
## SOUTH AFRICA VS. AFRICA

1. IN COMPARISON WITH THE REST OF AFRICA, SOUTH AFRICA IS AN INDUSTRIAL GIANT.
2. IF ONE COMPARES ITS ROAD NETWORKS, ITS RAILROADS, ITS PRODUCTION AND CONSUMPTION OF ELECTRICITY WITH THE SAME ITEMS IN THE REST OF AFRICA, SOUTH AFRICA CANNOT BUT BE CLASSIFIED AS HIGHLY INDUSTRIALISED.
3. IT IS THE LARGEST PRODUCERS OF GOLD AND DIAMONDS IN THE WORLD.
4. WHILE THE PER CAPITA INCOME IN SUB-SAHARAN AFRICA WAS \$340 IN 1989, THE PER CAPITA INCOME OF SOUTH AFRICA WAS ALMOST \$2 500 COMPARED WITH \$17 820 IN FRANCE.

1989 per capita Income	Sub-Sahara Afr.	\$ 340
	South Africa	\$2500
	France	\$17820



FIGURE 20  
COMPARATIVE SIZE OF ECONOMIES

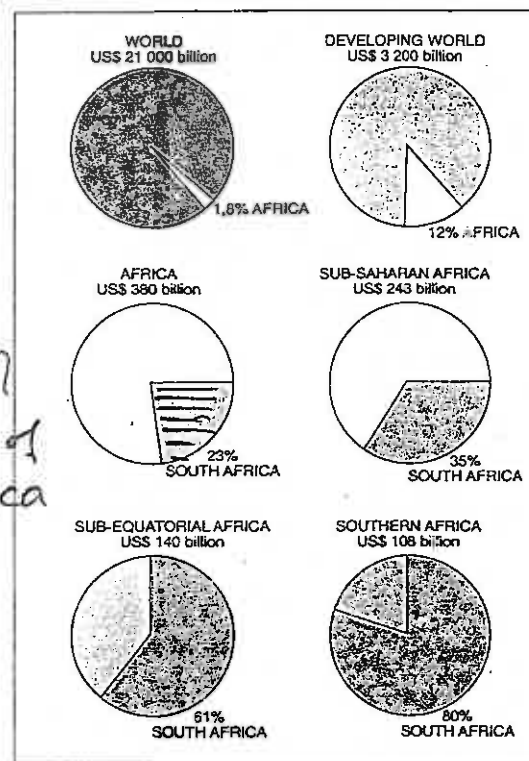


Population

Source: 56

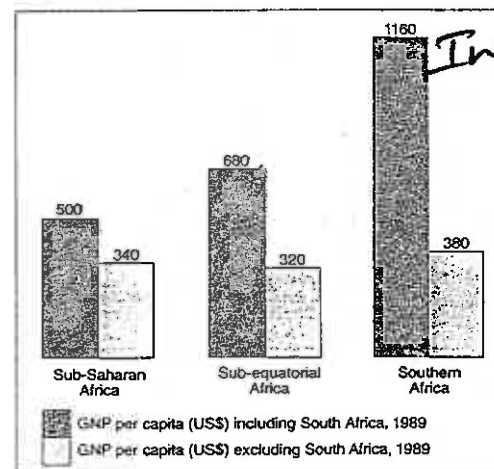
32

FIGURE 21  
MACRO-REGIONS: AFRICA AND SOUTH AFRICA'S SHARE OF GNP, 1989



