

Fwd: a review of Sampie from Amandla

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Christelle Terreblanche

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To: ✓ Johanna Christina JC Terreblanche (213574003) ↗



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From: **Patrick Bond** <pbond@mail.ngo.za>

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To: Ashwin Desai <ashdesai1@gmail.com>, Christelle Terreblanche <terreblanche8@gmail.com>

Undermining liberation Sampie Terreblanche's *Lost in Transformation*

By Patrick Bond

The massacre of striking workers at Marikana, 100 km west of Johannesburg on August 16 2012, may in future be recalled as either the desultory beginning of a long repressive era, if the model is the March 21, 1960 shootings-in-the-back of 69 Pan Africanist Congress passbook-burning peaceful protesters at Sharpeville. Or instead, historians might look back and judge Marikana as a catalyst for a decades-long, ultimately victorious struggle: against a repressive state attempting to impose law-and-order notwithstanding sudden international condemnation, just as was the Soweto massacre that killed 1000 on June 16, 1976. After the New South Africa was born in 1994, March 21 became Human Rights Day holiday and June 16 is Youth Day. Will August 16 commemorate a future Marikana Day for workers, communities and environmentalists in unity? Everything depends upon the kind of critique and movement building that has begun immediately afterwards.

Two weeks before Marikana, as if timed to hone our critique, comes Sampie Terreblanche's latest

blast at the new establishment, *Lost in Transformation*, a short book published by Moeletsi Mbeki, younger brother of former president Thabo. The immediate question facing the establishment, so as to avoid contagion into the rest of mining and industry, is whether Lonmin can pay its rock-face miners more, after a decade of prosperity? Or was sinking South Africa into one of the worst calamities in corporate history an inexorable necessity given the world recession (especially Europe's declining demand for platinum in diesel engines), and should the mining bosses therefore hold firm, especially against the organizing drive by the former African National Congress (ANC) youth leader Julius Malema?

Lonmin has, in short, decisively proved Terreblanche's main points about the Resource Curse degenerate multinational corporations bring to South Africa. Lonmin was sitting pretty and bragged about its labour and community relations. Although platinum prices have since fallen a bit, until 2008 they were up 300 percent from early 2000s levels. Profits were still high, and after taking power in 1994, the ANC government loosened exchange controls on thirty occasions, allowing profits and dividends to flow freely to Lonmin's London shareholders.

Critiques of Lonmin's apartheid-type labour, community and environmental policies were brushed aside, for Ernst & Young rated the company's 'sustainable development' strategies at Marikana as 'excellent'. A few years earlier, World Bank president Paul Wolfowitz made a \$150 million commitment to support Lonmin's gender, AIDS and community investment there too. The local police were apparently in Lonmin's pocket. Its 'sweetheart union' – the National Union of Mineworkers (NUM) – kept workers in check and former NUM leader Cyril Ramaphosa was on its board. A quarter of Lonmin's labour force was outsourced, and in spite of a Congress of SA Trade Unions demand to eradicate labour brokers, the president's son Duduzane and the Gupta family friends run a large company supplying the platinum industry with cheap workers, so no change was feared there.

As for ANC Youth League's mining nationalization campaign, Malema was driven out of power – in part by Ramaphosa – and the Chamber of Mines also neutralized the threat when it 'supported the ANC research work intellectually and financially and privately lobbied a number of the key stakeholders,' as Chamber chief executive Bheki Sibiba acknowledged. In this cozy context, impatient corporate greed resulted in a slaughter of Lonmin's workers – who were not even on the company's property – and then with classic insensitivity, the firm issued a 'back to work or be fired' order just as mourning began. A commission of enquiry will probably identify the communications between Lonmin headquarters and the police on August 16, as 'D-Day' (police terminology) was announced to enforce the company's first ultimatum.

ANC capitulation

But the damage goes back far beyond this nightmare fortnight. To learn why Marikana is not just an aberration of South Africa's 'Minerals-Energy Complex' (MEC), Stellenbosch economics professor emeritus Terreblanche unveils why the ANC embraced policies that made the lower half of the society much poorer: 'There can be little doubt that the secret negotiations between the MEC and a leadership core of the ANC were mainly responsible for the ideological somersault of the ANC... The MEC was satisfied that the ANC was boxed in sufficiently on economic issues in the secret negotiations, and so informed the National Party on 26 September 1992 that it could accept the sunset clauses' that Joe Slovo offered to cement the elite transition.

