



# The Globalisation Myth and the Discourse of South Africa's Democratic Transition

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## *The Globalisation Myth and the Discourse of South Africa's Democratic Transition<sup>1</sup>*

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For all the celebratory rhetoric regarding the “new” South Africa, the country’s future is far from settled and remains an open-ended process, built upon a number of myths about the transition. The “miracle” is in fact reflective of liberation from the country’s unhappy past, rather than a confident belief in its secure future. With a few notable exceptions, a celebratory discourse constructed around the ideas of “change” and “new” dominate analyses of the transition. Yet, positioning the transition within the ongoing discourse of globalisation—a discourse that has had profound effects on the post-apartheid polity—is a vital prerequisite for any coherent analysis of South Africa’s change and the country’s prospects for peace.

For all the celebratory rhetoric regarding the South African transition, a note of caution must be sounded: South Africa’s future is far from settled and remains an open-ended process. The country’s peoples are only just now exploring a series of associations in which publics, programmes, procedures and politics will come to play their respective parts. So, the “miracle,” as many observers readily describe the “new” South Africa, seems reflective of a

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<sup>1</sup> Paper prepared for conference on “Founding Myths of the New South Africa.”

liberation from the country's unhappy past, rather than a confident belief in a secure future for the "Rainbow Nation."<sup>2</sup>

It is my contention that much of this perhaps optimistic fervour over South Africa's future is derivative of the continuities that have survived the end of legalised apartheid. With a few notable exceptions, a celebratory discourse constructed around the ideas of "change" and "new" dominates analyses of the transition.<sup>3</sup> These words exist in each and every one of the country's many political lexicons. All manner of everyday experiences in South Africa are said to be in a process of "change" or are said to be "new." This is not to belittle what has genuinely changed, but a responsible, reflexive position demands a more critical perspective.

By this, I mean the ideology of globalisation: the subjective as opposed to the objective processes currently reconfiguring the global order. Certainly, there has been a qualitative turn in economic operations that has radically transformed the balance of power between states and markets—between national administrations and firms.<sup>4</sup> These processes have stimulated a race to the bottom as states restructure themselves so as to appear the most "competitive." Yet the objective actions pertaining to global transformation have been accompanied by an active—and successful—campaign to advance globalisation as an ideology. In doing so, there has been advanced the thesis that "there is no alternative," that common sense demands that liberalisation and privatisation are global norms which only economic illiterates would dispute.

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<sup>2</sup> For an example of the celebratory literature surrounding South Africa's transition, see Patti Waldmeier, *Anatomy of a Miracle: The End of Apartheid and the Birth of the New South Africa* (Harmondsworth: Penguin, 1997). For a more nuanced celebratory account, see Adrian Guelke, *South Africa in Transition: The Misunderstood Miracle* (London: I.B. Tauris, 1999).

<sup>3</sup> For critical perspectives, see Thomas Koelble, *The Global Economy and Democracy in South Africa* (New Brunswick: Rutgers University Press, 1999); Hein Marais, *Limits to Change-The Political Economy of Transformation* (London: Zed Books, 1998); Dale McKinley, *The ANC and the Liberation Struggle: A Critical Political Biography* (London: Pluto Press, 1997); and Ian Taylor, *Stuck in Middle GEAR: South Africa's Post-Apartheid Foreign Relations* (Westport, Connecticut: Praeger, 2001).

<sup>4</sup> See David Held, Anthony McGrew, David Goldblatt and Jonathan Perraton, *Global Transformations* (Cambridge: Polity Press, 1999).

This is of fundamental importance, for “once established as common senses, theories become incredibly powerful since they delineate not simply what can be known but also what it is sensible to talk about or suggest.”<sup>5</sup> Having achieved hegemony amongst the global elites, globalisation and its concomitant ideology, neo-liberalism, serve to stake out the limits of the possible.<sup>6</sup> This has had, as will be demonstrated, a profound impact on the transition in South Africa, helping to constrain options available to any post-liberation administration and helping perpetuate inequalities, rather than contribute to change.

Indeed, for all the talk (and the reality) of change, there is a compelling consistency in the new South Africa. It looks like the old South Africa and, often far too close for political or analytical comfort, it seems to behave like it: Pretoria’s 1998 invasion of Lesotho being a remarkable *déjà vu* experience for those who remember the destabilisation of the 1980s. Economic apartheid, for instance, effectively continues with policies that can only reify minority privilege at the expense of the majority. Not only is this so, but it is—amazingly—essentially unquestioned: the virtual absence of debate on macro-economic policies during the last election showing how far the neo-liberal economic agenda has become accepted as common sense in the “new” South Africa. Indeed, one of the first things Thabo Mbeki did after the ANC won its second election in June 1999 was to proclaim that “the people have directed that we should continue with our [neo-liberal] economic policies [and work] together with the private sector”—a speech unimaginable barely 10 years ago when the ANC was, nominally at least, anti-capitalist.<sup>7</sup> How are we to explain this and why has the discourse of globalisation achieved such potency in

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<sup>5</sup> Steve Smith, “Positivism and Beyond,” in Steve Smith, Ken Booth and Marysia Zalewski (eds.), *International Theory: Positivism and Beyond* (Cambridge: Cambridge University Press, 1996), p. 13.

<sup>6</sup> See Henk Overbeek, *Restructuring Hegemony in the Global Political Economy: The Rise of Transnational Neo-liberalism in the 1980s* (London: Routledge, 1993).

<sup>7</sup> Deputy-president Thabo Mbeki, “Statement on the ANC 1999 Elections Victory,” Johannesburg, 3 June 1999, <http://www.anc.org.za/elections/speeches/sp0603.html>

the country? In seeking an answer to this question we must first negotiate a starting point, namely: why did South Africa change?

