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THE NEW SOUTH AFRICA: PROBLEMS AND OPPORTUNITIES

Background

The new South Africa, under the Presidency of Nelson Mandela, must appear today as one of the most fascinating countries on the face of the earth. It has witnessed an epoch making transition from the institutionally segmented system of *apartheid* which was founded on the permanent domination of the polity by the *white* races in the society. This system had kept the numerical majority of the non-white population of South Africa, made up largely of *blacks*¹, but with a smaller number of *Indians* (of South Asian origin) and people of mixed race, known as *coloureds*, in a system of permanent subordination to white rule. Until a few years ago there seemed little sign of a change in the system of *apartheid* in South Africa. Few people could have ever imagined that a black man, who had spent the last 30 years of his life in prison, would become the President of a multiracial polity with a parliament elected under universal franchise, where the blacks hold a clear majority.

1 The term 'black' is used throughout this paper to describe people of African origin who are racially classifiable as black. The racial categorisation is used here because race is at the core of all problems facing South Africa today as a legacy of the *apartheid* system. Colour, therefore, remains the dominant form of social categorisation in South Africa today and is, thus, used as our own descriptive category in the course of this paper. However, the term black is now increasingly being substituted by the term *African* within South Africa. We however use the term black here because the argument used in this paper can thus be made more easily comprehensible to a non-South African audience.

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The story of how this transformation came about and its underlying dynamics is a fascinating story which has been written about by others more qualified to do this than myself. I will therefore concentrate on my own personal impressions of the situation and prospects conditioning the development of the economy and polity of South Africa. These observations are those of a layman with no academic expertise on the problems of Africa. This paper must thus be seen as an essentially impressionistic piece, inspired by a two-week visit to South Africa in September/ October of 1994 at the invitation of the multi-racial government of South Africa, which is a government of national unity led by the African National Congress (ANC) which led the anti-*apartheid* movement, but also includes the principal white party, the Nationalists, the *Zulu* based *Inkatha* party and other parties.

On this visit I met a large number of South Africans from different political, professional and racial backgrounds and held discussions of immense educational value to me. I visited the four principal cities of South Africa: Pretoria, its administrative capital, Johannesburg, its business capital, Durban, the home of the *Zulu's* and also for most of the population of Indian origin, and Cape Town, the legislative capital where the *coloureds* are largely located. I finally visited the university town of Stellenbosch where I made a keynote address to the biennial conference of the *Development Society of South Africa*. During the conference over two days I could interact with a large community of development scholars and practitioners, mostly from NGOs but also from political and civic organisations. These interactions during my two-week visit do not qualify me to speak with any authority on South Africa, so I write this with apologies to my hosts in South Africa as well as all South Africans I met on my visit, largely with the intention of sharing my impressions with a Bangladeshi audience who would have even less knowledge of the country than I do.

South African Society

South Africa is classified by the World Bank as an *Upper Middle Income Country* with a per capita income in 1992 of \$2670 (World Bank). It is far and away the richest country in Africa with a GDP of \$104 billion. The country is enormously wealthy in mineral resources, and is one of the principal export sources for gold and diamonds in the world market. It has however also developed a sizeable industrial base where industry accounts for 42% of its GDP, of which manufacturing contributes 25% of GDP (World Bank). Its manufacturing structure is itself quite evolved with 37% of value added accounted for by machinery, transport equipment, and chemicals manufactures (World Bank).

Anyone who visits South Africa will be impressed by the quality of its infrastructure of roads, utilities, the quality of its construction, the efficiency of its public services, the level of its entrepreneurship and administrative apparatus, much of which is of a First World level. You do not as a matter of course experience power cuts or have difficulty in obtaining telephone connections or face intestinal hazards in drinking water from the tap in your hotel. Its medical facilities for the whites are first class. After all Dr. Christian Barnard and his team of South African cardiologists performed the world's first heart transplant operation as far back as the 1960s in a hospital in Cape Town. However, these First World facilities in South Africa remain largely enclaves in a white person's world, run by and for the white population who as a result command a First World life style. For the more affluent whites life styles are indeed comparable to anything in North America or Europe.

Non-white South Africa remains a part of the Third World which is visible everywhere one travels in South Africa. Even though some non-whites, particularly Indians and coloureds, have

attained quite impressive standards of living even at the working class level, the blacks, who account for 74% of the population, constitute an underclass of poor, inadequately educated, underemployed citizens, living in urban slums comparable in their squalour to the worst of the Third World. This black underclass, under the system of *apartheid*, was segregated into black 'homelands' where they were supposed to live and develop separately. However, most of these inhabitants of the 'homelands', which came to be known as *bantustans*, were little more than rural slums encapsulated within South Africa with little scope or resources for development. Thus, most of the young able bodied population of the *bantustans* had to seek employment in the homes, farms and factories owned by the whites within South Africa. This black migrant population, denied legal right to own property in the white enclaves of South Africa, were congregated into black townships which encircled all the main urban centres dominated by white South Africans. These black townships have become a festering snake pit of black frustration and boiling anger which is manifested in an exceptional level of armed violence and criminality in the urban areas of South Africa.

