

Somewhere Over the Rainbow. The Nation-state, Democracy and Race in a globalising South Africa

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1. South Africa, 1990-4: a negotiated compromise¹

The South Africa of the 1980s might well be described as Hobbesian. In spite of the enormous power at its command, the South African government was unable to implement effectively a system of authoritarian racial overrule which had its roots in colonial dispossession, had been extended by imperial conquest, and which reached its height in the last half of the last century in an attempt to implement racial segregation through ethnic differentiation by means of a state-system known as apartheid. By this system a racial minority of about an eighth of the population sought to keep control of political power, land and resources, using increasingly authoritarian measures. By the 1980s however apartheid was being severely challenged. The subordinated racial majority was in the streets in open defiance of the state. The organised black working class in conjunction with a vast number of those (the young in particular) for whom the existing system offered nothing but further impoverishment and humiliation was increasingly vocal and militant. Confronted internally by this Mass Democratic Movement (MDM) the South African authorities were also under external pressure not only from the exiled liberation movement led by the ANC which kept up the pressure for revolutionary change, but by international opinion which sought to use financial sanctions to rein in the racial excesses of the apartheid state. Already burdened by intense structural weaknesses the economy slowed then went into severe recession.

The governing party mixed tentative reforms with vicious attempts to fragment and crush the opposition internally, and weaken it externally through military violence. But locked within an inflexible set of ideological and economic constraints it could do nothing to slow the spiral of increasing violence which only made more obvious its incapacity to find a solution within existing structures. It was a time of heightened emotions: of exhilaration as the oppressor was at last confronted directly by the masses, driven on by the hope of liberation; it was also a time of horror as the apartheid state lashed out at those who threatened it and the nightmare of all-out racial civil war appeared increasingly likely.

Then, at the last moment, as the 1980s drew to a close, the combatants looked into the abyss – and drew back. Liberal elements within South Africa, joined by elements from governing circles, with big capital heavily involved, made contact with the exiled liberation movement. Gaoled political leaders were approached, and drawn into the process. In February 1990, after 30 years of banning, the major political organisations were legalised, and their leaders released. Negotiations began between these divided South Africans. They now included

¹ This paper was first presented at the 2004 Philosophy Seminar of the Nnordland akademi for kunst og vitenskap , Melbu, Norway. My thanks to the organisers as well as to Shirley Brooks and Gerhard Maré for their comments, and to three graduate researchers – Mark Hunter, Molly Margeratten and Sarah Mathis – whose work brings them close to most important social issues in South Africa today, and who with gratifying enthusiasm criticised a draft of this paper.

representatives of the apartheid government under F. W de Klerk, South African business interests, white opposition parties, and the liberation movements of which the African National Congress was by far the most dominant, and was soon joined in alliance with the South African Communist Party, and organised labour (COSATU). Also represented were African organisations which had grown up under the apartheid system, the most significant being the Zulu nationalist movement, Inkatha.

From 1990 to 1994 these disparate groups, representing the widest range of interests, negotiated a new constitution for South Africa and the steps to be taken for its implementation. Both sides had to make major concessions. De Klerk began the process with the intention of retaining substantial white power – a position he was forced to abandon. The liberation movement had to give substance to rhetoric and moved away from many of its historical positions including the vague but influential references to acquisition of land and resources by the expropriated struggling masses. The negotiations were carried out against a background of violence which at times seemed to threaten the whole process: on one occasion the negotiating chambers themselves were forcibly entered by a disaffected right-wing group: it is estimated that while the negotiations were in progress some 14 000 South Africans were killed. But, in the end, the process was sustained, with both sides agreeing to work for a multi-party democracy in a unitary state, a bill of rights, a mixed economy, the entrenchment of existing property rights and ‘sunset clauses’ to allow social and economic continuity.

The legitimating legislation for the new constitution was in place by the end of 1993. A Bill of Rights and a Constitutional Court were established to protect the rights of individuals and minorities. A Government of National Unity controlled by the political parties taking the first three places in the country’s first democratic election would hold power. On 27 April 1994 the people of South Africa went to the polls. The ANC in alliance with COSATU and the SACP won an overwhelming victory gaining 62.6% of the votes.

The photographs of queues of people waiting to vote in the first election have become iconic. Given South Africa’s history of racial division, economic exploitation and violence the election was the ‘small miracle’: a unified South African nation with a liberal-democratic constitution forged by South Africans in order to escape from the vicious cycle of destructive racial and ethnic violence. Nelson Mandela became the world symbol of strength through tolerance: the non-racial, multi-cultural spirit of the achievement of the early 1990s was captured by the phrase associated with Desmond Tutu – South Africans had created a ‘rainbow nation’.

