

## Chapter Nine

*Where is the struggle now?*

The tension between wish and reality, between ideology and practice, between policy and implementation has, and always will be, a major source of political discontent and conflict. Those who promise in opposition have to deliver when in power, and invariably promises outstrip performance, leading to disillusionment and frustration, which in turn generates new opposition and revolt. This is not only true in democracies but in dictatorships and authoritarian regimes as well, although the opposition differs in quality and scope. In South Africa, "the system" of apartheid and separate development bred the conditions for "the struggle" against it. The struggle has been waged and won, and those who led it are now in power creating their own regime in terms of which they promise to deliver. It should surprise no one that the noble intentions of the "struggle" will be grounded and moulded by the mundane imperatives and consequences of governance. The toughest political challenge anywhere in the world is to "walk the talk" between being in opposition and being in power. There is no reason why the ANC should enjoy special grace in this regard.

The ANC's intentions were noble; from the clauses in the Freedom Charter to the policy goals of the National Democratic Revolution and the Reconstruction and Development Programme (RDP). Foremost among these were the eradication of poverty and inequality and the creation of a government for "the people" which would epitomise austerity and sacrifice and rid the country of exploitation, greed and corruption. There is no doubt that many were sincere in their commitment to these ideals and displayed enormous courage and sacrifices in pursuing them. From sandal-wearing activists to hardened MK veterans it is not difficult to gather evidence of what the situation was going to be once "we were in power". It is not entirely unreasonable to pose the question: where is the struggle now?

In the course of a few years since 1990, the ANC has changed its economic policy from nationalisation of basic industries to a mixed economy, and finally to privatisation of the public sector. An official 1996 government paper, entitled "Growth Employment and Redistribution" (GEAR), resembles a similar business blueprint, called "Growth for All". GEAR explicitly rejects union strategies, although union representatives form an influential part of the ANC hierarchy. In early 1996, the government abolished the special ministry charged with implementing the much propagated Reconstruction and Development Programme (RDP). To all intents and purposes, the policy that almost replaced the sacred Freedom Charter in its vision of a more equal and progressive order has now been shelved. Even its symbolic radicalism is no longer *en vogue*. A Thatcherite discourse of fiscal discipline and market forces has taken over. Growth through deficit financing and an extension of the public service is considered an anachronistic policy of a previous social welfare era that is declining worldwide. South Africa is unable to defy global trends of growth through international competitiveness and foreign investment requiring assurances of conservative stability. These fundamental shifts are deplored by the left wing as a sellout to the global neo-liberal agenda and praised by economic conservatives as the only sensible policy of a liberation movement in government. Regardless of these value judgements, the switches indicate a refreshing (nondogmatism). The ANC appears to adapt to economic imperatives and is capable of drawing pragmatic lessons from predicaments that committed ideologues would have ignored to their own detriment.

As late as 1993, there was a firm belief among "progressives" that neo-liberalism was on the way out, to be replaced by sustainable development policies, enhanced by the involvement of organisations of civil society. Thus one reads in a human rights journal: "Mercifully the era of rampant 'free marketeering' seems to be drawing to a close and calls for the state's complete withdrawal from the market and from the supply for goods and services is now a refrain sung only by a withering band of ideological zealots."<sup>1</sup> Far from withering, the privatisation chorus has been swelled by many a former socialist.

In reality the ANC in government had little choice but to pursue conservative courses. From a global socialist perspective, the ANC

*refining  
New belt*

victory came too late. With the Marxist project discredited world-wide after the collapse of the Soviet Union, South Africa would not have been allowed to stray from the Western agenda. It is doubtful that the ANC would have gained office in the first place without the end of the Cold War. The prospect of a Moscow-friendly government in Pretoria has always been a nightmare to Western conservatives and liberals alike. Much of the Western anti-apartheid support was motivated by this threatening scenario and not by empathy with suffering victims of oppression, as was hypocritically proclaimed. Even liberal democrats would have hesitated to back a movement that espoused real socialism. The ANC has received its decisive Western support since 1980 because the option of co-optation seemed increasingly possible. Ingratating themselves with the potential new rulers, strengthening their "sensible" forces against radical elements, and engineering a smooth transition from embarrassing racial capitalism to nonracial stability, guided the South African policy of all Western governments, regardless of the party ideology of the administration. Social Democratic Scandinavian governments aided the outlawed ANC directly and openly; the more constrained US, British, German and Canadian administrations channelled their funds to ANC-supporting NGOs. Both constituted relatively risk-free investments; most paid off handsomely. The ANC could hardly ignore such noble embraces beyond also praising its Cuban and Libyan friends, to the annoyance of their American foes. Yet such superficial irritations must not lose sight of the overwhelming victory of Western policy vis-à-vis South Africa. Policy makers in Washington, Bonn and London are genuinely delighted with the South African transition. They are at a loss, when pressed to elaborate, as to what Mandela should have done differently.

Dependent on foreign investment and export-led growth, South Africa is locked ever deeper into the global economic rules and dictates. Compared with the scope that the National Party commanded when it assumed exclusive state power in 1948, the manoeuvrability of the ANC fifty years later is severely limited. Defiance of global expectations that was possible with the relatively isolated semi-colonial outpost in 1948 is now immediately penalised by currency fluctuations, higher interest rates on loans or capital outflow and refusal of investments. Such punishment even derives from

minor internal policies that violate expected norms and that could be ignored by nationalist Afrikanerdom. In contrast, the ANC has to prove constantly that it is worthy of outside support and that in the threatening words of a US banker, "the lights should not be switched off". In this respect, the ultra-left critique of the ANC ignores the severe constraints under which any economic experimentation currently operates.

Despite these obvious limitations for socio-economic domestic policy in an age of globalisation, there is some choice. Business support for the ANC internally was, and still is, intensely contested. To what extent conglomerates should "unbundle" by allowing black interests a real foothold in the existing monopolies, for example, and what conditions should apply for black advancement, remain controversial. Likewise, within the government in which official communists and union socialists occupy formal positions, economic policy is being argued on a daily basis or, more frequently, left undecided because of paralysis. Who wins and who loses during this lack of consensus; how a decision is justified and compromises marketed; or why actors switch sides, provide fascinating insights into the real politics of a new democracy. A historical sketch of the gradual embourgeoisement of a liberation movement and its reluctant incorporation by the old establishment sheds light on the paradoxes of capitalism and socialism; of liberation and corruption; as well as the temptations and constraints of political office.