### South Africa's Change: Disparate Narratives

A narrow beginning can be made by setting down (as others recently have) the accepted reasons why apartheid ended.<sup>8</sup> To understand the unfolding argument, it is necessary to distil five specific accounts. Their sequencing suggests the deepening importance of adjustments in ways of explaining the end of apartheid, ending with what I see as perhaps the most satisfactory factor in accounting for the perceived continuity in post-apartheid South Africa.

The first links apartheid's ending with the collapse of the Berlin Wall and follows from a structuralist analysis of the Cold War. Through this frame, South Africa—even though its problem was racial—was no different from a hundred post-World War II conflicts. In an age in which political discourses were driven by war and its making—a 45 year peace was called Cold War—the solution to any protracted political problem could only be sought through violence.<sup>9</sup> For critical analysis this is a limited perspective: the same Cold War “realities,” it seems, dislodged “a single, sudden event. In this case, the ending of Communism proved to be an ‘historical instant’... that changed... old verities.”<sup>10</sup> After those momentous hours on the Berlin Wall in November 1989, all previous positions were closed off and, *mutatis mutandis*, the way was cleared for the emergence of the “New World Order” and the “New South Africa.”

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<sup>8</sup> See Hermann Gilliomee, “Democratisation in South Africa,” *Political Science Quarterly*, Vol. 110, No. 1 (Spring 1995); Adrian Guelke, “The Impact of the End of the Cold War on the South African Transition,” *Journal of Contemporary African Studies*, Vol. 14, No. 1 (1996); and John Daniel, “A Response to Guelke: The Cold War Factor in South Africa's Transition,” *Journal of Contemporary African Studies*, Vol. 14, No. 1 (1996).

<sup>9</sup> This thought is borrowed from E.L. Doctorow, *Poets and Presidents. Selected Essays, 1977-1992* (London: Papermac, 1993), p. x-xi.

<sup>10</sup> Theodore Draper, “Is the CIA Necessary?,” *New York Review of Books* (14 August 1997).

A second explanation suggests that political and military stalemate drove South Africa to change. This too is a structuralist account but, unlike the first, which is impressionistic, this can be supported by rich empirical evidence. Whilst the minority's military power promised to prevail, certainly in the short run its long-term prospects were poor. In crucial areas, changing technology had left South Africa's military further and further behind. As a result, the capacity to sustain a war, even a low-intensity African one, was faltering—the South African experience in southern Angola was to bring the lesson home.<sup>11</sup> More ominously for the white minority, the struggle for South Africa was literally at home: increasingly it was fought on the streets of the country's dusty townships and occasionally encroached on the white population, rather than being exiled to skirmishes around the Cunene River in Angola.

There was equally no hope that the majority could prevail through a moment of insurrectionary inspiration. The very idea of a war of national liberation, with its roots in the romance of the Cuban and Vietnamese experiences, had been overtaken by new forms of surveillance. At the same time, old allies—the Soviets more than anyone else—appeared to face changing priorities. If there had been doubts about the direction of *perestroika*, it was glasnost with its agreement over the division of the world into spheres of interest—especially after the Reykjavik Summit—which confirmed that things would never be quite the same again. As the bipolar world ended, therefore, it was inevitable that peripheral conflicts—and despite the noise over apartheid, South Africa was peripheral—would also draw to a close.

A third idea advances the importance of the Cold War as a theme, but specifically focuses on the southern African region. As the 1980s ended, this argument runs, the euphoria over the liberation of Zimbabwe had given way to disillusionment. For its promises of change, the Mugabe government was neither able to deliver what was increasingly called “good governance” to the

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<sup>11</sup> The controversy over the Battle of Cuito-Cuanavale is most often used to advance this argument. See Willie Breytenbach, “Cuito Cuanavale Revisited,” *African Insight*, Vol. 27, No. 1 (1997).

international community, nor any tangible benefits to its citizens.<sup>12</sup> At the same time, South Africa's long-running low-intensity wars on its neighbours were counterproductive to Western interests which were—certainly officially—intent on “stabilising” the region through structural adjustment, and in promoting a multi-lateral regional project known then as SADCC.<sup>13</sup> And again, following upon the Reykjavik Summit, it became clear that the issues around Namibia, contrary to the mythologies of South Africa's minority, were relatively easy to resolve. The multi-party constitution arrived at for Windhoek offered profound insights into what, with sufficient goodwill and sound timing, could happen within South Africa itself.

Benefiting from hindsight, a fourth explanation points to the advancing years of the imprisoned Nelson Mandela and his colleagues. At the time this was the great unspoken of formal South African politics, but the continued imprisonment of this cadre of leaders became perhaps the single most important mobilising issue in international politics in the late 1980s.<sup>14</sup> The arguments made for their release and, concomitantly, against apartheid—both domestically and abroad—were far more persuasive than those which South Africa's minority government could muster as, in the name of the *rooi gevaar* (“Red danger”) it protested its innocence and good faith.

A fifth and final explanation returns to the notion of stalemate, but moves away from a structural base associated with states and political structure towards the idea that there was, as the 1980s ended, increasing fluidity within what regime theorists called the “global system.” A regime of international trade (and other) sanctions had blunted South Africa's international competitiveness and its ever-depleting exchequer was pressed to respond to the security requirements of what was effectively government-by-decree. The strength of this view rests on the understanding that South Africa's economy was open even though its politics were closed.

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<sup>12</sup> See Andre Astrow, *Zimbabwe: A Revolution that Lost its Way?* (London: Zed Books, 1983).

<sup>13</sup> Southern African Development Co-ordination Conference—now called the Southern African Development Community (SADC).

<sup>14</sup> See “Harmony over Mandela,” *Financial Mail* (Johannesburg) (24 June 1988).

At a time when the ideology of the market was gaining ground elsewhere, few countries—let alone geographically distant South Africa—could survive without access to the elixir of monetarism and the increasingly accepted principles of neo-liberalism.