In *apartheid* South Africa, the relations between blacks and whites were thus defined in largely economic terms. A black proletariat was essential to the functioning of a white owned economy employed as domestic servants, farm labourers, and factory workers. This underclass of workers also served as a growing market for the products of the white corporate sector without which, the South African industrial sector in particular, would have become totally unviable. The nature of the *apartheid* system thus meant that whilst the white and black worlds were politically and socially segregated, the South African economy remained fully integrated, based on a racially determined division of labour, with rich whites as owners, poorer whites as part of an

aristocracy of skilled labour and the blacks as the working underclass. This system was sustained by a segmented educational system which inequitably invested public resources to provide both higher and qualitatively superior education for the whites alongside an altogether inferior brand of education at primary and secondary level available to the blacks. As a result, very few blacks could graduate upwards to college and university education. Thus, in 1994 only 11% of the black population above 18 years of age had studied beyond class 10 compared to 40% of the Indian population and 61% of the white population (SALDRU).

This is not to say that quality schools and segregated institutions of higher learning for blacks, Indians and coloureds did not exist. Such institutions laid the foundations of a non-white middle class of professionals who are qualitatively comparable with their counterparts in many Third World countries. However, the distinction remained that whilst whites could aspire to universities such as Witwaterstand, Natal, Pretoria, Cape Town and Stellenbosch which were comparable to all but the best institutions in Europe or North America, blacks obtained their higher education at institutions of a standard of a second rate university or degree college in South Asia. Those non-whites who raised themselves to professional levels attained by whites did so either because of exceptional personal merit or because they could afford to study abroad. Some white universities, however, did permit limited entry to blacks and desegregated themselves well before this had become an official policy. But resource constraints as well as the poor quality of their schooling limited the size of the black intake. Today where places such as Natal University have been officially desegregated, there are few blacks to be seen on campus. In contrast, Indians are not only highly visible in the formerly white universities but are now topping their classes in many faculties.

The South African Economy

Notwithstanding the First World level of the South African economy, it has remained virtually stagnant for the last decade where its industrial sector has become internationally uncompetitive and technologically backward compared to Third World upper middle income countries such as those in East and South East Asian. South Africa's GDP growth per annum was only 3% between 1970-80 and this fell to 1.1% in the period 1980-92 (World Bank). Since its population growth in this latter period was 2.5%, per capita income of South Africa actually declined in the last decade (World Bank). This stagnation was manifest in all sectors of the economy but the manufacturing sector was particularly affected where output declined at an annual rate of 0.2% in 1980-92 compared to a growth of 4.7% registered in the 1970s (World Bank). Signs of economic stagnation during 1980-92 were manifest in the absolute decline in gross domestic investment at the extraordinarily high rate of 4.4% per annum (World Bank). It was thus not surprising that the investment/GDP ratio declined from 28% in 1970 to 15% in 1992 and the manufacturing/GDP ratio remained virtually unchanged at 25% in the same period (World Bank). For an economy which was highly advanced by Third World standards in 1970, with a GDP size which was exceeded in the Third World only by China, India, Brazil, Mexico and Argentina, by 1992 South Africa found itself overtaken in its GDP size by Indonesia, Thailand, Iran, Taiwan, Republic of Korea (ROK), Hong Kong, Singapore and Saudi Arabia.

This crisis faced by the South African economy in the 1980s was in large measure associated with the impact of the economic embargo on trade and investment flows from most of the Third World, as well as from some of the First World who rather selectively applied an embargo in their economic relations with South Africa. This embargo was put in place under a UN resolu-

tion designed to pressurise South Africa to end its *apartheid* system was not entirely successful but it did severely cut down the flow of foreign investment and new technology to South Africa and served to contract its external markets. Thus imports of manufactures by OECD countries originating in South Africa fell from 0.26% of their total imports in 1970 to 0.17% in 1992 (World Bank). The net inflow of resources from abroad to South Africa on both official and private accounts in the 1980s was negative.

The Structural Crisis in the Economy

Whilst South Africa's outlaw status may have contributed to this state of economic crisis, the root of its problems remained structural. Its dependence on minerals for exports exposed its economy to adverse movements in the terms of trade due to both low growth in the developed economies in the 1980-92 period as well as the reduction in the commodity-intensity of manufacturing production. South Africa's exports thus stagnated, growing at a rate of 0.7% per annum in 1980-92, compared to 11.1% in 1970-80 (World Bank). Furthermore South Africa's export structure remained undiversified over two decades. In 1970, 53% of its exports came from minerals and other primary products and this share remained unchanged in 1992. This lack of export diversification reflects the structural atrophy of the South African economy over two decades which constrained its capacity to adjust to the changing volume and composition of global demand. The inward orientation of South African manufactures both due to the trade embargo and its own failure to modernise meant that South Africa, which was at the vanguard of the Newly Industrialising Economies (NIE) of the Third World as a manufacturing economy in the 1970s, lagged far behind the Asian and even the Latin American NIEs in the 1980s (Jenkins).