The South African economic debate in the mainstream media reaches hysterical levels when editorials howl at anyone who even mentions that there may be a need for corrective state intervention in an unfettered market. When an ANC lawyer at a seminar floated the idea of a one-time "capital levy" of one third of the wealth of all individuals to be spent on addressing the inequities of apartheid, the mainstream press unanimously labelled the idea as "loony".<sup>2</sup> Affected persons would either sell their property or emigrate. Despite the glorification of postwar West Germany in the South African press, it forgot that the German economic boom and domestic stability rested to a large extent on a successful *Lastenausgleich*, an equalisation between those who had lost everything and those who had retained their property by sheer luck during the war. Trigger words like "nationalisation" or "redistribution" elicit the

*Handwritten signature*

most vivid apocalyptic scenarios in otherwise sober publications like the *Financial Mail*:

... there will be a massive loss of jobs, shops will empty of goods, housing will fall into ruin, disease and misery will predominate – and Comrade Nelson, like Comrade Nyerere of Tanzania will say: "Sorry, we made a mistake. We've redistributed all we have." That is when the World Bank will take over.<sup>3</sup>

The mass-circulation *Sunday Times* names the culprits for a potential disaster by reinforcing a widespread anti-intellectualism, particularly against social scientists, who are held responsible for indoctrinating an illiterate ANC:

For ideas, it (the ANC) is largely dependent on academics and professional political workers whose socialist prejudices about the supposed evils of capitalism have survived the collapse of socialism. Such is the penalty of trying, for two decades, to teach economics in the departments of history or political science of the leading universities; the prejudiced lead the blind.<sup>4</sup>

These early warnings soon gave way to a surprised endorsement and delight with ANC attitudes and economic policies. The business establishment was generally pleased with the ANC stance after a year of operating legally. Typical of an emerging opinion is a 1991 editorial in *The Natal Mercury* that praised Mandela for his speech at the tenth anniversary of SADC in Windhoek, calling it a "milestone in this journey away from the Marxist principles that have influenced his and the ANC's thinking for the past 30 years".<sup>5</sup> While the ANC as a movement and Mandela as leader in particular had never adopted a Marxist position, South African capital could not have pleaded more eloquently than Mandela that a political settlement would not survive unless the economy was turned around, which could not be achieved without a high level of capital formation. It implied that both foreign and domestic investors needed to be reassured. Almost gleefully, the editorial expressed relief concerning the central anxieties of business. "Not a word about compulsory redistribution of wealth, a centrally planned economy, or nationalisation, the mere mention of which in early 1990 sent inves-

tor confidence and share prices tumbling. Even his ritual plea for sanctions to be maintained sounded hollow and out of place." Conservative business executives warmly embraced a changed ANC and celebrated Mandela especially. It was by no means a one-sided overture.

The moneyed classes on both sides of the racial divide were eager to meet each other. The white chiqueria of Johannesburg and Cape Town would no longer give parties without a few black guests demonstrating the host's nonracial open-mindedness. The proliferate women's and fashion magazines began to signal the new trend. The bedrooms of the nation showed much greater openness to the new nonracial order than the stiff boardrooms, if not in the reality of interracial marriage at least in the fantasies of some influential opinion-makers. For example, *Cosmopolitan*, often mainly concerned with how a professional woman could achieve multiple orgasms, acquired a more political focus and chose three ANC luminaries (Tokyo Sexwale, Thabo Mbeki, Sam Shilowa) as "men who get our vote – for their sex appeal and smart talking".<sup>6</sup> In the same issue, the wife of one of the three objects of political-sexual endorsement claims the sexual liberation of the Robben Island political prisoners for the glossy magazine: "The way in which women, with their wholesome beauty, were portrayed in COSMO gave it the prisoners' unanimous vote. It created a balance in their otherwise predominantly male environment." The editor, Jane Raphaely, added another mostly empathetic portrait of Winnie Mandela. Long before the new political elite took over after the elections, it was welcomed as "inevitable" by the country's more sophisticated establishment.

Even more surprising was the readiness of a liberation movement to be liberated into the bourgeois lifestyle of its opponents. Many ANC leaders raced to catch up with the finer tastes of the former masters. Cyril Ramaphosa's weakness for fly-fishing and single-malt whiskies became the hallmark of his equality with his bourgeois counterparts. Another trade union leader married in a Rolls Royce. The number of prominent ANC leaders living in upper-class suburbs like Hyde Park, Houghton and Constantia or driving German cars far outnumbered those still in the black townships with rusting "struggle cars" or living in the sprawling shacks. The definition of equality was borrowed from the whites.

Anything less than a white bourgeois lifestyle would have appeared unequal. Among all the ANC candidates for Parliament almost none came from a squatter camp where a sizeable ANC constituency lives. Daring ties, silk and quasi-military style suits predominate among the male liberators, fancy hats and ostentatious dresses among the newly elevated female elite.

The white establishment was delighted with the tuxedoed, perfumed and jewelled representatives of the toiling masses; the bewildered liberals and shabbily dressed lefties looked the other way when they could not believe their eyes. "There were many changes, of course, but for me, the one most shocking came in the aftermath of the Great Leap Forward when the ANC's top leaders stepped onto centre stage and turned out to be affable chaps in three piece suits with a taste for precisely the sort of bourgeois revelry I had once found so disgusting among white people."<sup>7</sup> Another former UDF activist and author, Chris van Wyk, wrote: "I have come to realise how different my vision for a new South Africa was to the vision of those I rubbed shoulders with. I want to talk about the BMW's, the cellphones, the celebratory parties thrown with hard-earned workers' money while we watch on TV."<sup>8</sup> A business journal reports gleefully under the title "The Left goes right into business,"<sup>9</sup> about the successful careers of former activists attending the funeral of a Robben Islander turned merchant banker: "Once Andrew Mapheto's comrades would have arrived in jeans, T-shirts and Indian print dresses. Now they watched silently behind Ray Bans in dark suits and twinsets. A phalanx of BMWs and Mercedes stood on the cemetery verge." A "nattily-attired" former Vula operative is quoted: "I am a good capitalist precisely because I was such a good communist."