It was this particular interpretation—perhaps more than anything else—that compelled the elites within South Africa towards a negotiated settlement. Paradoxically, it was also this actuality—and the discourse that came with it as heavily laden baggage—that also resulted in the eventual binding of any radical emancipatory moment. Indeed, the playing out of this dialectical process lies at the core of my understanding of why the new South Africa looks so much like the old. Certainly, the realisation by the minority elite that a continuation of their privileged position within society rested on a renegotiated political understanding was derivative of, if not dependent upon, the thrust of what was increasingly called “globalisation.” Seen in this light, the Cold War narrative of West versus East, whereby a dissolution of this conformation opened up space for initiative in South Africa, fails to provide sufficient potency for my account. Instead, the globalising thrusts from the North to the South and the unwillingness of the elites within South Africa to miss out on the opportunities which the market offered carries great weight in explaining the transition. Furthermore, these very same impulses served to constrain what space the move to formal non-racial democracy opened up. Yet to contextualise this accurately, it is first necessary to step back and portray the various tendencies at work within the minority elite as the realisation that negotiating a future South Africa was inevitable if not desirable.

### **The South African Elite Wakes up to Globalisation**

The mass uprisings in 1984-1986 and the growth of an organised black resistance centred around the UDF (particularly the trade unions and civic organisations) during the State of Emergency, combined with a deepening financial crisis in the “racial Fordist” accumulation regime, convinced crucial figures within the National Party that negotiations with the ANC were inevitable. Pressure from internal and external capital to move the National



Party in this direction had been long-standing and “a good proportion of change in state rhetoric [was] linked to the coincidence between massive international economic and political pressure.”<sup>15</sup> This pressure in itself was an outcome of the conjuncture of forces of increased globalisation and the processes that had been stimulated by the 40 years of National Party rule.

The National Party had originally found its support base rooted in the Afrikaner working class. The nationalisation project which it had embarked upon post-1948 had cemented this linkage, providing employment for a massive number of previously impoverished Afrikaners. At the same time, National Party rule facilitated the entry of Afrikaners into the ranks of corporate South Africa—an area previously totally dominated by English-speaking whites. As a result of this process, South African capitalism became more Afrikanerised and the Afrikaner became more urbanised and prosperous. In short, the constituency of the National Party began to change until the National Party became “the organising and structuring political mechanism for capital.”<sup>16</sup>

At the elite level such processes progressively came to reflect the views of an increasingly internationalised Afrikaner elite, who came to identify itself and its material interests not with its ethnic brethren on the *platteland* (rural areas) but with the already existing transnationalised elites—mainly Anglophone but increasingly cosmopolitan in outlook—within South Africa. As such, they came to share the free-market convictions being already advanced by the English-speaking elites. Such identification for sure militated against the nationalist and dirigiste tradition of the *volk* (“people”) and, in part, accounts for the painful splits rightwards that the National Party endured throughout the 1980s. Yet the pull of greater capital accumulation that active intercourse with globalising impulses and the concomitant international linkages so visibly witnessed in the Anglophone companies of

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<sup>15</sup> Philip Frankel, “Beyond Apartheid: Pathways for Transition,” in Philip Frankel, Noam Pines and Mark Swilling (eds.), *State, Resistance and Change in South Africa* (Johannesburg: Southern Books, 1988), p. 278.

<sup>16</sup> Mike Morris, “State, Capital and Growth: The Political Economy of the National Question,” in Stephen Gelb (ed.), *South Africa’s Economic Crisis* (Cape Town: Philip, 1991), p. 54-55.

South Africa was too much to resist for aspiring Afrikaner elites. Centred around the traditional "great" mining houses, the Anglo-phone corporations typified the transnationalisation of South African capital. Certainly, their ranks represented a section of South African society that saw South Africa as the entrepôt for the rest of the region.

It was to this fraction that the emergent and highly influential Afrikaner capitalists aspired. In alliance with their English-speaking counterparts, externally oriented Afrikaner fractions came to push the National Party towards negotiations. This process was spurred on by the deepening contradictions that apartheid spawned and the resistance engendered in the black population, first in 1976 and then in the resurgent township revolts of the early 1980s, when the trade unions played such a crucial role. Recurring crises convinced South Africa's white leaders that a political solution involving the preservation of their vital interests within the framework of a non-racial democracy was both possible and increasingly urgent.

Their "resolve [on this issue] was brought into even clearer focus by international reaction to South Africa's crisis: both politically-willed sanctions and those market "sanctions" that sprang from global business misgivings about South Africa's investment climate."<sup>17</sup> Furthermore, and crucial for my argument, "capitalism and apartheid were seen [by many blacks] as two sides of the same coin [encouraging] a hostility to economic ideologies which assumed the necessity of "free" markets."<sup>18</sup> In short, apartheid became bad for business and the elites at both the national and international level realised this.

From the mid-1970s pressure intensified on the National Party to open up the country's political process, but such reformist impulses gathered real impetus under the tenure of P.W. Botha when the structural crises in South Africa became all too apparent. Certainly, by 1984 the Afrikaner establishment had accepted that

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<sup>17</sup> John Saul, *Recolonisation and Resistance in Southern Africa in the 1990s* (Trenton: Africa World Press, 1993), p. 94.

<sup>18</sup> David Lazar, "Competing Economic Ideologies in South Africa's Economic Debate," *British Journal of Sociology*, Vol. 47, No. 1 (December 1996), p. 613.

change was inevitable.<sup>19</sup> However, Botha's tentative approach and his reluctance to go beyond merely cosmetic changes (the Tricameral Parliament, abolition of the *Mixed Marriages Act* are just two examples) made his removal from office imperative.