The system of *apartheid* in education contributed to South Africa's structural crisis. Low investment in the education of its black labour force meant that productivity in South African industry remained at Third World levels. Gross output per employee fell from an index of 100 in 1980 to 80 in 1991 (Ibid). The structural stagnation, lack of competitiveness and low resilience in the face of global change meant that employment opportunities for the vast influx of black youths from the decaying black *bantustan's* was negligible. Very little of the 2.8% per annum growth in its labour force could be gainfully absorbed by the stagnant economy. Overall black unemployment was estimated in 1994 at 28.5% (SALDRU). This rises to 65% of blacks in the age group 16-24 (SALDRU). Unemployment rates in black townships is reported to be as high as 50% and is the root cause of the crime and violence which have made urban life so dangerous that the state of law and order in Dhaka, in comparison to Johannesburg, is about as favourable as the difference between an America suburb such as Bethesda compared to down town Washington D.C. Anyone bothered by the *mastans* of Dhaka, or the safety of streets in Dhanmondi should just spend a night in the black township of Soweto in Johannesburg or take a walk in its city centre at night to understand what lawlessness really means.

The Risks of Structural Adjustment

The prospects for the future development of South Africa are thus permeated with both hope and anxiety. In spite of a decade of stagnation the scope for rapid growth is significant. Its enormous resource base has meant that South Africa has had a low level of external dependence which makes it possible to underwrite its own development. Indeed the external value of the South African *Rand* has been strong, perhaps too strong, to keep

it externally competitive. Unlike most countries South African's foreign exchange reserves do not lie exclusively in the international capital market but is to be found underground in its gold mines. Thus, market forces will not drive down the value of the *Rand*. Indeed South Africa may have to take a *command* decision to keep its currency below its real external value if it aspires to become a competitive exporter of manufactures.

However, to so diversify its external economy South Africa will have to go through a process of strategic industrial planning as was done by Japan, ROK or Singapore. A managed strategy of structural adjustment which transforms South Africa from an inward looking to an outward oriented manufacturing economy will have to be put in place with great skill. Moves to diversify the economy through a classical pattern of import liberalisation could lead to the collapse of a number of uncompetitive industries such as textiles which may further aggravate unemployment. There is, however, little certainty that the classical structural adjustment model will either ensure increased export competitiveness in old industries or the emergence of new industries. Indeed in areas where white dominated corporations are modernising their industries it is being done by adopting the most capital and knowledge intensive technologies of the advanced industrial economies which immediately displaces labour. This process of modernisation in South Africa could thus lead to a form of industrial *apartheid* where the bigger white owned corporations shed unskilled black labour who may be substituted by advanced technologies usable only by the more educated and skilled white labour force. During my trip I encountered an Israeli consultant who was advising some white owned textile plants on introducing computer technology to cut down labour costs in their enterprises.

The potential of rising urban unemployment as a consequence of a market driven strategy of structural adjustment, as advocated

by the World Bank, could thus expose the new multiracial South Africa to a social conflagration which could undermine its fragile multiracial democratic system. The potential for political crisis demands a much more creative agenda of adjustment, led by the state, to move from an inward looking to an externally competitive economy without further aggravating domestic employment opportunities.

The Reconstruction and Development Plan (White Paper)

The new government's answer to the challenges ahead is provided in the *Reconstruction and Development Plan* (RDP) which has just been presented to the parliament and public in the form of a White Paper. The RDP is in many ways a quite remarkable document as to its underlying vision for the new South Africa. The paper is based on six basic principles summarised below :

- i) It is to be an integrated and sustainable programme based on harnessing local resources and will be implemented at the national, provincial, and local level by the government, parastatals, business and organisations within civil society working, within the framework of the RDP.
- ii) It is designed as a people-driven process. To quote the RDP, 'Development is not about delivery of goods to a passive citizenry. It is about active involvement and growing empowerment'.
- iii) The RDP is seen as being closely bound up with peace and security for all. This is based on building a multi-racial security force and a judicial system which will reflect society's, racial and gender composition and provide fairness and equality for all before the law.

- iv) The RDP demands a process of political consensus building as part of the task of nation building which need to be as politically inclusive as possible.
- v) The RDP aims to integrate growth, development, redistribution and reconciliation into a unified programme. The key to this is an infrastructural programme that will provide access to modern and effective services such as electricity, water, telecommunications, transport, education and training for *all* people.
- vi) These five principles underlying the RDP are made contingent on a thorough going democratisation of South Africa. Minority control and privilege in any aspect of South African society are seen as the main obstruction to developing an integrated programme. Above all, the RDP intends that people affected must participate in decision making.