In the same week, the ANC placed public advertisements saluting the SA Communist Party on its 75th anniversary. The ANC expressed confidence that its partner would "continue to be one of the driving forces behind the democratic transformation and that the tripartite alliance will persist unflinchingly in its historic task of bringing peace and prosperity to this land". Whether the prosperity is achieved by the capitalist or the socialist route is studiously avoided. Although the salute to the SACP would suggest the Marxist-Leninist juncture, if labels have any meaning the ANC has clearly moved in the opposite direction of free-market policies. Is

the ad therefore lying? No, the calculated ambiguity is needed to keep the alliance together. The more "the left moves right into business", the more the sceptics must be assured that the non-racially excluded will also be looked after by the SACP and COSATU.

Private elite schools long ago opened themselves to a few children of wealthy black parents. More amazing was how black activists got away with having their offspring safely tucked away at Bishops or Rondebosch Boys' High while anarchy reigned in township schools that reeled under the demand "liberation before education". Some were even active in exhorting school boycotts while their own children attended unaffected private schools. Other telling signs of bureaucratic embourgeoisement abound. Salary increases in the former homelands were up to 26-32 per cent in the March to June quarter of 1994, amounting to what an editorial called "end-of-empire looting". Another edition of the same paper a year later editorialised: "The rapidity of the conversion of old guerrillas like Defence Minister Joe Modise and his deputy Ronnie Kasrils, to the benefits of big budget weaponry, must count as a modern miracle."<sup>10</sup>

In 1985, the leader of the South African Mineworkers' Union stated categorically, "The experience of the working class dictates that it is too late to save the free enterprise system in this country."<sup>11</sup> Barely ten years later, Cyril Ramaphosa, once widely hailed as a potential presidential candidate for Mandela's succession, and after a stint as ANC general secretary and chief constitutional negotiator, decided to join as a tycoon the same system that survived his prediction of morbidity stronger than ever and has become a member of the main board of the Anglo American Corporation. The move symbolises the successful embourgeoisement of a liberation movement. Visible multiracial capitalism can be sold more effectively to impoverished masses than the racial monopoly of white ownership. The ANC as the guardian and beneficiary of the system that it once denounced as irreformable represents the real miracle of the transition.

Lawrence Mavundla, the president of the Micro Business Chamber, which includes hawkers, shebeen owners and other informal traders, asserts that black empowerment initiatives were only serving "a small group of about 300 black people". Instead of creating jobs or new wealth, Mavundla insists that the initiatives of

selling part of conglomerates to black interests means "taking people who are already rich and making them richer". Indeed, it is difficult to ascertain how the much touted "unbundling" and racial transfer of wealth at subsidised loans benefits the average black worker who, in addition, may face greater obstacles gaining ground against an African management board than against more vulnerable executives of the white establishment. It has yet to be demonstrated that black employers pay better wages, refrain from sacking staff at will or flout health and safety regulations less frequently. When the COSATU unions inveigh against "merely replacing white capitalists with black exploiters" they reflect the fear that little except skin colour will have changed in the new order. Instead of exchanging the racial make-up of management, the unions insist on transforming the shop floor, spending resources on skilling workers instead of luring scarce black executives through disproportionate salaries in ill-conceived affirmative action programmes.

In addition, unions are themselves embroiled in an internal dispute as to whether, how and where to invest substantial financial assets. Union-initiated retirement funds have accumulated R20 billion, and influential union investment companies have been established. A correspondent in the *South African Labour Bulletin*<sup>12</sup> argues that union values are contaminated through the union investment companies, "damaging the strategy that unions should pursue". Institutions which manage the retirement funds have little in common with the trade union perspective or are even at odds with union principles. On the other hand, union officials lack the capacity to manage the funds themselves, or if they do, are sucked into the corporate world in similar fashion as the twenty delegated union candidates for the first democratic election were absorbed into government without tangible benefit for their delegating organisations.

While the more sophisticated conglomerates now clamour to give themselves a black face or facilitate partnerships or sellouts to black groups, the deracialisation of a capitalist order did not occur as smoothly as the logic of colour-blind profit making would suggest.

Not long ago, even the more enlightened South African businessmen backtracked from their first exploratory, half-hearted contact with the ANC leadership in Lusaka in September 1985. They not only faced recrimination from a hostile P.W. Botha government, but

from their own peers for fraternising with "terrorists". Anglo American CEO Gavin Rely did not see it as his role to bring the government and the ANC together for negotiations.<sup>13</sup> After the Lusaka visit, the private sector was more interested in putting some visible distance between itself and the apartheid regime as a result of the state's disastrous economic performance and the increased threats of sanctions. The visit amounted to a public relations exercise. However, the widely publicised Lusaka encounter (during which the revolutionaries wore suits and ties and the capitalists casual safari dress) legitimised the ANC in the eyes of Western governments. A few months later, Oliver Tambo held his first official talks in London and Washington, whose conservative administration had publicly shunned contact with alleged communist-led revolutionaries until then. Nonetheless, great ambiguity prevailed about the wisdom of engaging the ANC even among liberal businessmen who should have known better. Sampson reports: "Harry Oppenheimer, still outspoken in retirement, remained twitthy about the meeting, puzzled that the atmosphere was so friendly even though Tambo had conceded nothing, particularly over nationalisation"; and in November he had told the American Chamber of Commerce that businessmen should offer "neither moral support nor material support for the ANC" since they want "an economic system that would destroy everything that we in this room stand for".<sup>14</sup>

A few years later, big business subsidises the ANC election campaign and Mandela consults Oppenheimer about his cabinet appointments. The question to be answered is "who has co-opted whom?" The ANC says it succeeded in bringing business on its side and the capitalists say that they successfully taught the ANC crucial lessons. Who ingratiated themselves with whom? Who reneged on its principles - how and why?