This was particularly so after the disastrous internal and external reaction to his "Rubicon speech" of August 1985. As forces that required such dramatic changes gathered impetus, a reforming *verligte* ("enlightened") fraction within the ruling party centred around F.W. de Klerk—despite his earlier *verkrampte* ("reactionary") pedigree—who replaced Botha in 1989, was identified by the various power blocs within the white elite as being able to perform the task that was set before it. This task was to oversee changes to the political structure of South Africa without endangering the economic base upon which the country was built—"to make South Africa safe for capitalism."<sup>20</sup> As one analysis asserts:

The aim of large-scale corporate interests was to define South Africa's prevailing inequalities as welfare problems that could be addressed through redistribution of social surplus rather than as a problem linked with the logic of capitalist production itself.<sup>21</sup>

Concomitant with this task was the need to bring on board elements within the liberation movement and the wider black population. This strategy aimed to secure the privileges and well-being of the local (white) elite and, crucially, international business within South Africa, whilst also appealing to the aspirations of black fractions within (and without) the liberation movement that had always aspired to join the ranks of the nation's economic and/or political leadership. As one black businessman put it, "the survival of the free enterprise system will only be ensured by the extent to which Blacks perceive themselves to be beneficiaries of

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<sup>19</sup> Allister Sparks, *Tomorrow is Another Country: The Inside Story of South Africa's Negotiated Settlement* (Johannesburg: Struik), 1994, p. 74.

<sup>20</sup> Moeletsi Mbeki, "FW: The Choirmaster of Capitalism," *Weekly Mail* (Johannesburg) (8-14 March 1991).

<sup>21</sup> Martin Murray, *Revolution Deferred: The Painful Birth of Post-apartheid South Africa* (London: Verso, 1994), p. 16.

the system.”<sup>22</sup> This tactic essentially succeeded, with a “new multi-racial Right [during the transition period] South Africanising the... conservatism... preached [in tandem] by the Major government, the Bush administration, and the World Bank.”<sup>23</sup>

This was, however, the end rather than the beginning of a decade-long and sustained effort to change the country’s political discourse. Under the presidency of P.W. Botha business and the state gradually came to share a closer fitting agenda based around the premises of the free market. A key point in the evolution of this trend was the publication of the White Paper on Privatisation and Deregulation in the Republic of South Africa, in 1987.<sup>24</sup> The document committed the government to a series of “radical measures, including systematic privatisation and deregulation” and to a process of opening up the economy more fully to “market forces.”<sup>25</sup> Although this process was stalled by the negotiating process surrounding the transition, these commitments represented a fundamental shift in the economic ideas underpinning the formerly statist National Party and a broad coincidence of business and government over economic policy. Indeed, “by the time the government’s Normative Economic Model was on the table in 1993, government and (most factions of) big business were at one in respect of policy issues related to liberalising external economic relations,” and shared an agenda for the future.<sup>26</sup> The essential result, once dialogue with the opposition forces was conceded, was to forge a working compromise that would preserve the ongoing economic system within South Africa whilst de-racialising and deconstructing the more odious aspects of apartheid. Conscious of the ascendancy of free-market thinking and the drift towards “globalisation,” the National Party was confidently hoping to

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<sup>22</sup> Sam Motsuenyane, NAFCOC president, *Financial Mail* (3 February 1989).

<sup>23</sup> Craig Charney, “Convergence,” *Leadership*, Vol. 10, No. 4 (1991), p. 26.

<sup>24</sup> Republic of South Africa, *White Paper on Privatisation and Deregulation in the Republic of South Africa* (Pretoria: Government Printer, 1987).

<sup>25</sup> Lazar, *op. cit.*, p. 618.

<sup>26</sup> Vishnu Padayachee, “The Evolution of South Africa’s International Financial Relations and Policy: 1985-95,” in Jonathan Michie and Vishnu Padayachee (eds.), *The Political Economy of South Africa’s Transition* (London: Dryden Press, 1997), p. 41.

“lock-in” any new ANC administration into the emerging economic norms, thus enabling “one hand on the tiller” of economic policy “for a very long time.”<sup>27</sup>

In the late 1980s the National Party had already begun to implement economic policies in line with the neo-liberalist project: the rand was devalued, public expenditure and the budget cut, and privatisation of publicly owned assets was embarked upon. Furthermore, in line with GATT prescriptions, tariffs were slashed. These must be seen as “pre-emptive actions of the De Klerk government to keep the economy in the hands of whites before an ANC-dominated government took power.”<sup>28</sup> Looking back, these policies strengthened the hand of those with linkages to the international business world. Put simply, the cost of de-linking from an insertion into the norms of the world economy would punish severely any incoming administration. In short, the National Party and its allies in capital worked hard to circumscribe efforts by the ANC to forge a different economic path:

After 1990 the De Klerk government, private local capital and the international financial institutions came to form an informal “triple alliance,” and... honed in whenever the occasion presented itself to attack and disparage any “business unfriendly” ANC economic ideas and proposals (which they portrayed as naive and indicative of a dangerous commitment to socialism, nationalisation, state intervention and other similar outdated pathologies).<sup>29</sup>

In doing so, the hands of the ANC were gradually tied as the South African government’s reforms had “created a new largely irreversible reality that [the National Party’s] successors dared not touch, out of fear of alienating ‘the market’.”<sup>30</sup> Hence emboldened by their informal alliance with domestic and international business, the transition was embarked upon by the National Party with considerable confidence:

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<sup>27</sup> F.W. de Klerk, cited in *Financial Times* (London) (7 May 1991).

<sup>28</sup> Fantu Cheru, “Civil Society and Political Economy in South and Southern Africa,” in Stephen Gill (ed.), *Globalization, Democratization and Multilateralism* (Tokyo: United Nations University Press, 1997), p. 224.

<sup>29</sup> Vishnu Padayachee, in Michie and Padayachee, *op. cit.*, 1997, p. 41.