The five key programmes under which the RDP is to be executed cover Meeting Basic Needs, Development of Human Resources, Building the Economy, Democratising the State and Society and Implementing the RDP. The document spells out the division of responsibility for realising the RDP as between the different tiers of government, the private sector, civic with great effectiveness, the instrument of the strike to cripple the white economy and to mobilise political support.

Building Civil Society

The ANC underground also operated through civil organisations, known as *Civics*, located in the black African townships surrounding all the urban centres. These were community organisations designed to both press for community improvement as well as to politically mobilise the townships in the *anti-apartheid* struggle. These *Civics* became effective substitutes for the unrep-

representative local government institutions imposed on the townships by the *apartheid* regime. The *Civics* have now emerged as a powerful political force who have coalesced in a national body known as the South African National Civic organisation (SANCO) under the leadership of Lechesa Tsenoli, its Secretary General. I had a most stimulating meeting with Tsenoli in Johannesburg and was impressed with the depth and strength of the *Civic* movement in South Africa which has no counterpart in Bangladesh's civil society.

Civic leaders such as Tsenoli could have been elected to parliament and could have become Ministers in the new government. But they chose to stay with SANCO and play a role in building up a strong civil society. The problem under the new order, however, arises from the fact that the *Civics* remain dominated by the ANC. Thus, when local government elections are held in the townships next year the ANC presence in the *Civics* could come into conflict with the ANC representatives in control of local government institutions. This point of contradiction between representative institutions and civil society will have to be addressed by the ANC, as a political party, in the near future.

The NGOs have also made an important contribution to the *anti-apartheid* movement. The ANC sponsored a number of NGOs which served as conduits for donor funds coming into South Africa. Some of these NGOs such as the *Mapla Trust* and the *Kagiso Trust* are large and well funded organisations of the size of *BRAC* and *Proshika* in Bangladesh. The NGOs in South Africa have played a key role in a wide range of quasi-political activities such as voter education, civic mobilisation and efforts to improve services within the black communities, through programmes of housing, education, employment creation and infrastructure development (Development Resources Centre). There are some 54,000 NGOs operating in South Africa, but not

all are politically committed or of the size of *Kagiso* or the *Mapla* trust but they collectively represent an important social force within civil society which the new government plans to use as an executive agency to help implement the RDP at the grassroots level.

However, as with the *Civics*, the potential for conflict remains between a politically more credible NGO movement and the ANC now elected to state power. This contradiction will surface as and when the issue of formally defining NGO-government relations under the new order comes up for debate. Paradoxically, NGOs enjoyed considerable latitude under the *apartheid* system which encouraged NGOs, which were usually led by white liberals, to deal directly with donors so as to bring in aid funds into South Africa at a time when many donors had cut off aid to the *apartheid* regime. This virtually unregulated access by South Africa's NGOs to foreign funds invested considerable influence in the NGO movement who for many years operated with fewer political constraints than in most Third World countries. Attempts now to rein in the NGOs could be interpreted as a challenge by the new government to the concept of a strong civil society.

The Politics of New Order

The ANC which is now the dominant political force in South Africa is a far more politically evolved organisation than anything we have in Bangladesh today. It has leadership of exceptional maturity and statesmanship, backed by colleagues of great political commitment, steeled through many years of political struggle under conditions of unusual adversity. The ANC is closely integrated into civil society through its presence in the Trade Unions, the *Civics* and the NGOs which together contribute to a far more developed civil society in South Africa today compared to Bangladesh or indeed most other Third World countries. As it

stands today, therefore, the political infrastructure for realising a transformation within South Africa is far stronger than in most Third World societies at a similar moment in their history. The fact that the new South Africa finally emerged not out of the bloodshed and social dislocation of revolution or civil war as happened in Bangladesh, Algeria or Vietnam, but through a negotiated settlement ending in a peaceful, free and fair election, has been of inestimable value for its transition to a new order.

This peaceful transfer of power could not perhaps have come about without the towering leadership of Nelson Mandela who was the only person in South Africa with the authority to broker such a transition. However, credit must go to F. W. de Klerk who as Prime Minister of white South Africa, could read the writing on the wall and see well ahead of his community that a deal with Mandela was the only way to secure a long term future for the white community in South Africa. That de Klerk could do this at a time when militarily there was no threat to the immediate survival of *apartheid* is testimony to his political wisdom. However, the structural crisis of the *apartheid* system and the effects of the external sanctions on the economy, had meant that at the end of over a decade of economic stagnation, most whites had begun to feel insecure for their economic future. The impact of the economic crisis on the social tensions which consume day to day life in South Africa compounded the growing sense of insecurity of the white community. de Klerk, therefore, negotiated a peaceful transfer of power with Mandela which has left intact the prevailing structural domination of the whites over the economy, virtual white control over the entire administrative apparatus and a social hierarchy where the whites remain as the dominant social force in society. This leaves intact their First World life styles in contrast to the prevailing Third World life styles of the majority of the black South Africans.