In contrast to conventional wisdom, this analysis argues that the relationship between the new "socialist" power-holders and the old business elite is now far closer and better than the alleged racist alliance between apartheid and South African capitalism ever was. Furthermore, as already pointed out, the alleged leading role of South African business in bringing about the transition must be questioned and qualified. Although South African business is not a monolithic group, the case of its largest conglomerate, Anglo Arne-

rican, and its chief executives, can nonetheless illustrate prudent foresight as well as amazing short-sightedness.

In 1982 Harry Oppenheimer confessed that he could not pick up the phone and contact the then Prime Minister John Vorster but had to use his Afrikaner counterparts to communicate informally with government.<sup>15</sup> It has been reported that P.W. Botha even refused to be in the same room with the man whose companies report sales of billions on six continents and control large parts of the South African economy. Louwrens Pretorius aptly comments: "The exclusionary nature of Afrikaner nationalism did not allow consultation between the government and English-dominated business to be seen."<sup>16</sup> There existed no other capitalist country where the political class and the economic elite initially were so divided ethnically and socially, despite common interests and mutual dependence, than during the first two-thirds of the apartheid era. Afrikaner bureaucrats and English capitalists only began to co-operate more closely once an Afrikaner economic bourgeoisie had emerged and the pressure on the rulers heightened through sanctions and internal resistance in the 1980s.

Ironically, sections of the feared new "socialist" power-holders have now forged much closer links with capital than ever existed before. Thus one can read: "It's also no wonder that Mandela briefs Oppenheimer upon returning from international trips, sought his approval for two Cabinet appointments, and even visited his private cricket ground for lunch on the fourth anniversary of his 1990 release from prison."<sup>17</sup> Oppenheimer personally always sympathised with the small liberal Progressive Federal Party (later reformed with other smaller parties into the Democratic Party). Nevertheless, the sophisticated management of his corporation recognised political realities relatively early. Bobby Godsell, a savvy Anglo director, set up a diverse, wide-ranging research project on the country's future in the mid-1980s. Another board member, Clem Sunter, became the most persuasive South African exponent of possible scenario planning: the Chairman's Fund under the shrewd ultra-conservative Michael O'Dowd directly and indirectly sponsored hundreds of progressive projects, including dozens of receptive left-wing academics. An informal think tank ("Synthesis") of tycoons, politicians, academics and journalists, organised by the late low-key Anglo-Vaal chairman Clive Menell, met regularly

every two months during the last two decades. Its Saturday meetings became highly prized invitations for leading members of the Communist Party, Zulu traditionalists and Afrikaner nationalists who chatted amicably in the comfortable surroundings of private homes across the country. This relative open-mindedness and accessibility of South African business under siege facilitated the change by providing a valuable learning experience for both sides. To be sure, the conservative Chamber of Mines together with various South African business associations, let alone the cautious Oppenheimer, are far from "South Africa's secret freedom fighters"<sup>18</sup> as a self-serving mythology now asserts. The close-knit circle of associates together with their coterie of supporters in the media and academia now pride themselves on having "weaned off" the ANC of its past economic fantasies, thwarted experiments, kept out foreign competitors and generally "saved the country" from becoming another Bosnia. Indeed when Buthelezi threatened to resist "to the finish" two weeks before the 1994 elections, he was skillfully brought back into the electoral fold after being shuttled around in an Anglo jet for briefings with Anglo-sponsored intermediaries who had carefully sounded-out compromise solutions in their bags. Other well-known business leaders made substantial campaign contributions to the ANC, some to the ANC, NP and Inkatha simultaneously. When Mandela personally phoned the twenty CEOs of South Africa's largest companies asking each for R1 million as a campaign contribution to the ANC for the first democratic election, nineteen complied.

This expedient co-operation, though not social or ideological affinity, between government and the white-controlled business community is not fully appreciated even by observers who should know better. Thus Allister Sparks calls the relationships "uneasy" and concludes: even though many representatives of this group (white-controlled conglomerates) publicly and privately acknowledge the miracle of their survival and express gratitude to Mandela and praise for his efforts, contacts between the two solitudes are noticeably thin.<sup>19</sup> The informal contacts between the old and the new ruling elite, however, are not so thin that several new ministers, including Mandela, were not embarrassed by the revelations of favours to them by controversial figures who clamoured to ingratiate themselves with the new power-holders. When the ANC first has to

deny and then has to admit that casino magnate Sol Kerzner made substantial campaign contributions, the question remains: what does Kerzner expect and what may he receive in return?

The clout of the private sector in South Africa combines with the need of government to facilitate a better economic performance in order to meet high expectations. This makes the media comparisons with the decline in the rest of Africa journalistic stereotyping. In black Africa, despotic rulers are tempered by what business delicately calls "the softening effects of corruption". The rulers in South Africa are already locked into both the spoils of success and the penalties of failure. The reality of a constellation with limited options has impressed itself even on most of the ardent ideologues of both the nationalist right and the radical left. Only ultra-conservative commentators still fail to understand why South Africa finds itself with communists in the cabinet, "just as nearly every other country in the world has forsaken it". Geoffrey Wheatcroft, author of *The Ramdorfs*, who posed this puzzle in the *Wall Street Journal* compares Joe Slovo to an abandoned Jesuit. "It is as if an ardent Jesuit missionary about to convert some far-flung country heard that the Pope had declared himself an atheist and closed down the Catholic Church."<sup>20</sup> This analogy treats Slovo as a blind follower of a failed doctrine and does not give him credit for comprehending new realities. Despite the Marxist-Leninist rhetoric and the official SACP goal of socialism in the second stage, there is little likelihood that the slogans turn into practice, as even SACP ideologues realise.

If the self-styled communists are not serious about socialism, why has the discourse not changed? Scepticism towards revolutionary integrity does not imply that the party has become an organisation of expedient opportunists. Committed activists of personal integrity abound. However, they are not free to translate their dreams, because other leaders and the party itself are firmly locked into the logic of government responsibility. Furthermore, the more the SACP itself is entangled in the web of power and technocratic solutions, the more it needs the strident orthodoxy to keep restless masses in line.