It is not to denigrate the enthusiasm of the times or the significance of the achievement to note that in the decade of hard politics which has passed since liberation, the phrase ‘rainbow nation’ – dimmed by politicians seeking a

mobilising slogan, copy writers seeking commercial opportunity, and sentimental wishful thinking - has lost its lustre. The fact that the settlement was a negotiated compromise meant that all parties, but especially those on the left and the right, had had to sacrifice essential elements of their thinking. Furthermore, perforce, elements of the old system were retained resulting in awkward continuities between the old racial system and the new unitary democratic one. Critics from the left assert that in its fundamentals the ruling party has not just failed to change crucial aspects of the old system but that its policies have reinforced some of its most exploitative features. The negotiations were carried out at a political level, largely over the nature of constitutional change. What was insufficiently attended to was the nature of the economic situation and the direction that a reformed and democratic South Africa should take in order to bring direct material benefit to its peoples. As a result, while the decade that has passed since the first elections has brought political liberation within the boundaries of a democratic state, it has not brought material relief to the majority of South Africa's people. Indeed, it has been argued that the exploitation of South Africa's poor has not just continued but has been intensified by a post-liberation generation of the new non-racial privileged – successfully 'talking left and walking right', asserting a continual record of the achievements of liberation and promising radical amelioration of economic conditions but in fact failing to break with the past on substantial, material, issues. While the essentials of the racist apartheid system were gone or unrecognizable in the new South Africa – the structural underpinnings continue, economically exploitative and socially discriminatory.²

Prominent amongst the defences mounted by the new rulers is of course the nature of the settlement: compromise was necessary given the conditions which had developed in South Africa by the 1980s and some principles had to be sacrificed in order to create the conditions necessary to begin a process of fundamental reform – sacrifices the effects of which are now being addressed and reduced. But the essence of the left critique is not primarily focussed on the period of negotiations – but in the period that followed immediately after the electoral victory of 1994. It was then that the government accepted policies and strategies which reflected the demands of prevailing economic orthodoxy – the so-called forces of globalisation. And it is this which links this paper with the major theme of the conference – the fate of the democratic nation-state in a global world – and allows me to present recent South African history as a case study.

² Which is not of course to assert that race and exploitation have disappeared. For a spirited recent clash between prominent figures of the activist left over the apparent continuities with the apartheid see the letters by Ben Turok in the *Mail & Guardian* 25 June to 1 July 2004 and the response of Costa Gazi in the subsequent edition. www.mg.co.za

2. The RDP and GEAR

The shifts in the economic policy of the ANC during the early 1990s were dramatic. The stirring tenets of the Freedom Charter (1955) which had inspired the liberation movement with pledges of redress and redistribution through the nationalization of resources was an insufficiently precise document on which to found an effective economic programme for the late twentieth century, in an economy whose structural weaknesses had been a major cause of the political capitulation of its beneficiaries. The experience of many of the returned exiles had been created in the context of the promise of support from the eastern bloc, whose eclipse in 1989 had left the liberation movement without material or ideological support. But the ANC was associated with the idea of nationalization, and it was one which struck fear and invoked hostility amongst powerful conservative forces within and beyond the borders of South Africa. Yet although it was a powerful mobilising slogan to which members of the democratic movement were emotionally committed, nationalization cannot be said to have reflected an informed position on future economic policy. In negotiations during which the ANC not only had to placate private enterprise for strategic reasons, but also had to fend off the onslaught of conservative and conventional attitudes to economic policy, the organisation lacked both the material and intellectual weight, and the will, to initiate or even defend state-led economic intervention in the name of the masses.

This was demonstrated late in 1993 when the huge internationally funded Macro-Economic Research Group (MERG), which brought together '100 economic specialists, most of them foreign academics, and included ANC, Cosatu, and SACP figures together with local academics' recommended 'heavy state intervention in the economy, not so much for orthodox socialist purposes but in line with the Asian developmental state model.' It was sidelined. '[N]ot since colonial days had South Africa's economic been driven by foreigners' was one comment. An economically-conservative historian draws an opposite conclusion: the dumping of MERG 'is one of the most instructive chapters in the ANC story. Planning in the abstract is one thing; confronting the realities of power in the new globalized world is quite another.' (Sparks, 2003, 188)

The idea of nationalization, so intrinsic to the history of the ANC had been publicly abandoned on the May Day following the 1994 elections when Mandela stated that the ANC's economic policies did not advocate nationalism and were without Marxist intent.³ Just before the election the ANC had adopted the *Reconstruction and Development Programme* (RDP). This was developed by planners drawn largely from within South Africa and advocated a consensual inward-looking process in which state initiatives would encourage active participation in the cycle of production and consumption, which would encourage investment and reverse the catastrophic downward employment

³ Hein Marais, *South Africa: Limits to Change: the Political Economy of Transition* Cape Town. UCT Press, 2001, citing the *Sunday Times*, 1 May 1994.

trends. Although it advocated interventionist policies in order to benefit those disadvantaged under the previous order through distribution of resources, it was thought by many commentators to be a contradictory document emphasising desirable goals rather than the means to achieve them. And this was a considerable weakness because the South African economy was characterised by serious structural problems which would need not just political will but considerable economic expertise if policies were to be evolved which might go some way to meet the needs of the majority of South Africans.