The survival of the social inheritance of the *apartheid* system is underwritten by a political compact between Mandela and de Klerk which has retained the dominant white party led by de Klerk, the Nationalist Party, as a coalition partner with the ANC, with de Klerk in the position of Vice-President. Important portfolios in the new cabinet such as Finance, have been assigned to white technocrats. This arrangement has meant that the new regime has maintained administrative continuity and faced no economic disruption even though South Africa has undergone one of the most revolutionary political transformations in contemporary history.

Opportunities for the New South Africa

This peaceful process of political transition and its outcome poses both opportunities and challenges to the viability of the new order in South Africa. Viewed optimistically, the new order could provide, through the RDP, a transformation in the lives of the black community. This could establish the basis for the political stability needed to create a climate for economic growth which will make South Africa into an economic giant in the Third World. White capital, skills and management will be left in the service of the economy whilst a black bourgeoisie grows into a status of partnership through a similar evolutionary process. White administrative expertise which gives South Africa a First World level of public services, infrastructure and administration, will be retained whilst blacks, rise to partnership status through a graduated programme of affirmative action.

The Problems Ahead

Much of this scenario could indeed come about under the sagacious leadership of Mandela, backed by the skills of his colleagues as social engineers. help from the global system and

large doses of good luck. However, crisis lurks behind every corner of this edifice being built to transform South Africa. The white dominated system could perpetuate itself for a far longer period than may be socially or politically acceptable to the black majority. If one goes to any government offices in South Africa today the ubiquitous presence of the white community is manifest. The fear of undermining the quality of administration has ensured that no hasty attempts will be made to enhance a black presence in the administration. Scope for increasing black representation in the services is of course constrained by the non-availability of the necessary level of skills and experience to assume responsibility at the senior levels of the administration. The best of the blacks from the ANC are already sitting in the national and provincial legislatures and in the Cabinets so that affirmative action may involve taking some risks by laterally bringing in black professionals into the administration in the expectation that they would rise to the challenge. This process of lateral entry for blacks, is however, constrained both by a constitutional commitment that no white bureaucrats will lose their job under the new order and a commitment to curb public expenditure by capping new recruitments so that budgetary resources can be channelled to the RDP. Thus, there is no scope for an avalanche of blacks flooding into the bureaucracy.

I did, however, meet a number of extremely able blacks, who had come in at senior levels into the administration. But these remain few and far between. Whites, however, remain apprehensive about their future in the new administration. This apprehension is shared by Indians and coloureds who reckon that affirmative action will apply only to blacks who remained much more excluded from the administration than the other non-white communities. Young educated whites, however, see little future for themselves at least in the administration, where they reckon that

both new intake and opportunities for upward mobility will be available largely to blacks in order to correct the imbalances of history. This means that most young whites hope to make their future in the private sector.

The white dominated private sector will thus become the main repository of white power in the new South Africa. In a private enterprise dominated and market driven economy seeking international capital this social dispensation which keeps the whites in control of the business sector is likely to remain intact. Building a black capitalist class is a long term affair given the fact that blacks in South Africa remained even more remote from business than did Muslim Bengalis in undivided India or Pakistan. The small traders and industrialists who constitute a black capitalist class fear that in an integrated society they may lose rather than gain. I met the President of the Soweto Chamber of Commerce in Johannesburg. He pointed out that black businessmen in the Soweto township could survive under *apartheid* because they faced limited competition within Soweto from the white dominated marketing chains who feared to locate themselves in the crime ridden townships. The new order is already providing entry to the big white businesses who can now locate outlets in black townships operated by black employees. This process could drive many small black owned enterprises out of business.

Without a strong enabling role of the state in the economy, the market could ensure the perpetuation of white domination of the economy and the aggravation of black unemployment, as white corporations move upmarket for modernisation of their production structures. This process may be intensified as real wages in industry are pushed up under pressure of COSATU whose political power is at its zenith. Wages in South Africa are high by Third World standards, certainly by Asian standards (Hofmeyer). Discussions with COSATU officials indicated that minimum wages

in industry are around 1000 *Rand* which is around US \$290 per month or Tk. 11,000. This is close to East Asian or at least Malaysian levels but at a significantly lower level of productivity. Black workers who suffered under *apartheid* are now seeking to use the formidable political power of COSATU to bargain for higher wages which may make South Africa's inward oriented, inefficient industrial structure, even more globally uncompetitive than it is today due to its prevailing relatively high wage rates. These high wages, it is argued, have indeed constrained industrial expansion and hence contributed to unemployment rates of 40-50% in the black townships. Further pressure on wages will accelerate the move by white corporations into more capital and knowledge intensive technologies. This process will provide even less scope for employment generation for blacks but will improve the productivity of white skilled workers and hence widen interracial income disparities.