Sources: 56 and 58

FIGURE 22  
MACRO-REGIONS: SOUTH AFRICA'S CONTRIBUTION TO PER CAPITA GNP



Sources: 56 and 58

Including South Africa

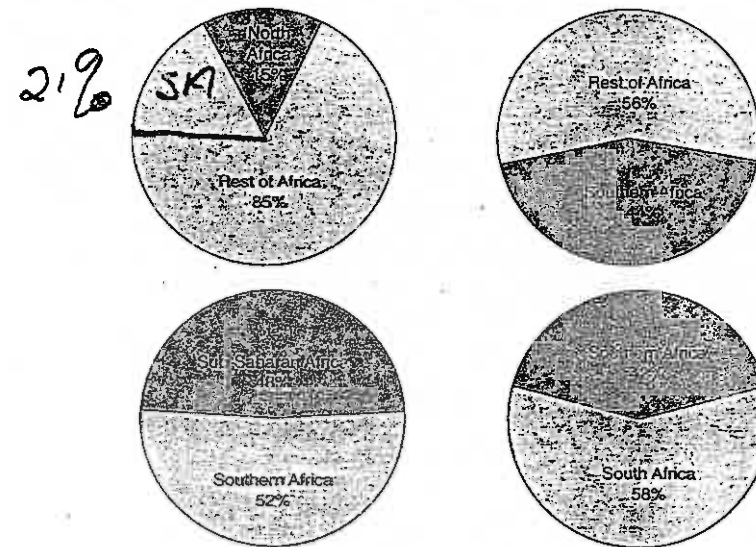
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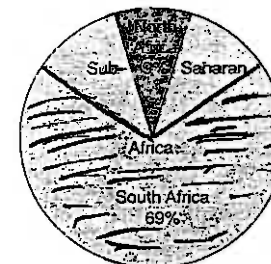
FIGURE 46  
RAIL AND AIR TRANSPORT, 1985-1990

A Comparative length of railway track in macro-regions  
(Africa total approximately 83 000 km)



B RAILWAY FREIGHT  
(net tonne-km million)

AFRICA	137 000
North Africa	13 000
Sub-Saharan Africa	124 000
Southern Africa	106 000
South Africa	94 000



C PASSENGERS CARRIED (AIRWAYS)  
(passenger-km million)

AFRICA	35 000
North Africa	13 300
Sub-Saharan Africa	22 000
Southern Africa	9 300
South Africa	7 500

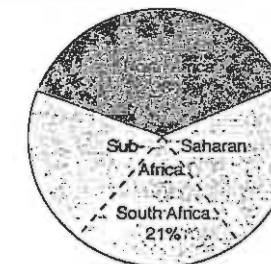
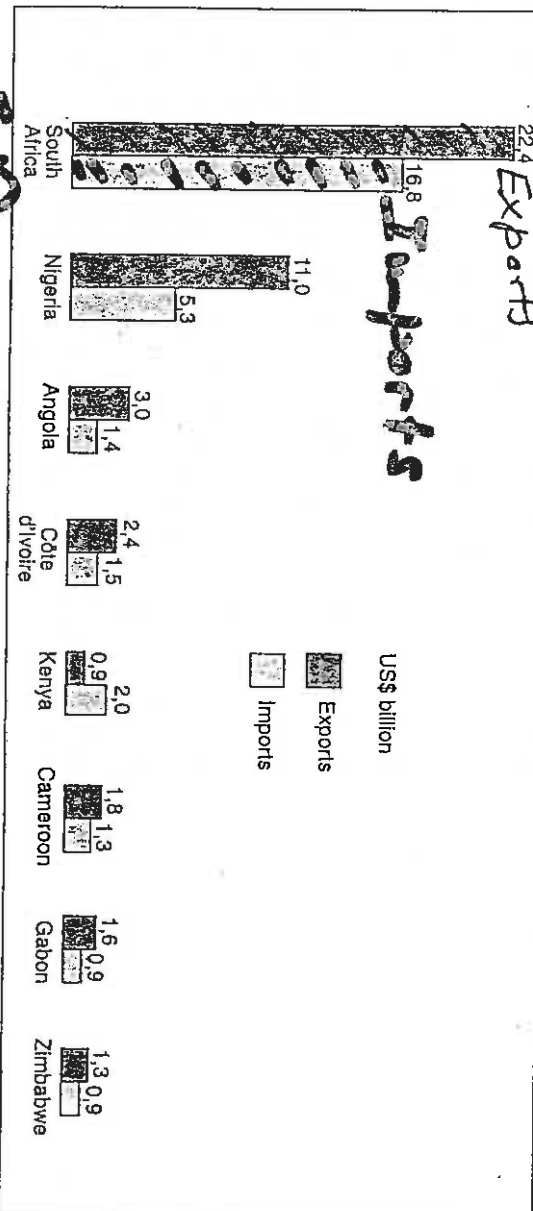