For the South African economy was in deep crisis – a crisis which had been a major factor in forcing the apartheid government to seek negotiation. It depended on the export of primary products, minerals especially, and the dependence on the import of capital goods and expensive technology made the economy vulnerable to the fluctuation of international commodity prices and balance of payment crises when commodity prices fell – of gold especially. It was also an economy which depended on an intensely exploited unskilled work force which made it vulnerable to labour unrest and skills shortages. An unskilled and volatile labour force, in an export dependent economy with perennial balance of payment difficulties were all factors which came together in the 1970s and 1980s when the gold price dropped, a balance of payments crisis developed, and the economy went into negative growth increasing unemployment which fed the already severe social and political tensions. The government took an IMF loan in 1982 but the easing of exchange controls saw capital flight, the effects of which were worsened when sanctions against the apartheid state led to the suspension of international loans and the virtual cessation of external investment.

Budget deficits increased as the security situation within the country worsened and by the early 1990s GDP growth rate was negative, all forms of financial investment low, adding to the already high unemployment figures which in turn exacerbated the now widespread social unrest in the country.

Thus it was that the men and women struggling to plan a path for the new South Africa had to deal not only with the immediate political crisis but economic recession with deep structural roots, just at a time when they were expected to provide some indication of their capacity to confront historical racial imbalances in wealth and the distribution of basic amenities – in short to provide the housing, education, health care, employment necessary to the quality of life of South Africans desperately impoverished.

The line adopted just before the 1994 election was ‘growth through redistribution’ as outlined in the various manifestations of the *Reconstruction and Development Programme* (RDP) published just before the election. But even as the RDP was being developed there were signs of different strategies being developed. In 1993 the Transitional Executive Council took an IMF loan and signed a letter of intent which stated that it was aware of the dangers implicit in wage increases, inflation, and interventionist initiatives and the advantages over state regulation

of allowing market forces free play. Commentators believe that the letter of intent was an indication of an intense (and unnecessary) belief on the part of those politically responsible for South Africa's economic future that they had to placate the representatives of business, local and international, who were at that moment circling the planning committee rooms.

Later variants of the RDP which took into account the opinions of a wider variety of 'stakeholders' began to introduce conservative and neo-liberal concepts. And, ultimately, in June 1996, the RDP was overtaken by another plan – *Growth, Employment and Distribution* (GEAR). It advocated a conventional economic strategy whereby fiscal austerity, wage restraint, financial discipline, the reduction of corporate taxes, and the opening of the economy to capital flows would attract the foreign investment needed to stimulate growth and increase employment. GEAR placed South Africa's macroeconomic strategy on a neo-liberal path. The RDP's slogan was inverted: this was to be 'Redistribution through Growth'. Before long the RDP was scaled down and then abandoned.

For many of the left GEAR was and remains proof that the progressive ambitions of the broad-based democratic movement had been abandoned. And this reversal of policy, this turning its back on the popular history of democratic struggle in South Africa and the sacrifices of so many of its people, had been instituted without public debate and declared to be non-negotiable.

Explanations and defences for this apparent reversal in policy and planning are as varied as the political positions of those who seek to give them. Much depends on individual interpretations of what determines historical process. While personal ambition and greed played a part, the idea of a 'sell out' – of just another historical example of how power corrupts – is inadequate. The argument that it was a historically predictable capitulation to power and privilege, on the part of political leaders insufficiently challenged by their constituencies has weight. But more important was economic unpreparedness at a time when the instability of the Rand gave rise to very real concerns for the disastrous consequences of social and political stability in the South Africa if its currency became vulnerable to global financial speculation.

However the significance of the fear of currency collapse depends in turn on wider interpretations. From the right come arguments of inevitability - the economically conventional and decontextualised position that 'There Is No Alternative': that in a globalised economy GEAR was inevitable. The new rulers of South Africa, it was said, were learning – the Freedom Charter and its derivatives which included the RDP were anachronisms – and GEAR was a necessary accommodation to contemporary demands. Patronising and complacent, this was the dominant voice in what might be called the establishment media in South Africa – the national press, the publicly funded but commercially supported radio and television. Certain strategies might be questioned but the general direction of macroeconomic policy was indicative of

how the acquisition of power teaches even socialist idealists and freedom fighters the nature of economic imperatives.

For the left the promotion of a market-driven macroeconomic policy points to the vulnerability of not just the currencies but the people of what are called 'developing' economies when exposed to the blast of global economic forces – in fact the predatory nature of international capital. And central to this must be a consideration of those interrelated, cross-cutting developments and policies generally referred to by that much used and abused word 'globalisation'.