From the point of view of sophisticated business, what better government could be in power to deal with militant unions and the impossible tasks of satisfying an impoverished half of the popula-

tion than a liberation movement under a moderate charismatic leader with universal legitimacy, yet also bound to work within the parameters of the economically feasible? Throughout the Western world, social-democratic administrations have clamped down on disruptive unions, introduced back-to-work legislation, rolled back civil servant salaries, or cut welfare spending more effectively than right-wing parties. The social democrats in power were eager to rectify their tarnished image as reckless spenders without regard to a growing deficit. It was usually a conservative administration that "made deals" in the US, in Canada and Western Europe, irrespective of a swelling load of debt. The ANC too has stressed fiscal discipline more than restructuring, to the great relief of business. Such change, of course, did not happen without some heavy prodding and outright threats.

Many South African liberators have finally learned the one great lesson that Lenin had taught his Western sympathisers, which was not how to overthrow capitalism but how to recognise and utilise the greed that generates it. Many former socialists now take full advantage of the opportunities that ruthless capitalist competition provide. They are ideally placed for legitimate bourgeoisie by being in government with great moral credentials and still paying lip service to the plight of the poor. Their record of fighting a progressive cause hides the temptations of self-enrichment which can be presented as being for the noble cause of rectifying racial injustice.

The impact of economic globalisation and the domestic private sector on the ANC has exposed the ANC to a cruel and core dilemma: how does it manage the inevitable political costs and pain of necessary economic reform? It is this dilemma that severely tests the most noble intentions of the struggle and seduces the will of its most prominent leaders. The ANC by force of circumstances has bought into the prevailing economic ideology the idea that a competitive market economy is the most efficient mechanism to generate wealth in society. It therefore has to introduce the reforms necessary to enhance the performance of the mechanism, e.g. get rid of exchange control, privatise state assets, create a flexible labour market, get rid of or reduce government deficit. Yet the very reforms required to generate the wealth that the government wishes to tax create hardship and inequality which manifests itself

in political discontent. The ANC spends a great deal of time trying to placate those who demand economic reform as well as those who have to suffer its consequences. The one thing that cannot be done is to drift on in a state of paralysis.

Even the towering influence of a Mandela personality cult cannot indefinitely obscure a development far more dangerous than leadership inaction.

How long can the socialist legacy of the SACP and COSATU cover up for the increased black class stratification in the new order? Already during the last apartheid decade, the richest 20 per cent of Black households experienced a 40 per cent growth in income, while the purchasing power of the poorest 40 per cent of Black households declined by about 40 per cent. The gap between white and black wealth is still vast, but narrowing. Yet the internal economic discrepancies among blacks are widening. State-aligned unions and business lobbies effectively look after the interests of their constituencies in corporatist horse trading. At the same time, the unorganised unemployed, the marginalised squatters and the forgotten, mostly traditional rural population, grow more impoverished.

The group that benefits most from the post-apartheid order is a fledgling black middle class. It consists of a growing number of independent entrepreneurs, a managerial aristocracy in high demand and a new political bourgeoisie eager to join in the consumerism of their former oppressors. Gandhi associated political liberation with an alternative lifestyle. Most ANC officials measure equality by comparison with the affluence of their predecessors. On top of the vast discrepancies in wealth, a thorough Americanisation has penetrated all segments. American habits and ostentatious consumption have become the desired yardstick by which South African progress is measured. When *Sargfina* 2 director Mboongi Ngema was criticised for purchasing air-conditioned luxury buses with public money, he replied: "Why must we be transported in luxury buses in the United States but come back to our own country to be put in the back of kombis? No way! I am proud of our bus." Ngema insists that he creates Broadway theatre of high standards in a Third World environment. His assertion overlooks the fact that it deprives dozens of community groups of state subsidies with which they could spread the AIDS message more effectively. Even the

poverty on the Cape flats is Americanised when the Omar Sharif gambling organisation wants to erect a casino complex with the argument that it would help local communities with "upliftment" programmes, promising to create "trained and hungry entrepreneurs" from disadvantaged communities. Omar Sharif sells his casino plans as a "family entertainment and recreation centre". Encouraging the poor to become addicted to gambling by various international sharks circling an innocent prey seems hardly worrisome to a new regime keen to attract any new source of revenue.

An unashamedly elitist self-confidence pervades the new bourgeoisie that claims to be underpaid, compared with the exile experience. "Am I worth R300 000? No, I should be earning at least a million," says the *Sargfina* director. When the state broadcasting corporation launched its revamped TV schedule in February 1996, it presented a glitzy show of flown-in African-American entertainers, including O.J. Simpson's lawyer, Johnny Cochran. With no mention of world-renowned South African literary or arts talents, the new cosmopolitan image of an alleged Africanised service was confined to recycled black Hollywood entertainers. The emulation of Hollywood lifestyles by a new *Ebony* elite resembles the silly glorification of royal titles, quaint British country culture or English dress codes by the old colonisers. It should be of no concern were it not for the squandering of public money amidst a sea of poverty.

At the beginning of 1996, the ANC caucus decided to halve the compulsory contributions to the party. At the same time the ANC whip complained about the monotonous subsidised food in Parliament. Most impartial observers would agree with Tom Lodge's judgement that "Nelson Mandela's cabinet is excessively well paid for a relatively poor country, as are most senior civil servants, whose numbers were considerably enlarged with the creation of nine regional governments each with dozens of director generals."<sup>21</sup> Although the pay scales were derived from the outside Melamat Commission's comparisons between private and public sector salaries, Lodge is also right "that it is most unlikely there would have been serious discord in the Government of National Unity" had the ANC caucus turned down the recommendation. For many years MPs and their spouses – or their nominated "companions" – have also each been entitled to 54 single airline tickets a year to anywhere in South Africa. Once the 54 flights were used up, MPs could buy



tickets at just 20 per cent of normal prices. However the 20 per cent privilege was so widely abused that Speaker Frene Ginwala had to suspend it in February 1997. While several new office holders were embarrassed, few said so publicly. Vernal self-justification of the importance of public office, laments about financial sacrifices during the apartheid years and a pseudo-racist 'blacks must be as well paid as whites' mentality all combined to spread the impression that the new state should be used rather than serviced.