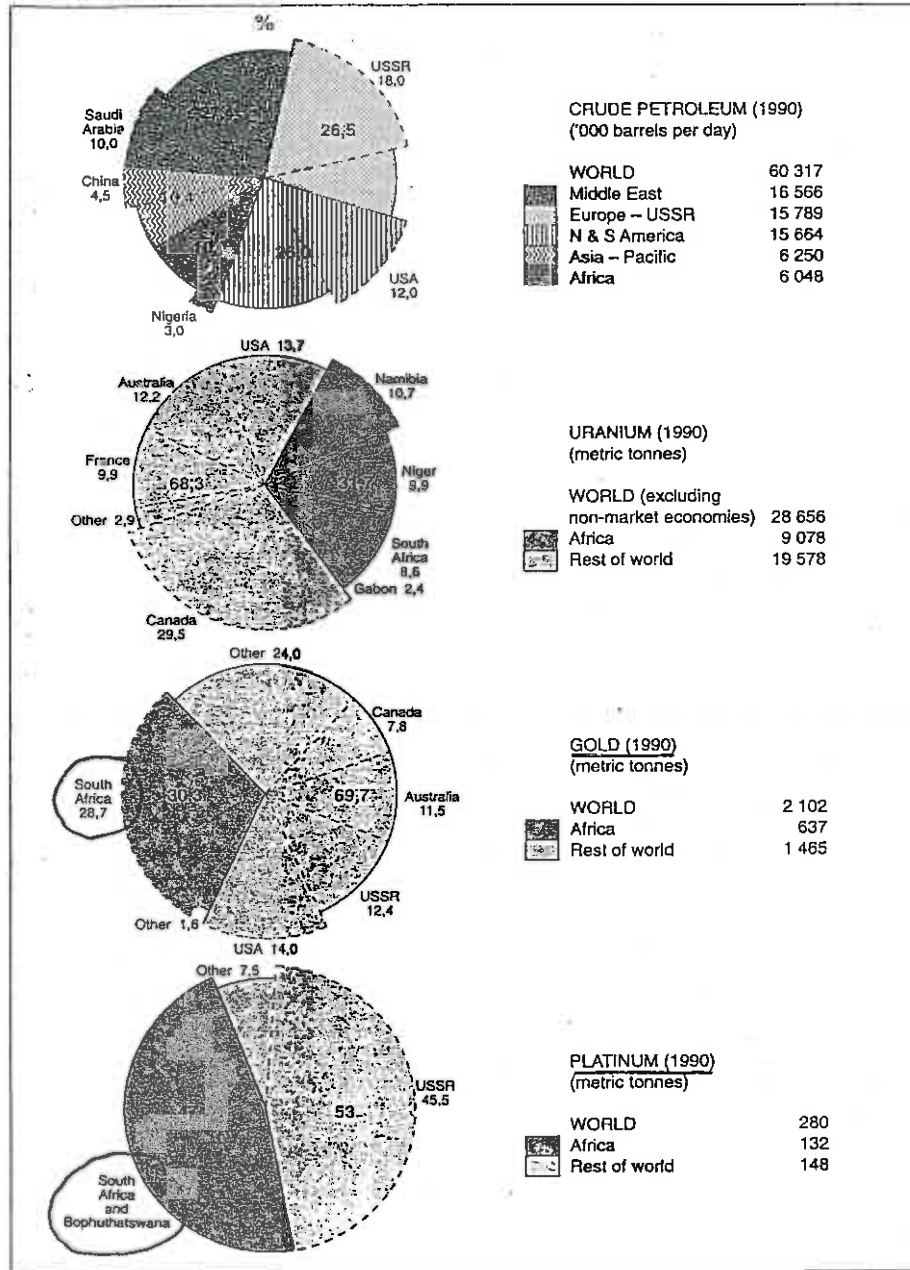
FIGURE 30  
PRINCIPAL SUB-SAHARAN MARKETS, 1989



Source: Table 39

Africa at a glance, 1992

FIGURE 42  
WORLD AND AFRICAN PRODUCTION OF SELECTED MINERALS



Source: 43

## SOUTH AFRICA'S DEPENDENCE ON FOREIGN INVESTMENT

1. As a developing country South Africa was always highly dependent of foreign investment - high growth period (1934 - 74) was strongly supported by an influx of foreign investment.
2. Due to the policy of Dr Verwoerd (to create a white economy on the Southern tip of Africa) the SA economy became very capital intensive.
3. During the period of low growth (1975 - 94) the net saving decline from 14% of GDP to less than 7% of GDP.
4. To move the SA economy to a higher growth path we need a high influx of foreign investment;
  - (a) to average a growth rate of 4% we need an influx of \$7 billion annually;
  - (b) to average a growth rate of 5% we need an influx of \$ 11 billion annually;
5. Economically we cannot go it alone.