As further evidence of the MEC's might, Pik Botha was offered the mining ministry from 1994-99, followed by corporate lawyer Penuell Maduna – who then became the main local opponent of black South Africans' reparations lawsuits in the US courts. Says Terreblanche, 'As the MEC was almost uninterruptedly in cahoots with white governments before 1994, there are indications that it and other corporations are again too closely in cahoots with the ANC government.' That damage includes 'South Africa's position as a neocolonial satellite of the American-led neoliberal empire since 1994'.

Is relief on the way? Not from the Treasury, for while Finance Minister Pravin Gordhan's 'huge increase in infrastructure investment that was announced in the March 2012 budget is long overdue,' remarks Terreblanche, it will 'be spent on infrastructural projects that would facilitate the export of minerals' – thus amplifying social and ecological crises – rather than durable projects to end poverty, unemployment and inequality.

Moreover, he alleges, Planning Minister Trevor Manuel's National Development Plan is 'superficial and naïve. Why has the Commission not concentrated on the unequal power relations, the unequal property relations and the unequal opportunities that are making the new South Africa society a very unjust society' ... along with the 'power shifts that took place during the transformation process which aggravated social injustice in South Africa?' With its 'fairy-tale targets', the Plan 'is actually a carefully crafted ideological propaganda document' whose purpose 'is to lull the general public, and especially the impoverished majority, into contentment.' Thanks to Manuel's 'wishful thinking', says Terreblanche, 'the plight of the poor and the unemployed will remain unresolved – and could become even more severe.'

Ideology and mega-trends

The eloquent 79 year Terreblanche is a 'social-democratic capitalist' (he declares). His heart is apparently broken because his regulatory and redistributive advice has been spurned, both in the late apartheid era and after. For in spite of a few welfarist gestures and corporatist-oriented labour

laws, the ANC elite made policy and alliance choices that strengthened the MEC, introduced financialisation and allowed capital flight, hastened deindustrialization, and amplified poverty, unemployment and inequality. Together, these 'introduce almost unbearable tensions into the viability of our democratic system,' he argues. But can those tensions and social forces now mobilizing, be marshaled into structural changes? To arrive at an answer may require a different analysis and ideology, even of mega-trends that shaped South Africa over the generations.

But we can go a long way with Terreblanche's book, because there are two special talents he brings, aside from a fluid writing style. The book feels like a down-to-earth lecture to his Stellenbosch economics students, an antidote to all the orthodox arguments they imbibe. The first talent is his sweeping view of long waves of accumulation. The second is his insider perspective on our transition from racial to class apartheid.

Terreblanche's periodisation of SA political-economic history emphasizes the leading political power blocs and their accumulation strategy: the Dutch East India Company rule until 1795, British colonialism until 1910, the MEC prior to 1948, and the MEC after 1948. The latter era witnessed the emergence of *verligte* (enlightened) Afrikaners, in part through changing self-interests. Terreblanche observes, 'When one of the major Johannesburg mining houses, the General Mining and Finance Corporation [Gencor], got into difficulties in 1964, Oppenheimer's Anglo-American took it over and offered it to Sanlam' to win friends in Pretoria. (In a blazing conflict of interest, Gencor was later allowed to escape SA by Finance Minister Derek Keys, purchase Shell's Billiton, and merge with Australian-based BHP – and is now the world's largest mining house, responsible for SA's energy crisis thanks to its guzzling Richards Bay aluminium smelters which receive the world's cheapest electricity, as just one durable residue of this *verligte* economic agenda.)

While *verkrampes* in the civil service, agriculture and labour-intensive businesses opposed reform, says Terreblanche, 'From the mid-1960s there was growing cooperation between the emerging Afrikaner corporate sector and the established English business sector under the leadership of the MEC. In the 1980s the white business sector co-opted the National Party in its desperate attempts to solve its accumulation crisis.' That means, he argues, 'As the accumulation crisis deepened, the effective government shifted towards the MEC, which orchestrated the transformation process from 1986 onwards.' But Terreblanche helped birth transformation too, alongside a few other Afrikaner intellectuals, launching 'talks-about-talks' from 1987-89. At that point Sanlam insurance company executives kicked him off the *verligte* team because of his redistributive orientation.