3. Globalisation

The immensities of the internal problems in South Africa, and the dependence of the ruling political party on state structures had to a degree insulated South Africa from the radical developments which had taken place in the global economy in the 1970s and 1980s when over-capacity and over-production led to a long-term and extensive decline in investment and production and with it capital growth and profits. With first the USA and then the UK leading the way a number of mutually reinforcing multi-national strategies were introduced under the banner of neo-liberal ideology, advocating that market demand determine effective economic policy and that government interference in the economy had to be minimized. Exchange rates and restrictions on the flow of capital were eased; government spending and corporate taxes were reduced; public assets were privatized and with it the level of state support for welfare programmes, education and health care; organised labour was attacked, and production systems segmented facilitating the exploitation of low-cost labour areas. Such strategies were greatly assisted by the rapid advance of computer-based digitized technology which allowed unprecedented increases in the volume and speed of information transfer. Deregulation, the opening of financial markets to speculation, concentrated economic power and the rapid public dissemination of image and information encouraged the new corporate elite to gain hold of the means to propagate glitzy ideas and consumer trash in the international marketplace. And, in the repetitive clichéd language of the media these developments – be they historically deeply-rooted, spatially diverse analyses of economic trends or the shallow and transitory depictions of disposable cultural fashion – were encapsulated by one word – 'globalization'.

In 1989 liberated, market-driven, global capital gained its greatest victory: the end of the eastern bloc in the bringing down of the Berlin wall before the eyes of the world in real time. And not unconnected with these events, in an economically minor but ideologically massive state on the southern tip of the African continent, political leaders were beginning the manoeuvres which would free them from the racial capitalism of their colonial past.

Amongst those positioning themselves for a role in the liberated South Africa were representatives of financial interests entrenched in South Africa's racist

past but who now believed that the end of the racial state would create the international respectability needed to open the way to the global market in its new globalized form. (Marais: 2001, 155) They associated themselves without hesitation with the symbols of the liberation movement they had opposed for so long. Freedom songs backed tv ads, the new flag and portraits of the new leaders hung in boardrooms, the vibrancy of the multi-cultural rainbow nation was celebrated. And at the same they began to work for a policy which would temper and perhaps still the ideals and hopes of those who had sacrificed everything for change. The ANC was associated not only with bringing political democracy to the people of South Africa but also with massive state intervention in the economy and the redistribution of private and public assets. This had to be reversed. And, as I have outlined above, step by step the ANC retreated from its historical position: loosely socialist prescriptions were abandoned; the admittedly vague but interventionist prescriptions for growth contained in the RDP in 1994 were turned round in 1996 by GEAR with its plans for export-oriented growth, the end of protective trade barriers, and the release of South Africa state enterprises and public facilities into the hands of private enterprise.

There were and have been criticisms and indeed public protests at government economic policy on the part of organised labour but, as part of the ruling alliance, these were necessarily muted. Instead radical critique of the policies associated with the neo-liberal turn fell to the new social movements. Active and vocal, they have gained and retain links with popular movements in South Africa's townships and informal settlements, and to a degree with the impoverished rural areas. The new social movements organise around local issues, the demands of those deprived of all resources and the privatization of public amenities in particular, environmental degradation, HIV/AIDS support groups and have strong voices in certain NGOs, research bodies and on the outer edges of the academic institutions. While there is no agreed position the general approach sees the adoption of the *Growth, Employment and Redistribution Programme* of 1996 as representing the capitulation of the South African government to neo-liberal forces which ended any pretensions it had to represent the interests of the poor as it identified and promoted – in the name of democracy and the South African nation state – a new comprador ruling elite.

4. The nation-state vs global forces

We are now in a position to apply some of the questions asked by this seminar to recent South African history: was the adoption of neo-liberal macroeconomic policy in 1996 an example of the capacity of global forces to undermine the autonomy of the nation-state and to make irrelevant the power of the people? Is it an example of the impotent essence of post-national democracy – in this case demonstrating that a courageous mass democratic movement which had brought to its knees a heavily-armed and violent racist state, could have its dearly-bought achievements negated by global forces – even before they has found their mode of political expression? Does the acceptance of the macro-economic policies associated with GEAR indicate that power lies not with the

people at all, but with the faceless corporate bankers, financial speculators, and their bureaucratic allies in state treasury departments, or even perhaps an automaton, a computer programme seeking-out profit by endlessly shifting capital resources across national boundaries?

The defenders of the policy in government and associated with the left don't deny the global pressures on them: indeed they stress them, arguing that they had no choice. Alec Erwin, a Marxist and later Minister of Trade and Industry who in 1991 publicly warned businessmen of impending nationalisation said of his 1994 visits to the world's financial elites: 'They weren't interested in hearing you waffle on about all sorts of things.... The RDP talks of macro-economic balance, but we had such imprecise answers we couldn't deal with their questions properly because they'd know we were talking crap.'⁴ But, they argue, it was also a strategic move: that once the 'basic fundamentals' were in place they would be in a position to meet the ANC's obligations to its historical constituency – the exploited South African poor.