<sup>30</sup> D. Rodrik, “Understanding Economic Policy Reform,” *Journal of Economic Literature*, Vol. 34, No. 1 (March 1996), p. 37.

The strategic calculation was... to manage the transition in such a way as to de-radicalise the ANC and to moderate it to such an extent that it could be accommodated in the newly restructured and de-racialised state, which in turn was to be firmly re-embedded in the international system of states. This system of states... had become so strongly geared to the rules of a capitalist, private enterprise political economy that the NP felt secure about the inability of the ANC to realign a future South African state away from this systemic momentum.<sup>31</sup>

Whilst this is an accurate portrayal, such an account emasculates the ANC and its allies of any agency during the transition process and posits a passive as opposed to an active role for it as the opposition. Yet the process of courting the ANC leadership spawned major difficulties for the government and its allies and went beyond simple constraining factors.

Firstly, the National Party was not in complete control of the negotiating process, particularly towards the end.<sup>32</sup> Having underestimated the ANC's negotiating ability and strength within the country and themselves hostage to a strategy that was not at all well thought through, the NP found themselves increasingly at a disadvantage. Such a scenario had the potential of allowing the ANC to increasingly dictate terms—with the concomitant danger that their economic agenda—under pressure from their mass base—might be out of synch with “economic realities.”

Secondly, though catholic in its tendencies, the domestic base of the ANC—then called the United Democratic Front (UDF)—favoured a project that was different from that proposed by the leadership in exile. Such impulses held the danger that on their return the ANC elite could be drawn towards a more radical programme. This deeply concerned leading elements in the South African business community and stimulated in them an activist role during the transition. As the director-general of the South African Chamber of Business Raymond Parsons put it, “because business stands to gain or lose so much in this process, it simply has to

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<sup>31</sup> Pierre du Toit, *State-building and Democracy in Southern Africa: A Comparative Study of Botswana, South Africa and Zimbabwe* (Pretoria: HSRC, 1995), p. 386.

<sup>32</sup> Philip Nel, “Transition Through Erosion: Comparing South Africa's Democratisation,” *Aussenpolitik*, Vol. 46, No. 1 (1995).

become involved and make its interests known.”<sup>33</sup> Hence, South African business quickly moved into the political fray and sought to promote a free-market vision of a post-apartheid South Africa, intimately connected to the discourse of globalisation.

This strategy represented an historic continuity: big business had long been active in promoting its interests as the “common good.” Sponsored by the business community, organisations like the Free Market Foundation flooded both the public and policy discourse with the “reasonableness” of the solutions that they offered. Like comparable developments elsewhere their message highlighted the naturalness of the market as a tool for understanding and managing political conflict. The solutions were appealing when set against the obvious obduracy of the South African state to reform itself (not to mention its levels of taxation to maintain security) and the violence which, according to state propaganda, the liberation movement were held to represent. As the decade ripened, the solutions to be offered by the market became more attractive to all South Africa’s political elites. It was a short step from accepting the idea, which would come to be known as globalisation—both as a means to interpret a world and, as now, an ideology. The path to this was smoothed by a rash of scenario-building which was in the late 1980s also sponsored by the business community. To this I now turn.

### **Towards the Future: the Role of Scenarios**

Such scenario exercises were derived from a technique originally pioneered by Peter Schwartz, Edward Newland and Pierre Wack at Shell International in the early 1970s. The aim of shaping common sense by such scenarios is quite explicit, the objective being to “significantly alter the mind-sets or paradigms through which decision makers see the world.”<sup>34</sup> In the mid-1980s South Africa’s strongest mining house, Anglo-American, initiated a process of scripting what was explicitly referred to as the “Rules

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<sup>33</sup> *The Star* (Johannesburg) (12 November 1990).

<sup>34</sup> *Ibid.*

of the Game.”<sup>35</sup> One of its executives, British-born Clem Sunter—advised by Pierre Wack—began a well-funded attempt to popularise a South African futurology based on “scenarios.”<sup>36</sup> This influential endeavour to shape the terms of the debate—“spinning the future” as it was known—centred around the mass marketing of paperbacks and public seminars.<sup>37</sup> These helped delineate what was possible, indeed “sensible” for post-apartheid South Africa. Sunter’s work was given maximum publicity—his first book led to his addressing more than 250 audiences and over 30,000 people, mainly drawn from small and medium-sized businesses. Owing to “the free-enterprise populist ideology that underpinned his presentations, Sunter found a receptive audience in the White community for his scenarios.”<sup>38</sup> Meanwhile, a breathless (white-owned) media recounted his latest thoughts in a manner reminiscent of how television evangelists are received. Indeed, one popular magazine profiled Sunter as promoting “the hottest gospel.”<sup>39</sup>

This process was rapidly followed by a diverse array of “scenarios” in the 1990s. The first was Nedcor/Old Mutual’s Prospects for a Successful Transition, launched in 1990. Between January 1991 and June 1992, over 45,000 hand-picked South Africans, invariably from the decision-making levels of society and the ANC attended the presentation of the Prospects.<sup>40</sup> This was quickly followed by the insurance conglomerate Sanlam’s Platform for Investment which sketched the conditions required to soothe

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<sup>35</sup> See Clem Sunter, *The World and South Africa in the 1990s* (Cape Town: Human and Rousseau, 1987), p. 19-56.

<sup>36</sup> See *ibid.*; and *The New Century: Quest for the High Road* (Cape Town: Human and Rousseau, 1992).

<sup>37</sup> In this account, Clem Sunter’s activities “ultimately helped persuade President de Klerk to release Nelson Mandela from prison and begin the process that would dismantle apartheid”—a perhaps over-blown appraisal of Sunter’s achievements. See Joe Flower, “Spinning the Future” (1997), <http://www.well.com/user/bbear/changel2.html>

<sup>38</sup> Adrian Guelke, *op. cit.*, p. 13.