Why 1986 as the break-point for apartheid? Terreblanche notes four geopolitical conjunctures: the Chernobyl nuclear power plant disaster unveiled Soviet incompetence and thus hastened the end of the Cold War; PW Botha's comprehensive state of emergency; US Congressional anti-apartheid sanctions; and the Reagan/Gorbachev summit in Iceland. Recalls Terreblanche, Gorbachev then 'put

pressure on the ANC in exile to seek a negotiated settlement.'

Another critical moment was after Botha's stroke in mid-1989 when Margaret Thatcher arm-twisted FW de Klerk to release Nelson Mandela and unban liberation movements. De Klerk kept the lid on the pressure cooker during the country's longest-ever depression, from 1989-93, by more than doubling the budget deficit, which Terreblanche terms 'reckless white plundering in the final years of white supremacy.'

This was the period of rapidly-declining East Bloc power and Ronald Reagan's reassertion of Washington's imperial project, resulting in our 'lost transformation', says Terreblanche: 'The Americanisation of the SA politico-economic system during the transformation of 1994-96 was based on the wrong ideological premises, on the wrong power structures, and put SA on the wrong development path... integrated into the criminalised global structures.'

What, though, about social-democratic aspirations of the ANC government as reflected in the Constitution? 'It is sad that the realisation of these important social and economic rights has been made dependent on the judgment of technocratically-orientated ministers of finance,' Terreblanche rebuts.

As for the government's expansion of apartheid-era child grants and pensions (though at lower payment levels than non-Africans got prior to 1994): 'The fact that about 14 million people receive grants from the government is most laudable for without these grants their poverty would have been unbearable.'

'Most laudable'? Or is this better described, simply, as deracialisation of the inherited system – as in so many other ways the transformation represents continuities not change. In any case, the fiscal cost of greater social spending since 1994 as a percentage of GDP has only been around 4 percent, hardly a welfare state in the making.

Genuine change would cost more, and to his credit, Terreblanche has always argued for a wealth tax, along with reparations to be paid by foreign companies that profited from apartheid. But he refuses to tackle the ownership of the means of production – a shame, given how quickly the word 'nationalisation' got back into mainstream discussions after the ANC Youth League's recent campaign. But no mention here, much less the rigorous discussion we hunger for.

As do most social democrats, Terreblanche offers a moral critique of 'the conspicuous consumption, the wastefulness, the greediness' by both elite whites and a few blacks: 'judged against the misery and deprivation of so many poor people, we have no alternative but to be shocked at the vulgarity and the repulsiveness of the lifestyle of the rich.'

But a Marxist critique would go much deeper. For Terreblanche, 'The economic problems experienced by the US from 1968 until the early 1980s could be regarded as the result of imperial overstretch, as the country's commitment to public expenditure became so great that it had an impact on the continued productive vigour of the private sector.'

No, the Marxist position is the opposite: declining rates of profit and stagnation (and declining competitiveness) in the private productive sector – an 'overaccumulation crisis' – underlie the broader processes of globalization (i.e. intensified imperialism), renewed class war and neoliberal public policies.

By citing Giovanni Arrighi, Jim Blaut, Ferdinand Braudel and David Harvey on global trends, and drawing on Samantha Ashman, Ben Fine and Dan O'Meara for local economic critique, Terreblanche is certainly not unfamiliar with Marxist analysis. But his next great work, a world-historical survey of inequality, should more explicitly grapple with *Kapital's* crisis theory, instead of leaving it entirely alone.

Still, the critique of SA capitalism is otherwise sound, the moral outrage is uplifting, and the timing could not be better, to remind SA's 1% that Terreblanche has again unveiled how and why they got lost in transformation.

What, then, to do next? Resistance will have to stiffen outside the ruling party. Even if Cosatu failed members and society this month, Terreblanche recalls, 'Churches played a strategic role in the struggle against apartheid. Why are the churches not conducting an open war on behalf of those that are undeservedly poor and against those that are undeservedly rich?' In the nick of time, the Bench Marks Foundation led by Bishop Joe Seoka became a bastion of reason, as Lonmin and its allies began covering up the deep-seated Marikana misdeeds.

I regained optimism after reading this powerful book, because with a voice of Terreblanche's experience and intolerance for injustice, with renewed awareness about how the MEC corrupts our economy and environment, with sustained outrage at corruption, with revulsion at widespread police brutality, and with growing solidarity for the victims of the Marikana Massacre, surely there

must now be a way to undo our liberation party's world-historic sell-out?