The end of *apartheid* has however served to end the system of segmentation in the labour market where the best paid jobs were reserved for white workers. Today blacks can also command upward mobility in the work place provided they have the skills to occupy jobs hitherto reserved for whites. Many blacks in the factories have moved upwards under this process. However, the poor education of the blacks remains a barrier to their unrestricted upward mobility. The possibility of such mobility is, however, contributing to tensions amongst working class whites who fear that the end of job reservations will mean that they could be replaced by blacks at many levels of the work place. It is this class, along with those of the poorer, less educated, whites who constitute the power base of hardline white political forces who still remain unreconciled to the new order.

Threats to Stability of the New Order

This disaffected and apprehensive element from the lower echelons of the white community has strong links with the white dominated armed forces which for many years fought the ANC. The intelligence arm of the white-led armed forces carried out a programme of assassination, torture and terror against the ANC and financed divisions amongst the blacks communities. The *Inkatha Movement* led by Chief Butelhezi and based amongst the Zulus was for many years financed and armed by the South African intelligence agencies, to the point where the *Inkatha* instigated violence in the townships of the PWC and Natal provinces on the eve of the recent elections which threatened the peaceful transition to the new order. These forces within the white military establishment still retain a capacity to make trouble for the new order, drawing upon the prevailing tensions and scope for violence within the townships and the insecurity of the poorer whites, to destabilise the new order in South Africa.

Fear of the threat to building a multi-racial South Africa posed by a white dominated military and police establishment which was at the vanguard of the war against the ANC has committed the new administration to the building of a multiracial military/police force. This new force is to be built through induction into the armed forces of South Africa of the ANC created army which had been built up in their years of exile. This process of integrating two armed establishments which had for two decades been at war with each other poses severe political and logistical challenges. Whilst all parties in the Government of National Unity (GNU), which today rules South Africa, appear superficially sanguine about this exercise, the specifics of this task could lead to innumerable possibilities of contention. This ANC army, trained in many cases by instructors from the Socialist countries to use weapons made in the former Soviet bloc, has its

own retinue of officers who expect to obtain equivalent ranks in the integrated armed forces. Needless to say this is far from welcome to the white officer corp of the armed forces who have insisted that some element of training and selection be made mandatory for induction of the ANC forces into the services.

At a more immediate level the need to induct the ANC into the military establishment whilst protecting white jobs will lead to a rise in the military budget which was already high by Third World standards. Post-*apartheid* South Africa had reason to look forward to a big peace dividend through a drastic reduction in the size and cost of a military establishment created to keep a black majority in a state of subordination, fight the ANC insurgency, subvert neighbouring black states and protect itself against a hostile black continent. Such a strategic mission demanded the creation of the most formidable military force in Africa with its own in-built nuclear capability. The change in South Africa's strategic landscape, following the move to black majority rule, could have led to a drastic downsizing of this military establishment and release of public resources to finance the RDP with minimal cuts in expenditure in other civilian sectors. This is not to be and now the complex political problems of integrating two disparate military forces considerably raises the opportunity cost of this process.

Underlying the entire delicate process of transition to a multi-racial society is the revolution of rising expectations of the black subaltern classes. The blacks of South Africa have lived for nearly a century as second class citizens in a land where they were the majority. The subaltern poor majority amongst the blacks have lived at a Third World standard whilst within their daily vision a white minority has lived a First World life style. This arrangement was tolerable under the *apartheid* order because blacks knew that no better option remained open for them.

For the poorer blacks in the townships who lived lives of political, economic, cultural and above all, psychic deprivation, a degree of anger has built up within them, which makes these heavily populated urban ghettos into some of the most dangerous places on the face of the earth, more dangerous than the American black ghettos, more dangerous than anything we know in any part of Asia. These townships, dominated mostly by angry young men, many of whom are both unemployed as well without hope of employment, riven by tribal conflicts which were accentuated by the *apartheid* system, heavily armed and now conditioned by a culture of violence which contributes to a rising level of violent deaths in the townships, remain social volcanos which could erupt at any time. This means that in these parts of South Africa, you have to deal with a Third World situation permeated with the culture of Afghanistan, Somalia or Rwanda, where the taking of human life is a casual act and the means to do so are readily at hand.

The violence of the townships has begun to spill over into the white dominated urban centres which become depopulated by dusk as whites rush home to the security of life in the heavily protected white suburbs. However, blacks are now following the whites into the suburbs as spill overs from the townships and refugees from the *bantustans* are now illegally squatting on vacant lands in the vicinity of some of the most exclusive white suburbs around Johannesburg, Durban and indeed most urban centres. The encroachments of the blacks in the urban areas cannot be contained as readily by an ANC led regime as it was under the *apartheid* order. At the centre of the ANC agenda is a policy to provide acceptable housing to blacks, which involves legalising land titles in squatter settlements as well as upgrading the infrastructure and the quality of the housing. It is not to be ruled out that many more such land encroachments in the urban

areas will become the wave of the future in the expectation that these may be legalised by the new regime and developed into well-serviced townships under the RDP.