<sup>39</sup> Profile of Clem Sunter in “The Hottest Gospel,” *Leadership*, Vol. 6, No. 3 (1987).

<sup>40</sup> “Foreword,” Nedcor—Old Mutual Scenarios, *South Africa: Prospects for Successful Transition* (Kenwyn: Jura, 1992).



potential investors. At the same time, other documents such as the South African Chamber of Business' Economic Options for South Africa were brandished about as offering "realistic" scenarios. Perhaps the most high-profile of these was the Mont Fleur Scenario of August 1992, a scenario that claimed to have input from a wide variety of opinions, ranging from conservative to social-democratic.

Funded by the Frederick Ebert Stiftung and the Swiss Development Agency, with a facilitator from Shell International, the Scenario was "in retrospect... an important factor in the march of orthodoxy—less for its content details than for its theme song and the range of progressive (including ANC) economists and union figures it drew into the exercise."<sup>41</sup> Like all scenarios of its kind, Mont Fleur revelled in caricature—in this case partly derived from ornithological sketches. In particular there was its characterisation of a "popularly elected government which tries to achieve too much too quickly" and, in the familiar language of those pushing the globalisation line, succumbs to "macroeconomic populism."<sup>42</sup> Such an economic programme was termed "Icarus" and the disastrous course of the Greek figure's own flight was mirrored in the apocalyptic language of the Mont Fleur team with "the country experienc[ing] an unprecedented economic crisis, resulting in social collapse and political chaos."<sup>43</sup> This characterisation appeared to have made a deep impression on the ANC elites. Indeed, not long after the Mont Fleur presentation Tito Mboweni, chief spokesman on economic affairs for the ANC, and destined to be the Governor of South Africa's Reserve Bank, stressed that his movement would avoid "crowding out the private sector and over time destroy a whole set of macro-economic balances, leading up to sharp economic decline and collapse—a kind of Icarus now, crash later."<sup>44</sup> In contrast to such disaster was the "Flight of the Flamingoes" which consciously echoed Anglo-

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<sup>41</sup> *Ibid.*

<sup>42</sup> Philip Mohr, "Flight Paths," *Leadership*, Vol. 11, No. 5 (1992), p. 34.

<sup>43</sup> *Ibid.*

<sup>44</sup> Tito Mboweni interviewed in "Grand Plan," *Leadership*, Vol. 11, No. 3 (1992), p. 42.

American's advocacy of the "High Road."<sup>45</sup> Echoing these prescriptions, the "Flight of the Flamingoes" entailed adopting "sound policies and observ[ing] macro-economic constraints" within a "market-oriented economic system" whilst promoting "business confidence."<sup>46</sup> As a British commentator has written, the "'Flamingo" [option] has subsequently informed the economics approach of the GNU."<sup>47</sup>

What was particularly notable about the Mont Fleur Scenarios was the participation of Left academics from the University of the Western Cape, which "tended to boost the credibility of the whole exercise."<sup>48</sup> Yet such inclusion was purposeful in promoting the idea of consensus, for it included ideas that reached the outer boundaries of what potentially might be acceptable. Such tactics had been first practised by the Nedcor/Old Mutual scenario which:

[A]ssembled an eminent group of economists and political thinkers (including several from the ranks of the Democratic Movement) [combined with] rather stereotypical views expressed by 40 bank executives... [This] managed to weld a few progressive positions onto an utterly orthodox framework... [permitting it] to present scenario planning to groups as diverse as the cabinet, the ANC national executive, Anglo American, COSATU leadership and its Economic Trends group, the ANC Department of Economic Planning, and the like.<sup>49</sup>

Such efforts not only consolidated the rhetoric of the globalisation logic within South Africa, but also continued the retreat of the ANC from its previous economic position: "a political retreat, paved with consensus-formation in cosy seminars

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<sup>45</sup> Clem Sunter, *The World and South Africa in the 1990s* (Cape Town: Human and Rousseau and Tafelberg, 1987).

<sup>46</sup> Philip Mohr, *op. cit.*, p. 35.

<sup>47</sup> James Hamill, "The ANC Perspective: Meeting Expectations?," in Francis Toase and Edmund Yorke (eds.), *The New South Africa: Prospects for Domestic and International Security* (Basingstoke: Macmillan, 1998), p. 66.

<sup>48</sup> Philip Mohr, *op. cit.*, p. 34.

<sup>49</sup> Patrick Bond, "The Making of South Africa's Macro-economic Compromise: Scenario Planning and the Narrowing of Development Strategies," in Ernest Maganya and R. Houghton (eds.), *Transformation in South Africa? Policy Debates in the 1990s* (Johannesburg: Institute for African Alternatives, 1996), p. 20.

sponsored by business-oriented think-tanks, of which Anglo-American, Nedcor/Old Mutual and Sanlam stand out.”<sup>50</sup>

When discussing the plethora of scenario exercises released onto the South African public during the transition, it is helpful “to distinguish between their form and content,”<sup>51</sup> for “the process was [decidedly] more important than the product.”<sup>52</sup> With regard to the content of the scenarios, there were some differences for sure between the policies being promoted (although all worked within the broad remits of liberal capitalism). Yet perhaps most importantly, there was a consistent call demanding that macro-economic policy be “grounded in relationships of ‘trust’, ‘negotiation’ and ‘consensus-building.’”<sup>53</sup> In short, “a kind of ‘coerced harmony’, analogous to the central dynamic applied in the political negotiations” was crafted.<sup>54</sup> That this harmony was perhaps coerced is suggested by the very close-knit circle of facilitators who arranged the “diverse” scenarios. Both “Wack and Newland were part of the Sunter exercise, while Wack was also a member of the Nedcor/Old Mutual team—and the present scenario planner at Shell, Adam Kahane, was the facilitator of Mont Fleur.”<sup>55</sup> Such a limited array of organisers of the scenarios suggests concocted rather than contested “debates” over economics and the way the terms of the debate were carefully constructed by selected representatives:

There has been a concerted effort, an extremely well-funded ideological effort, to make [neo-liberalism] and all that goes with it seem beneficent and necessary. You fund people to create an ideological climate which becomes the life support system for the doctrine... You create the colloquia and the symposia, open to the press that you sponsor.