When the same politicians later began a moral crusade against rent and service boycotts ("Masakhane") they were inevitably ignored. Moral renewal lacked role models at the top. Although most new office holders worked tirelessly for the common good, they were not widely perceived as immune to self-enrichment. Although the amounts are small and corrupt self-enrichment among the new elite is still rare compared with the plundering of the state resources by the former idealists, the writing is on the wall and ever fewer of the former idealists seem to care about their deteriorating image. The old elite, on the other hand, adores its new-found disciples. White businessmen even gloat that the African masses love their rulers to display their superior status. In any case, it is said, a little bit of capitalist temptation oils the state machinery by providing influence that fanatical ideologues would deny.

Lack of Gandhian austerity would not be worth criticising were it not for the superior moral claims of the ANC to represent all the people and particularly the downtrodden. While half of the constituency cannot afford a used bicycle, can their representatives afford to waver at them from German luxury cars? As half of the electorate struggle to buy enough food for the next day, can legislators allocate themselves salaries that are justified with the profit making of the private sector? Should politicians be expected to be more altruistic than business people in working for the public interest?

According to a falsely maligned IDASA survey<sup>22</sup> 56 per cent of South Africa's voters feel that people in government work in their own self-interest rather than the public good; 60 per cent say that parliamentary salaries are too high; and a staggering 84 per cent perceive some level of corruption in government. Half of those consider corruption to be worse than in the old regime. It is explosive when 85 per cent believe that people elected to govern

should be "more honest" than ordinary citizens, but a sizeable number (34 per cent) feel that, in reality, elected officials are less honest than the average person.

There can be both legal and illegal corruption. While taking of bribes, stealing or misappropriating public money can be more easily identified and exposed, the legal gravy train is far more difficult to combat and carries far more damaging consequences. The former homelands squandered taxpayers' money on a massive scale. Indiscriminate promotions of civil servants for higher salaries together with a lack of internal control measures plague some provincial administrations long after the homeland civil service has been amalgamated. Unauthorised expenditures, neglect of prescribed tender procedures and other irregularities are generally exposed publicly, but little is done to correct the maladministration. For example, Winnie Mandela's quarter of a million rand unauthorised spending while deputy minister has been publicised by the auditor-general. However, Winnie Mandela was fired from her ministerial position not because of administrative incompetence or fraud but because of disloyalty to the ANC and breach of party discipline. It is rare for an ANC member to be expelled because of corruption or admonished publicly for wasteful incompetence.

While concerned democrats worry unduly about weak opposition institutions, they neglect a much more immediate danger of elite packing, namely the coinciding interests of common financial rip-offs. The new order is less undermined by timid party competition than it is discredited by the common legitimisation of high salaries and perks for its functionaries. In addition, a new provision for cabinet ministers to hire special advisers from outside the civil service at up to R28 000 monthly salaries opened the door for corruption and nepotism. When the vast majority of the black electorate earns less in a year than its parliamentary representatives make in a month, it would be a miracle if disenchantment with the ANC leadership emerges only in the distant future. At present, the relatively high salaries of politicians, senior civil servants, consultants and members of statutory committees lure talents from less rewarded occupations, particularly university teaching and public medicine. Other appointments are frequently made as a reward for past services or personal relationships with officials.

Conflict of interest guidelines on ethical behaviour in such cases

are clearly underdeveloped or remain unenforced. For example, many office-holders, in addition to a main salary, draw regular remuneration from other public accounts for their role as committee members or consultants, without perceiving multiple payments as unethical. While South Africa's parliamentary code of conduct is one of the most comprehensive in the world in terms of detailed disclosure of outside interests and benefits, much of this information is kept confidential. A parliamentary committee on members' interests is unlikely to inspire much public confidence, as it is presumed to be soft on the transgressions of its peers. In any case, its sanctions range only from a reprimand to a fine up to the value of a month's salary or suspension from Parliament for not more than fifteen days. A more forceful punishment for violators by an independent judicial commissioner would have amounted to a more effective deterrent, particularly in the many grey areas of conflict of interests.

South Africa also lacks far more important regulations to disclose donations to political parties. The controversial issue surfaced when Mandela revealed that he had secretly accepted R2 million from casino interests. Even though undue influence peddling was denied, undisclosed donations theoretically allow a party to be bought. Forbidden individual bribery pales in comparison with this purchase of collective influence. Yet ANC MP Carl Niehaus declares: "It has been the long-standing practice of the ANC not to make public its financial records, nor details of funders who have made contributions to the ANC. For as long as it is not legally expected of all political parties to make public their financial records, the ANC has no intention of deviating from this practice."<sup>23</sup> It is disturbing that the ruling party has no intention of pushing for disclosure, although the party is committed to transparency.

Foreign donors must share part of the blame for the corruption of several anti-apartheid activists. Foreign governments, foundations and churches thrust large amounts of money into the hands of prominent leaders without insisting on financial accountability. Demand for proper accounting was almost considered a sign of distrust by donors and harassed activists alike. Since the state viewed the activities of hundreds of NGOs with great suspicion, their trustees at least were supposed to oversee and guide NGO activities but in reality hardly ever met. They functioned as the

public alibi for letting executive officers do as they wished. Once the taste for embezzlement was whetted by lax control, the practice continued well into the era of legitimate government. Mandela's own school-feeding scheme in the Eastern Cape foundered when its funds were stolen. The ANC's Women's League is riddled with controversies about unaccounted for funds. Although South African corruption in the public sector hardly compares with the former Soviet Union or other African countries where levels of bribery and embezzlement seriously affect the functioning of the entire civil service, the reported South African cases shock because of the gulf between the moral standing and the practice of the individuals involved. As the *Sunday Times* commented: "In the government the spirit of cynical exploitation by the old guard is giving way to profiteering by the new, many tempted beyond reason by sudden opportunities for enrichment."<sup>24</sup>

The argument that public sector remuneration must match private sector rewards in order to attract scarce skills discounts the assumed idealistic motivation of political activists to serve a worthy cause, even if poorly paid. Comparatively meagre material incentives for politicians are also compensated with high status symbolic rewards. While this equation may be increasingly questionable in purely consumerist Western societies, politics as a vocation after a liberation struggle can rightly be expected to spring from a different well. When officials and cabinet ministers in a struggling economy earn more than their US counterparts yet simultaneously preach belt-tightening, the organisation has sown the seeds for its own fragmentation. In fact, the ANC in power has emulated some of the excesses of its greedy predecessor. National Party politicians endorse the new greed not only because they also benefit, but because it exonerates them. It proves that their previous high perks were small in comparison with what the new rulers allocate themselves.