The Land Question

This fight for land could spill over into the rural areas where land has been even more inequitably distributed. Under *apartheid* the most fertile lands, made more so by heavy public investment in irrigation works, was reserved exclusively for the whites. This encouraged a land and capital intensive cropping pattern in white controlled farming areas which placed large areas of land in big capitalist establishments, committed to grain farming, dairy farming and the wine industry, which today constitute an important part of the export economy of South Africa. These white farms are inevitably based on black labour where in many cases black families have lived and worked for several generations and in many cases enjoy a much better life style than their compatriots in the townships.

However, the hunger for land is perhaps the most elemental of economic needs particularly within farming communities. The policy in Kenya and later on in Zimbabwe, of taking over lands reserved for whites and redistributing it to land hungry blacks, remains part of an unaddressed agenda for the ANC. Such a programme of agrarian reform was at the centre of the old ANC agenda. In its present moderate incarnation the ANC has deprioritised its commitment to agrarian reform. Any programme of agrarian reform would, however, have to review the cropping pattern under the prevailing agrarian system and would need to develop a system which optimised the use of the most scarce resource, which is water, absorbed the most abundant resource, which is people, made massive supportive public investments in the agriculture sector and did so without disruption to the export

economy and available employment opportunities on the land. Such a task suggests the need for an Agrarian Reform Commission which can address these potentially conflictual objectives. There is no such agenda in place with the coalition government to develop such an holistic agenda for the land presumably for fear of aggravating the insecurity in the minds of the white farmers who seem particularly concerned about their future. This omission could indeed be a grave strategic error for the ANC because farm land retains a potential for absorbing black labour and reducing the outmigration from the rural areas to the already overcrowded urban centres of South Africa.

Failure to address the land question both in the urban and rural areas could thus lead to forcible land seizures by blacks in both urban and rural areas where the most immediate outlet for black anger, driven by unfulfilled expectations, remains land. Nothing seems so provocative to the blacks, living as tenants on white owned farms or on infertile farms in the *bantustans*, or in the congested townships, than the spectacle of large white owned farms occupying the most fertile lands in the country or the palatial estates of the whites resident in the urban suburbs.

White Concerns

Such a process of forcible land seizure could be the catalyst which drives an already traumatised white community to take to arms or flight of capital as well as person, or both. The scope of an armed response, underwritten by the as yet intact white dominated security establishment, is at hand and could be invoked in response to a serious deterioration in the law and order situation which threatens the security of the white community. However, if indeed there is no fight left in the white army then the flight of skills and capital could disrupt the administration and undermine the corporate economy in the way that the French withdrawal

from Algeria and the Portuguese withdrawal from Angola and Mozambique, undermined the reconstruction of these economies. This process of white withdrawal would severely compromise the now cordial relations between South Africa and the West as well as with the multilateral system.

In my short visit to South Africa I saw no signs of such a withdrawal by the white community who on the face of it appear to have adjusted with unexpected facility to the new order and continue to live their lives as before. At least on the surface, talking to the whites, a casual visitor such as myself would find it hard to believe that *apartheid* ever existed in South Africa. The only visible evidence of the *apartheid* inheritance manifests itself in the social divide, so that even today, it would be rare to see black South African guests at the luxury, hotels, restaurants and exclusive clubs frequented by the whites, or indeed see blacks and whites inter-mingling in such integrated public places as beaches or cinemas or getting together at home.

But I did hear of inner misgivings particularly amongst the non-elite classes of whites for their future. Such concerns usually surface when whites congregate amongst themselves. Evidence of such concerns amongst whites were given substance from a recently completed social survey which reports that 65.7% of whites living in the metroplitan centres of South Africa feel less safe even within their homes than they did 5 years ago whilst as high a percentage as 82.5% of this cohort feel less safe today outside their homes (SALDRU). It may here be mentioned that similar insecurity prevails amongst all communities where 87.8% of Indians and indeed 76.9% of blacks in the Metropolitan centres report that they feel less safe outside their homes today than they did 5 years ago which is another sign of the ubiquitous degeneration of law and order in recent years (SALDRU). Perceptions for the future however vary widely between the communities. This

same survey reports that 61.8% of whites feel that situation under the new government will become worse, only 8% believe it will become better (Ibid). In contrast 16.1% of blacks feel things will become worse compared to 69.2% who feel it will become better (SALDRU).