And they all write [in] journals that you also fund, and from there they get on the editorial pages and on the air. Pretty soon you have those three-man... pseudo debates on television between the raving radical

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<sup>50</sup> *Ibid.*, p. 16.

<sup>51</sup> Hein Marais, *op. cit.*, p. 150.

<sup>52</sup> Patrick Bond, *op. cit.*, p. 29.

<sup>53</sup> Hein Marais, *op. cit.*, p. 150.

<sup>54</sup> Patrick Bond, “An International Perspective on the “People-driven” Character of the RDP,” *African Communist*, No. 144 (1996), p. 2.

<sup>55</sup> Robin Lee, “Choosing Our Future,” *Leadership SA*, Vol. 12, No. 3 (1993), p. 73.

right, the extreme right and the right of centre [and] [a]nyone who thinks differently... must make apologies for his or her beliefs.<sup>56</sup>

Indeed, “the scenario exercises reflected the desire of the masters and carefully hand-picked participants to come up with a deal—rather than good analysis.”<sup>57</sup> Echoing critical comments on manufactured debates, one analysis of the South African scenario planning industry noted their cynical genesis:

Beginning in late 1990, successive generations of scenario plans were typically brought to the public’s attention first by excited rumours of the planners’ arduous, behind-closed-doors bull sessions; then by selected leakage to the business press (often by hushed reference to the confidential, highly sensitive nature of the process); next by reference to the impressive and diverse collection of new South African elites who enthusiastically received early viewings of the scenario results; then through more presentations to sundry audiences in the corporate network; and finally the ubiquitous video package and in print.<sup>58</sup>

Though it is correct that most of the scenarios did acknowledge the constraints that globalisation placed on formulating South African economic policy, the activities of the scenarios were also aimed at limiting the terms of the debate within certain normative remits and in constructing a common-sense view of the options available. Alternatives (such as “growth through redistribution”) were dismissed as nonsensical “economic populism” and hence non-serious intrusions into the economic debate. Such activity was misleading because the scenarios invariably told business what it wanted to hear, rather than what it needed to contemplate or indeed what was available to it.<sup>59</sup> The scenario exercises mirrored the experience of Zimbabwe when scenarios were utilised to support a shift to free-market answers to the country’s problems but where “good questions were not asked forcefully, and rarely on-record

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<sup>56</sup> Susan George, *The Debt Boomerang: How Third World Debt Harms Us All* (London: Pluto Press, 1992), p. 109.

<sup>57</sup> Patrick Bond, *op. cit.*, p. 18.

<sup>58</sup> *Ibid.*

<sup>59</sup> Patrick Bond, “Scenario Plundering,” *Southern African Review of Books*, Vol. 5, No. 4, issue 26 (1993), p. 3.

[whilst the] answers were not scrutinised and the proponents of change were never held accountable.”<sup>60</sup> Instead, armies of revolutionary straw men were erected which the scenarios sought to valiantly conquer and in so doing convince “populists” that their economic plans were unworkable, whilst at the same time reassuring a flighty white population that South Africa was not about to fall to rabid radicals. The scenarios in short were “exercises in reassuring the hysterical about the intentions of the non-existent.”<sup>61</sup>

All this said, the political process was not entirely unproblematic for those concerned with crafting the debate. Certainly, the search for solutions—even those presented by a globalising market—were momentarily held captive by the politics of immediate history. In South Africa no memory was stronger than the legacy bequeathed by apartheid’s security concerns. Here, South Africa’s military-industrial establishment provided a bridge to the minority; the discourses over military security masked a series of subsidies—the most obvious was employment. Indeed, in apartheid’s final years, South Africa’s security forces (the police and the defence force) was the country’s largest employer of white labour. A parallel set of subsidies had developed South Africa’s now powerful armaments industry.

As South Africa’s liberation movements faced the same “end of history” options, their search for solutions were harder to find. Much of the liberation movement’s early tactics centred around the Nkrumahist framework that control of the state was the path both to power and development. Within and without the country, a multiplicity of simple, simplistic and even simple-minded slogans reinforced the notion that the struggle for South Africa was a struggle for the sovereignty of a state which could, with a legitimate government, satisfy the needs of all its people.<sup>62</sup>

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<sup>60</sup> *Ibid.*, p. 8.

<sup>61</sup> Anthony Butler, *Democracy and Apartheid: Political Theory, Comparative Politics and the Modern South African State* (London: Macmillan, 1998), p. 153.

<sup>62</sup> The idea of nationalisation continued in liberation rhetoric until well into the 1990s. More popular slogans—“No Education before Liberation” and “One Settler; One Bullet”—represented another mood of the country’s politics.

However, as the ascendancy of the market took hold and as alternative visions centred on the socialist command economies went into crisis, this understanding became less and less settled: the ANC, in particular, was vulnerable to buffeting and wavering. A broad alliance, it had always been susceptible to the rich diversity of impulses which lay beneath a veneer of unity, ranging from African nationalist convictions grounded in a nascent black middle class, to a socialist-inspired working-class wing which saw as its goal a Marxist revolution. This veneer was certainly extended—even over-extended—by its structure: an external exiled wing which required Stalinist ideological conformity as it both fought a war of national liberation and the diplomatic campaign to isolate a sovereign state; and the internally based United Democratic Front (UDF). For all its lip-service to the rituals of “struggle,” the latter was more catholic than the former, bent on incorporating new and divergent impulses into an ever-broadening agenda which aimed, above all else, to end apartheid.