In August 1996, the cabinet and members of parliament voted themselves and their counterparts in the provincial legislatures another 15 per cent salary increase, together with a 30 per cent increase in car allowances.<sup>25</sup> At the same time, the government was calling on trade unions to exercise wage restraints. The brazen rationalisations of alleged "inflation-related" increases across the political spectrum reflected the character of a political class that

genuinely believes its rewards should be in line with private sector remunerations rather than their own constituents. The disillusioned public sector had only received average increases of half the amount during the period. The collective plundering of public money is not considered a moral failure or an affront to the poor.

A respected ANC stalwart, Ray Alexander Simons, notes her disappointment "that not a single MP or senator denounced these increases".<sup>26</sup> Mary Burton, a member of the Truth and Reconciliation Commission, found herself alone in publicly questioning unexpected rises for already highly paid commissioners whose salaries are legally tied to judges' remunerations. While the commissioners exercise quasi-judicial functions, the temporary nature of the exercise together with the collective decision making under conditions of great public scrutiny would seem to lessen the need to base expectations of impartiality on financial independence in similar ways as applied to judges with life-long tenure. As different commissions are differently resourced and salaried, jealous resentment has developed between different state bodies. It is not clear, for example, why Human Rights commissioners should receive far less than the generously paid Youth and TRC commissioners. Worse, bad blood is generated when some commissioners openly criticise the high salaries of their own commission, refuse to accept R200 000 car allowances and donate part of their salaries to charity, while others argue that their public work deserves even higher rewards.<sup>27</sup>

In a similar vein, the chairperson of the Gender Equality Commission, Thenjiwe Mtsoo, complained that the commissioners' salaries and its budget of R2 million were lower than those of the Youth Commission or the R6 million of the Human Rights Commission. Another commissioner drew attention to her having to fly economy class while others habitually used business class. The idea that it is an honour to be asked to serve on a state commission and that the status bestowed by this honour should be sufficient reward has never been raised in the South African debate. Even those who are independently wealthy cash their judges' salaries, and almost all claim their generous car allowances although their own cars could drive them safely to their workplace. In this case, reimbursement for actual expenses could be instituted and payment made only to those who depend on it or who had to give up other positions.

The political culture in South Africa devalues any public activity

that is not being paid for. Volunteer service is frowned upon. The state is perceived as a source of enrichment rather than an institution to be served by citizens who care and receive their rewards symbolically. At times, the state is held to ransom in order to extract individual benefits which are given freely in other countries. In a famous incident, hundreds of ballot counters in Durban held up the final election results in 1994, demanding more pay. (See Johnson & Schlemmer, 1996, for a vivid description of the incident.<sup>28</sup>) Even the euphoria of the first democratic election could not override individual greed. Mercenary attitudes had already been encouraged by thousands of voter-education campaigners and employees of the Independent Electoral Commission being put on the state payroll with benefits that surprised them.

The origin of a culture of selfish opportunism probably lies with successive governments exploiting the state for special interest groups. When one party succeeds the other in power, claims for entitlements to loot likewise come naturally. If necessary, common looting of the public purse is agreed upon between adversaries. When parliamentarians vote on their own higher remuneration few dissenters emerge.

Looting at the top has not gone unnoticed at the bottom. The perception that political insiders are first of all looking after their own interests has not only encouraged a cynical alienation from politics but it has also festered emulation from below in whatever way those not on the inside can achieve their fair share. A white-collar criminal justified his fraud with the excuse that everyone is enriching himself illegally. A member of a car theft syndicate pointed out that this was the only way he could make a living. The large percentage of police personnel who are corrupt are more likely to be inspired by a climate in which common rules are perceived as applying to one poorly paid section but not to another richly rewarded elite. The extraordinary gap between elite remuneration and bottom income erodes cohesion and solidarity in favour of everyone for himself and herself by all means available.

The internal critics within the ANC receive lame excuses from their benefiting colleagues. The fact that the salaries of parliamentarians are now taxed still makes their net pay higher than those in the apartheid era. Deductions for ANC organisational duties also do not justify the high rewards, because taxpayers should not be

obligated to finance party political activities via the salaries of their representatives. The most questionable argument was Mandela's retort that without sufficient legal rewards politicians could be tempted to reward themselves illegally. Indeed, nobody would want to see bureaucrats and politicians rely mainly on graft and corruption during an uncertain reign before they are overthrown by the next corrupt elite, as practised in many developing countries. But there exists a vast difference between compensating public servants adequately but not excessively, and enticing their hands into the public till. Even to assume that corruption could become the rule among ANC cadres in office does not testify to great confidence in the moral integrity of the organisation's members by its beloved president. On the other hand, Mandela may have indeed articulated a wiser and more realistic assessment of human nature than ANC struggle literature portrays. The national auditor-general noted that 92 civil servants in the Eastern Cape capital of Bisho had awarded themselves R3,6 million in "unauthorised salary increases". The maverick Bantu Holomisa, known for his populist forthrightness, has described the nepotism of the disarrayed Eastern Cape administration: "I'm just saying that experienced civil servants are being sidelined and certain 'comrades' are employing their in-laws and relatives who have totally no experience".

The apartheid state practised ethnic nepotism on a massive scale - almost by definition. However, its successor cannot afford to continue that tradition because it claims to represent the poor and powerless. When "the average Parliamentarian earns 30 times more than the average citizen"<sup>29</sup> critique of such discrepancies cannot be dismissed as payment according to international standards. The yardstick must be a South African one, not what similar officials in the US or Germany earn, as ANC spokespersons insist. Nor can the critique of the gravy train be rejected as racism when it originates from white quarters. The assumption of racism automatically silences all white critique of black officials. It is a convenient and cheap weapon to employ, although black office-holders also react against the continued dominance and intellectual hegemony of white liberals in the media or academia. But black shop stewards and civic leaders are equally disillusioned about their own representatives in government or on company boards deserting their constituency. The same criticism by blacks of blacks is considered

legitimate while branded as racist when it comes from white citizens. For example, Jacob Zuma, the ANC KwaZulu-Natal chairperson, blamed "professional noisemakers" for the debacle about the AIDS play and the criticism of his ministerial wife. The statement insinuated racism when it wondered "whether this hula-laloo is because both the minister and the artist involved are black and the party is targeting the poorest of the poor who are black". Thereby the enrichment of the few or mismanagement is justified with concern for the poor.