Eight years after the implementation of GEAR we can make some assessments. The figures suggest that, while there were certain gains largely in the macroeconomic field, these policies had failed to meet targets that would improve the well-being of the people of South Africa. The basic statistics for the first three years under GEAR are summed up in the following table.⁵

	Annual average, 1996-9	
	<i>Projected in GEAR</i>	<i>Actual</i>
FISCAL AND MONETARY VARIABLES		
Fiscal Deficit (%GDP)	3.7	3.1
Inflation (CPI)	8.2	6.6
Real bank rate	4.4	12.3
REAL VARIABLES		
Real private sector investment growth	11.7	1.2
GDP growth	4.2	2.4
Annual change in formal, non-agric. employment	270 000	-125 000
INCOME DISTRIBUTION		
Gini coefficient	not considered	0.68

⁴ Quoted on p.193 in Allister Sparks, *Beyond the Miracle. Inside the New South Africa*. Jeppesstown: Jonathan Ball, 2003.

⁵ Adapted from Michael Carter, Julian May and Vishnu Padayachee, 'Sweetening the bitter fruit of liberty: Markets and poverty reduction in post-apartheid South Africa'. 1 July 2004. Updated Paper prepared for the South African National Human Development Report, 2002. For another important interpretation see ,Nicoli Natrass, 'High Productivity Now: a critical review of South Africa's growth strategy.' *Transformation. Critical Perspectives on Southern Africa*, 45, 2001.

Thus it appears that while it went some way to meet the macroeconomic targets – with the exception of the bank rate – in its first three years GEAR it failed to meet its goals for investment, growth, and above all what lies at the very heart of the South African predicament, unemployment.

And there is little evidence to suggest that these trends have been reversed in the years that followed, although there were certainly some intermittent gains. The Rand lost value against international currencies in 2001 but this had the effect of improving the value of exports although foreign investment did not increase substantially. Growth rates were low but positive and interest and inflation rates dropped. There was an improvement in some areas in 2002 and 2003. Inflation was kept under control, there were indications of increase in growth in the economy and the reduction of foreign debt allowed the Reserve Bank to increase its reserves. As a consequence the value of the Rand began to strengthen again – with the logical outcome that the value of exports, upon which so much in the South African economy still depends, began to fall. And so the internationally-organised economic fun-fair continues, with some indicators taking rides on the switchback and others on the see-saw. But in two areas of the ‘real economy’ there was no respite. The provision of the basic amenities, housing and water especially, was unable to keep up with population growth. And unemployment increased without respite as more and more jobs were shed with no chance of meeting even the most modest targets without massive state intervention.⁶

The United Nations Development Programme Report of 2003 has confirmed all these trends and summed up the situation for South Africa in the following paragraph

A highly skewed distribution of wealth, extremely steep earning inequality, weak access to basic services by the poor, unemployment and underemployment, low economic growth rates and the weakening employment generation capacity of the current growth path, environmental degeneration, HIV/AIDS and an inadequate social security system.
(United Nations Development Report, 2003)

5. Living in a globalising South Africa

Up to now I have concentrated on the economic consequences of opening the South African economy to global economic forces. Of course it is useful to consider other fields – the cultural and the social for example – but I can only refer to them here impressionistically and in passing.

It is comparatively easy to draw up a list of the way in which modern consumerist shopping-mall culture pervades contemporary life styles as a consequence of the

⁶ See the summaries of the Human Sciences Research Council paper, *Beating the Backlog: Meeting Targets and Providing Free Basic Services* as summarized by David Hemson in the *Mail & Guardian*, 25 June to 1 July 2004.

triumph of the globalized market and affects all aspects of our (global shoppers) social existence. In a similar way the language of the global manager has penetrated planning styles with our (global administrators) concern for stakeholders, bottom lines and mission statements, and our (global educators) outcomes-based, quality-assured education. Globalized media conglomerates promote sound bites interspersed with messages from the global market. In the world of culture, the promotion of global personalities and styles threaten local artists and regional forms of expression and confront us all with dumbed-down common denominator forms of global cultural expression. They don't necessarily win of course – there are many examples where artists draw on the local to create a national synthesis with global influences – thus *kwaito* has turned hip-hop into a South Africa dance form which, amongst some performers, has a radical edge. But the financial context remains: the individual artist has to find the means to do battle with promotional resources in the hands of capital – with the most substantial reward being recognition and promotion by the same organisations.

At one level the integrity of South Africa is pervaded by such influences with their origins in the shallow, violent, dehumanising banalities of globalised, commercialised culture. And in contexts in which the local currency is weak (itself of course a feature of the lifting of financial controls and financial speculation) the consequences of such global pressures can be especially debilitating. This can be seen for example in the tourist industry where South African facilities are priced beyond the reach of the holders of local currency. At a deeper level overzealous attempts to satisfy the uninformed and often prejudiced preconceptions of visitors determines the content of their visit. African culture can be invented to satisfy the preconceptions of the visitors – on occasion to satisfy the very prejudices which in another imperial era justified direct attacks on African societies and their cultural forms of expression.