Looking Ahead : Building a Multiracial South Africa

There would, of course, be many blacks, some of whom are today within the ANC whilst others bide their time in more radical political formations, who would welcome such a white retreat from the new South Africa. But this is clearly not the goal of Mandela who invests considerable faith in the politics of building a multiracial consensus to sustain the new order. To build such a system Mandela will have to transform the ANC into a multiracial party which can attract white votes. The ANC always had the support of some left-wing and liberal whites some of whom played a very active role in the anti-*apartheid* movement. A number of these white activists such as Joe Slove of Polish origin, who was head of the South African Communist party, today sit in Mandela's cabinet and remain influential within the ANC as well as the new administration. Even though the ANC attracted some white votes in the last election, it is still a party of and for the non-whites and in its present incarnation cannot hope to capture a sizeable share of the white vote. This vote is now needed by the ANC if a multiracial polity is to be built in South Africa to ensure the retention of white skills and capital to provide for a stable transition to a dynamic multiracial economy. In the same way de Klerk needs to build the Nationalist party from a party largely dependent on white support into a multiracial party which can evolve into a genuine alternative to the ANC. The absence of such a multiracial alternative to the ANC could be subversive both for democracy in South Africa as well as for racial harmony. The last

thing the ANC needs is to be left without effective democratic challenge based on political rather than racial contradictions, which could lead to South Africa degenerating into yet another one party state.

The hope for building a sustainable multiracial democratic order in South Africa rests on the success of the Mandela administration's agenda for economic and social reform. This in particular depends on the viability, credibility and implementability of the RDP. This far reaching agenda for change will, in turn, depend in no small measure on the willingness of both the white dominated administration and corporate sector to fully commit themselves to the success of the programme and in this process, to the viability of the new order. If indeed the RDP can provide the basis for rapid human resource development of the blacks, serve to conspicuously relieve poverty and unemployment, help to stimulate the economy and in the process contain the forces of anarchy in the townships, South Africa could become the centre piece for an African renaissance. These expectations, however, remain optimistic and beset with qualifications, not least being the life, good health and charisma of Nelson Mandela.

After over a century of racial segregation South Africa does not provide a particularly fertile soil for the seeds of racial amity so painfully planted by Mandela and de Klerk. These seeds will need constant fertilisation since they could shrivel and die whether from neglect or exposure to upheavals thrown up by the innumerable political fault lines which run through this rich but tragic land. It should be remembered that in the former Yugoslavia its various ethnic groups lived in a state of relative harmony for around 45 years and yet we are today witness to the horrors of Bosnia as these same communities thrive on the blood of their former neighbours. South Africa today inherits no such

tradition of harmony because racial separateness was actually fostered as a part of state policy under the *apartheid* system.

To build a pre-election concensus Mandela had to concede a high degree of autonomy to Natal province to accommodate the Zulus who are the majority community in that area and to give a seat to Butelhezi in his cabinet as the Minister of the Interior. In Parliament today the *Freedom Front*, a white extremist party led by a renowned General of the South African army, openly demands a separate homeland within South Africa for the Afrikaaners. In order to encourage such white extremist opinion to operate within the parliamentary system rather than as a conspiracy, Mandela has permitted a special committee of Parliament to examine the merits of the Freedom Front's racially motivated proposition even though it makes little sense. In fact most whites live and work all over South Africa and would hardly gain from retreating into a white *bantustan*. As with the whites, almost a third of the Zulus of South Africa live and work outside Natal so that any assertion of the Zulu identity within Natal could rebound on the large numbers of Zulus living outside their homeland. Thus the perpetuation of a separate racial, tribal, linguistic or any form of communal identity as a basis of political activity could expose South Africa to unending political instability because all such communities are spread all over the country. The *apartheid* system had in practice built an untenable social order which whilst based on communal separateness depended on these separate communities working together within an integrated modern economy. Thus, any move today to provoke communal disharmony could not only lead to conflagrations throughout the country where the minorities in each area would become the first victims of such communal tensions but would also contribute to a destabilisation of the economic system.

The multiracial consensus built by Mandela thus remains fragile and could breakdown under pressure from the political ambitions of those seeking to use communalism as a form of political gain or indeed from any of the myriad problems which lie ahead for the new government. Such a breakdown does not bear contemplation because it would bring to the surface the mutual distrust and accumulated hatreds created by the *apartheid* system which could drive South Africa into a vortex of civil strife, fraught with an arsenal of modern weapons lying with the various contending parties. The battles in the townships between the *Inkatha* Zulus and the ANC provided a cameo to the potential intensity of such violence. Such conflicts fought out on a national scale could reduce South Africa and its First World society to the level of some of the disintegrating nation states north of its border or to that of Yugoslavia or parts of the former USSR. All people of goodwill within South Africa and its friends abroad are keeping their fingers crossed, hoping for the success of the RDP and praying that the consensus behind the peaceful transition to a multiracial system may prevail. Given the unusually high quality of the political leadership running South Africa today and the commitment as well as capability of many of those involved in the reconstruction process these prayers may not go in vain.

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