Indeed there is a racist assumption that blacks in charge will fail sooner or later. Operating under this self-fulfilling prophecy opens the record of the new officials for exceptionally suspicious and sometimes unwarranted scrutiny. Yet if the new patriotism proclaimed by Mandela is to succeed, the state has to live up to the highest standards, despite the adversarial undertones. Otherwise perceived legal corruption is used to justify more tax evasion and a general culture of public cynicism. It is in the ANC's own interest to prevent such a development even if it is at the cost of its own loyal and hard-working officials. Alienation from the political process undermines the new democracy. Distrust and resentment of distant leaders triggers strikes of comparatively underpaid civil servants. Cynicism leads to what the Germans call *Politikverdrossenheit*, a general apathy and rejection of the public sphere when the propagated patriotism demands the opposite of increased involvement. A spokesperson for an Alexandra squatter association, Ruben Mathe, articulates the typical disillusionment of the poor with the rich. "I do not vote for anyone any more. In this life you've got to survive. I need a roof over my head, not an ANC membership card." Smiling, he said, "You know who came to canvass in this area before the local elections? The IFP - nobody else. The ANC cannot see our problems through the tinted glass of their Benzes. They just drive past."<sup>30</sup>

SACP and COSATU officials so far have managed to be both part of the ruling privileged elite and to present themselves credibly as the champions of the growing underclass. As long as the tripartite alliance keeps the lid on the disillusioned poor in the name of unity of the progressive forces, the "miracle" continues. The old establishment benefits most from this stability. Judging by their anti-socialist crusades in the boardrooms and business editorials, few of

a fairly correct description.

the old elite, however, realise to whom they owe the absence of racial populism and potential class warfare.

In conclusion, the relatively peaceful South African transition was greatly facilitated by the vast resources at the disposal of the state and the private sector-led economy. The "good surprise" would not have been possible without the security of pensions and the incentive of vast retrenchment packages. The literature on transition has underrated the availability of options as a precondition for compromise by hard-liners in power. In many ways, the so-called South African miracle is better dubbed the "purchased revolution". The members of the liberation armies who were not incorporated into the official defence force receive a small pension. Many other potential trouble-makers were bought off by being put on the payroll of the public service or the even more lucrative private sector.

For example, when the budget for the intelligence services was drawn up in 1995, a 20 per cent cut was envisaged. This amounted to a comparatively minor reduction, given the absence of foes. However, the ultimate outcome was "a 66 per cent increase from R427.5 million to R710 million - by far the biggest increase for any government department, and this at a time when health and teaching jobs were cut in the cause of the economy".<sup>31</sup> The increase resulted from the integration of over 900 ANC intelligence agents, the PAC security service and three homeland spy agencies so that in the end the National Intelligence Agency (NIA) has almost three times as many staff as the old security apparatus at the height of Afrikaner paranoia. The NIA is only one of five agencies that comprise South Africa's "intelligence community". Similar creative job creation occurred in the South African Defence Force, although with greater transparency and public accountability. Yet despite the money wasted on superfluous civil servants who now spy on each other, it is difficult to disagree with the Suzman Foundation: "If it was necessary to throw a lot of money at this key political problem of making the lamb lie down with the lion, it was probably worth it."<sup>32</sup> However, only in comparatively wealthy South Africa could reconciliation be purchased. Buying off dissent also corrupts the newly co-opted who know that their occupation and remuneration are not justified by the task at hand. How this consciousness of being pacified translates into job performance remains to be tested.

Even purist Azapo and PAC leaders did not prove inflexible when tempted with offers. The fact that Cyril Ramaphosa could move from head of a militant mineworkers' union and secretary general of the ruling party to chief executive of a business conglomerate and main board member of the Anglo American Corporation indicates an atmosphere of non-ideological expediency similar to the many shifts of principled ideologues to pragmatic profit-seekers in Eastern Europe. Unique to South Africa is only the need to justify private enrichment with black empowerment that elevates corporate boardrooms to "new sites of struggles".

It was legal continuity and a private sector economy that allowed key security bureaucrats from the old regimes to abandon control of the state peacefully for a golden handshake. Huge payouts were handed out to police generals who retired for "health reasons" or easily found alternative employment in the private sector. Peaceful change is greatly facilitated by such buy-out options. African military rulers and their underlings elsewhere who depend on the state as the main source of income cling to their power because they face not only loss of office, but economic insecurity, unless they have siphoned off revenue into foreign bank accounts. As Michael Holman has aptly observed: "Unlike South Africa's white minority, which when forced to surrender power, could derive compensation from control of the economy, the Nigerian regime and its supporters have no such safety net."<sup>33</sup>

So, where is the struggle now? It would be facetious and an oversimplification to simply say that "the comrades are in business" (although some are), and the "oppressors have been bought off" (although some have), but it would be equally false not to recognise to what extent "the struggle" has been tempered by governance, some ideals abandoned (for the time being?), sights have been lowered; at the same time tired justifications are being used by the new lot to explain themselves to their supporters and admirers and to denigrate their opponents. New conditions for opposition and revolt are being created and new struggles are being born. The current cohort of leadership will come and go as sure as the sun rises and sets.

And yet, despite all of the preceding, the struggle has not been in vain. Fundamentally new grounds of political contestation have been created. South Africa has rid itself of legalised racism and

assumption of "raciality" *opinion*

in the end, the top nationalities which have happened.

oppression. Scope has been created for new opportunities for development and growth. The challenge to build a new nation in South Africa is not an offence to the intellect as was the compulsion to live in an apartheid state. Above all, the future is far more open-ended politically than it ever appeared before.