Crass advertising interrupts the programmes on South Africa's public radio and television channels. The popular media promotes the consumerist ideals of global culture in its most vulgar forms – throwaway fashion, the pursuit of celebrity, individualist obsessions with the personal – in dress, relationships and the public consumption of food and drink. In style and form they imitate the consumerist attitudes associated with what is still known as the First World.

But it is not this, in itself, which is so harmful. It is the example and the goals set by 'global icons' in a society where disparities of wealth are amongst the highest anywhere in the world. This creates perceptions of desirable social objectives which although they are beyond attainment create tensions and practices which can have large-scale, deleterious social consequences. The racial bias of South Africa's Gini coefficient has been notorious: it is an important comment on developments since liberation that the coefficient (and thus the disparity) has grown most markedly amongst blacks. In an economy where the unemployment rate approaches 50% (depending where and how it is measured), and basic

services are unavailable to a substantial portion of the population, the aggressive pursuit of personal accumulation and conspicuous spending as a social ideal and the prime measurement of success must have deleterious consequences. On every side South Africans are confronted with the sounds and the images of commodities which are considered essential to the good life - according that is to the external, global, needs and standards, and which the majority will never be in a position to acquire, at least not legally.

There is no discernable racial pattern amongst the men and women accused of corruption. But the promise of riches in a general context of poverty makes everyone vulnerable to the bribes and blandishment of global business. And when this occurs amongst those who are in positions of responsibility it has the most serious consequences. Consider the case of the R30 billion⁷ committed in 1999 for the acquisition of arms. Accusations of sharp practice during the procurement process reach into the highest levels of government, and include the modern equivalents of the beads and trinkets which characterised the bribes of the mercantile era of capitalist expansion – family trips to Disneyland and discounts on gas-guzzling SUVs. But, far more significant than individual greed and the willingness of arms' traders to encourage and exploit it, are the wider social consequences. Serious concerns have been expressed that repayment of this arms' debt will compromise the R40 billion the finance minister has set aside in his most recent budget 'for community welfare and poverty alleviation and to finance an ambitiously expanded public works programme to combat unemployment'. (Laurence, 2004)

6. The nation-state triumphant

To sum up and to prepare the way for the final section: after liberation the democratic South African state acceded to global financial pressures and chose a neo-liberal market-driven development path. While this has given a certain stability to the macroeconomic framework the policy has failed to materially improve the lives of the majority of South Africans. The provision of basic services remains limited, the backlog of basic housing is increasing, disparities in wealth grow greater, and unemployment is massive as jobs are shed faster than they are created. The forces of globalisation have been allowed to sweep through South Africa in the past eight years and in a material sense certainly, and arguably in a social and cultural sense, for most of the population the quality of life has not improved.

But how has this affected the integrity of the nation-state and the attitudes of the people of South Africa as expressed through its central democratic feature, the ballot box? This it seems to me is a key question. The ANC, in alliance with organised labour and the communist party has won all three general elections since liberation with an increased majority on each occasion: 1994, 62.6%; 1999, 66.4%; 2004, 69.68%. In the process opposition parties have been fragmented and crushed.

⁷ The figure is part of the debate – it is certainly not lower.

From this it would seem that, in this particular case, the failure to provide jobs, to reduce disparities in income, and basic needs for many South Africans - in fact to fundamentally change the quality of material life for the majority, leaving a substantial proportion of the population in dire poverty with no obvious prospect of improvement – has not seriously undermined the popularity of the ruling alliance.⁸ Whatever the material consequences, the opening of the economy to global market forces has not fundamentally affected the popularity of the dominant, nationalist political party, or shaken confidence in the institutions of the nation-state.

Explanations for this continuing support are many. Some analysts believe that despite the failure to deliver up to now, the government will implement its commitment to improvements in the delivery of basic services and job creation. They point to the significance of social welfare interventions which do exist and upon which so many families depend – the state pension that was raised marginally in the last budget and the newly introduced child support grant. The government's preparations for the election are generally considered to have been effective and it was able to persuade its constituents that the 'fundamentals are in place', macroeconomic stability has been achieved, and it is now possible to address its failure to deliver on certain promises and begin the task of 'rolling back poverty'. Pronouncements like this are treated with some scepticism – such promises have been made before, particularly before elections. Many are doubtful about the straightforwardness of the government and its commitment to stated objectives, in particular because of the manner in which has obstructed, prevaricated and is now procrastinating on the provision of anti-retrovirals needed to ameliorate the consequence of the terrible HIV/AIDS tragedy in South Africa, which I have not been able to deal with here.

Nonetheless in spite of these failures they were not sufficient to reverse the trend shown in the first two elections and the ruling alliance was returned to power with more than a 2/3 majority of the vote. Indeed independent surveys carried out at the time of elections show that ANC-supporting African voters exhibited an increased optimism and confidence about the future. (Schlemmer, 2004)

Amongst the explanations for this are the persuasiveness of pre-election promises, the benefit for the rising African middle-class of the policies of affirmative action and the substantial commitment to the advance of African business interests in the name of black empowerment, the comparatively privileged position of the organized working class, and the fact that over half the households in the poorest sector receive state grants in some form. But self-interest is only a partial explanation. While one cannot doubt that amongst many South Africans, the young in particular, disappointment has created a

⁸ I base this statement on the gross electoral percentages quoted in the text. Further analysis of the electoral statistics will reveal sectorial trends which may well qualify this statement, as already suggested in Barchiesi, 2004.

hopelessness which has alienated them from the democratic system, the election results (and direct experience) suggest that there also exists a national pride in the achievement of non-racial democracy, in the overthrow of the racist state and it all this means at a personal level in the daily lives of ordinary people. It is a sense that participation in the electoral system expresses an individual's ownership, possession, of a small but significant element of the state itself, and recognition that this was achieved by collective action, under the guidance of the African National Congress.

Whatever the specific explanation for the support given to the African National Congress, what cannot be questioned is the confidence shown by the great majority of voters in the integrity of the nation-state and its democratic procedures. In fact this national discourse seems to be the most important binding factor in South Africa today and exposure to the global market does not seem to have undermined the commitment of the ruling party or its supporters to the idea of South African nationhood and the democratic principles upon which it is founded.

To end I want to examine this commitment to nation a little further.

7. State and nation in the era of globalization

The idea put forward by free-market ideologues that globalizing forces have undermined the significance of the state has been exposed as invalid by any number of analysts. Thus Leo Panitch, in an article on 'The New Imperial State', criticises both the neo-liberal argument that global forces diminish the power of the state, and those who argue that the global forces work in tandem with the state. Global forces work through the state, but the state not as regulator but as facilitator. He returns to the work of Nicos Poulantzas who in analysing the early history of globalization stressed that in the process of internationalization capital forced changes on the national state but did not make it irrelevant. In an empirical section Panitch gives an account of the way in which USA state officials and bankers worked to persuade the UK Labour government to change its policies in 1976. For me the account resonates strongly with those given in the South African literature of the manner in which international and apartheid academics and ambassadors, bankers and bureaucrats in the early 1990s persuaded the ANC to abandon economic positions which had been an intrinsic part of Congress thinking and action. (Sparks, 2003, 179-85 and Panitch, 2000, 12-3) Similar conclusions can be drawn from both accounts – globalization forces changes on the nation-state in order to work with and through it, not to marginalise it.

Frederic Jameson in his 'Globalization and Political Strategy' also emphasizes the role of the state in the implementation of free market policies. He goes on to make an important contribution to the understanding of globalization by disaggregating the concept and considering its impact in different spheres – technological, political, cultural, social, economic – and then by arguing that

because of the manner in which international forces emanating from the USA in particular attack social goals and welfare, it will be resisted. The confrontation has to take place on national terrain because 'the nation-state today remains the only concrete terrain and framework for political struggle.' (Jameson, 2000, 65)

Tom Nairn, in a current review also makes a case for the significance of the nation today by drawing attention to the important difference between the militaristic, assertive, historically specific *nationalism*, and the pervasive, still significant widely shared sense of *nationhood*. (Nairn, 2004) Finally, in an insightful article on the consequences for all of us of American policy after the event which is conventionally dehistoricised and decontextualised as 9/11, the San Francisco collective 'Retort' returns to the insights of Guy Debord to refer to the 'colonisation of everyday life' which might be described today as "'globalization" turned inward'. (Retort, 2004, 8) This points towards the cultural and social impact of globalisation I refer to above, and in particular the impact of American-driven consumerist culture and its capacity to dehistoricize, depoliticize, trivialize and 'colonize consciousness'.

8. The nation in South Africa today

I have drawn attention to these different accounts because they counter two widely-held ideas about the nature of globalisation and the nation-state. First that globalization is used so loosely that it has lost its efficacy as an analytical tool. While it is true that it is much-abused it remains a useful term to describe an economic process specific to the last quarter of the twentieth century with considerable consequences for the contemporary world. Secondly all these writers stress that far from making it irrelevant, global forces make great demands on the nation-state, changing but not diminishing its role in the global economy.

Similar conclusions can be drawn from observing political discourse in South Africa today. Despite the opening of the country to global forces, a sense of the nationhood remains strong and influential. It expresses the confidence the electorate has in the ruling alliance and seems to have been a major factor in the increased majority that the African National Congress obtained in the elections of April this year.

Much of nationalism's strength as a unifying and mobilising force lies in its capacity to promote a wide and changing spectrum of ideas which resonate with different audiences without rupturing the general consensus as to the central significance of the nation-state. Its flexibility enables it to manifest itself in forms of great variety but never so varied as to rupture the general consensus on this central role. Thus, at the time of negotiations when circumstances demanded a broad-based nationalism to counter Afrikaner nationalism and racial exclusiveness, rainbow nationalism mobilised around the new South African flag South Africans from a wide variety of racial, religious and cultural backgrounds. In 1999 Mbeki was advocating Black Economic Empowerment and massive state

support for African entrepreneurs in order to eradicate racism in South Africa by challenging the existing 'two nations' in South Africa – the wealthy white nation and the poor black nation. In 2002 Mbeki's earlier announcement on the advent of an 'African Renaissance' was developed and extended, and South African nationalism given further racial emphasis, when the government played a leading role in establishing the African Union and the New Partnership for Africa's Economic Development (NEPAD).

The foregrounding of race can be extremely dangerous when it interacts with the predicament and the fears of the poor, the insecure, as well as the ruthlessly ambitious. As an increasing number of Africans seek opportunities in South Africa so xenophobia becomes more violent and intense, challenging what many see as the defining achievement of the transition from apartheid – the creation of a multi-racial nation out of racial tyranny. To remind us of the global significance of this, as Paul Gilroy has recently done, (Gilroy, 2004) and to protest at the increasing prevalence of racial discourse in South Africa, is not to revert to the shallow and opportunistic multi-racialism with which the 'rainbow nation' has become associated. Furthermore the idea of a non-racial multi-cultural nation is still sufficiently powerful and flexible to absorb moves in the direction of racial essentialism without shattering the non-racial nationalist discourse.

Writing of this from a Gramscian perspective Marais comments that

The ANC had become adept at a key aspect of any hegemonic project: it managed to deploy an array of ideological precepts and symbols, and assert their pertinence to the lived realities of millions of South Africa. (Marais, 2001 262)

This facility continues to this day, and it is nationalism which gives its political discourse both the strength and the flexibility to absorb changes, inconsistencies and failures in policy and postures by presenting a consistent nationally-grounded history and vision of the future. It is an ideology that looks inwards to draw on the culture and community of the familiar, of one's own people, giving comfort in times of distress and the confidence needed to mobilise and assert national values and achievements on a continental, even a global, stage. This is not to argue of course that elements of nationalist discourse necessarily have a consistent historical reality. Indeed it is essentially paradoxical. There are eleven official languages in South Africa. Its racial, cultural and religious diversity is enormous as are the social differences and economic disparities of its people. The closely-patrolled political borders of the existing South African state were defined by imperial conquest in 1910. South African nationhood is an imagined construct – but one with sufficient perceived authenticity and actual authority to provide the framework for an agreed nationalist discourse and political framework to ensure the participation and support of individuals and organisations representing a wide range ideological positions.

Let me conclude by demonstrating this flexibility in its most recent manifestation. The election results have given the South African ruling party new confidence. At

the first post-election meeting of the National Executive Council it was announced that in pursuit of the goals of its pre-election manifesto 'the state sector must play a leading role in meeting the challenges we face in the first economy'. (ANC, 2004) There are to be major interventions at all levels of education, and Community Development Workers will be deployed across the country. In pursuit of the 'Peoples' Contract' an expanded Public Works Programme will be in place within months. In Parliament, in his budget speech after the election, the President has stated where the ANC can be positioned on the political spectrum – on the left, on the side of the poor.

The international focus on South Africa of the apartheid days has blurred and dimmed. But South Africa remains an important area of struggle in the world where issues of the greatest importance are being confronted. Developments in South Africa over the next decade will, I have no doubt, contribute much to the debate on the nation in the era of globalisation. Will the expressed government intention of active intervention on the side of the poor be carried out? Will it be possible to carry it out? Are these indications of genuine intent or only an example of an opportunistic attempt to mobilise support today for policies whose goals are in reality contradictory and unachievable, and whose failures will be explained away tomorrow by race, or the legacy of the past? Are the forces of global capital sufficiently strong to undermine the project either by successfully challenging the project internally – a process already begun by the opposition⁹ – or by threatening the consequences of isolation by holding up the example of the rest of sub-Saharan Africa? Is this apparent reversal of policy just an indication that the hard, market-driven approach has softened internationally with the 'post-Washington consensus'?

These immediate political questions all have a bearing on the deeper questions raised by this seminar. What are the dangers of using racial or local national sentiments in multi-national, multi-racial national contexts? What are the implications for liberal democracy when vital decisions in pursuit of extraneous goals are made beyond its political boundaries? Can, or even should, the nation-state retain its sovereignty in a global age? Can and should national cultural forms and local communities retain their integrity when subjected to the enormous power of global cultural consumerism? Close observation of developments in South Africa in the immediate future, indeed in the five years before the next election, will enrich our answers to such questions.

⁹ *Business Day*, 28 June 2004, 'Mbeki's economic vision a mistake: Leon'.

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