Faced with increasingly untenable immediate positions, with both sides locked in a strategic stalemate marked by spiralling violence—over which they had less and less control—the protagonists in the struggle for South Africa were attracted by the prospects for negotiations which would move them from an unhappy past to a future which promised to be more manageable. This analysis suggests that without the compelling discourses offered by what was increasingly to be called “globalisation,” South Africa’s transition—often called a “miracle”—could not have been achieved, even after the demise of the Soviet Union. Essentially, a post-apartheid possibility was advanced that promised political freedom, whilst being predicated upon the free market—staple fares of the globalisation discourse.

Scrutiny of the transition reveals then that things were less miraculous than deal-driven, and central to this exercise was convergence around the “rationality” of the market as an organising principle for any post-apartheid South Africa. Put differently, in order to advance the narrative of the transition, the reasonableness of the market solution in the face of overwhelming globalising tendencies permitted more continuities than change in South Africa. This was notwithstanding the rhetoric upon which

apartheid's ending was premised, which promised its poorest far, far more, than the country could consciously deliver.

### The Contemporary Order

This account closes one moment of the meta-narratives but some important footnotes need to be added. On coming to power, South Africa's new government announced a Reconstruction and Development Programme (RDP). This boldly proclaimed itself as "an integrated, coherent socio-economic policy framework... (seeking)... to mobilise all our people and our country's resources toward the final eradication of apartheid and the building of a democratic, non-racial, non-sexist future."<sup>63</sup> Less than 18 months later, this ambitious *neoKeynesian* project was replaced by a programme called GEAR (named the "Growth, Employment and Redistribution" strategy). This alternative game plan suggested cuts to government expenditure within IMF targets in order to promote growth to 6% per annum; this, the argument went, would set the stage for international investment which, in turn, required a more malleable—"flexible"—labour market.<sup>64</sup> Driven by the notions of the neutrality and "rationality" of the market, to choose otherwise was to reinvent the political wheel and defy the dominant discourse of globalisation.<sup>65</sup> The programme was endorsed by the highest voices in the land and actively promoted by Thabo Mbeki, who has invited analysts "to call [him] a Thatcherite."<sup>66</sup>

The financial press has scarcely been able to contain its joy at this outcome for a script which, less than a decade earlier, promised rigorous socialist policies as the answer both to South Africa's racial divide and to create a more equal economic system.<sup>67</sup> However convergent the rhetoric around this strategy, the

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<sup>63</sup> *The Reconstruction and Development Programme. A Policy Framework* (Johannesburg: African National Congress, 1994), p. 1.

<sup>64</sup> On this see Hein Marais, "The RDP: Is there Life after GEAR?," *Development Update*, Vol. 1, No. 1 (June 1997), p. 1-19.

<sup>65</sup> See *The Cape Times* (Cape Town) (5 August 1997).

<sup>66</sup> *Business Times* (Johannesburg) (16 June 1996).

<sup>67</sup> For a fairly typical example see "Trimming Socialism to Cut Cloth for Fiscal Measurements," *Business Report* (Cape Town) (17 February 1997).

structural problems of the South African economy remain. Although South Africa is Africa's richest economy (though characterised by gross, and deepening, inequalities), it remains primarily an extractive enterprise in which huge amounts of the wealth of the country are exported. In a world in which productivity rates are crucial indicators, South Africa's productivity is low and its wages high. At the same time the country's level of expertise is low and possibly falling, owing to the levels of emigration and the poor administration of education.

More careful analysis reveals that the neo-liberal economic solutions which have been chosen for South Africa's future advance the single idea of redistribution through growth in an economy which continues to display the symptoms of white wealth and black poverty, the same structure which marked the country's unhappy past. One way through this dilemma has been the promotion of a new black middle class under the belief that "democratic nations thrive on an economically secure and politically involved bourgeoisie."<sup>68</sup> This is to be achieved by American-style affirmative action as a major instrument of policy action, both within and without government, and has included the direct economic empowerment of blacks by the racial redistribution of stock-market wealth.<sup>69</sup> Yet this "empowerment" process has been followed by scandal and disillusionment, leading commentators to remark that only "a tiny clique with top-level ANC contacts have become millionaires" whilst "almost no new jobs have been created."<sup>70</sup> Indeed, "empowering" a middle class simply because it is black runs the risk of diverting attention and resources away from the real task at hand: the upliftment of the majority of Black South Africans from intense poverty. This exclusion may, in part, explain South Africa's spiralling crime wave which in turn touches on the prospects for foreign investment.

Given the drift of evidence, very little is settled in South Africa. Repeating this emphasises the idea that old political

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<sup>68</sup> "Ex-activists Contemplate What it Means to Become Filthy Rich," *Sunday Independent* (Johannesburg) (3 August 1997).

<sup>69</sup> See "South Africa: Blacks Can be Rich," *The Economist* (London) (15 March 1997).

<sup>70</sup> "South Africa's New President," *The Economist* (London) (29 May 1999).



alliances are in constant flux and whilst at times the ANC government seems closer to business than it is to its formal allies in the South African Communist Party and Congress of South African Trade Unions, at other times it does not. Tensions within the alliance remain, and the need to placate Leftist factions continually occupy the ANC elite's calculations. This is not to say that the ANC-led administration is somehow vacillatory *vis-à-vis* the globalisation discourse. For sure, it seems to have taken on board the notion that "there is no alternative." This is constantly encouraged by the South African media, who applaud the ANC being "at the forefront of global developments" regarding the supposed Hegelian "end of history" where "we have solved our problems maturely" by abandoning "ideological struggle in favour of pragmatism and peace"—a clear endorsement, so the narrative goes, of Fukuyama's "brilliant observation."<sup>71</sup>

Indeed, so strong has this meta-discourse become within the South African political arena that, during the campaigning for the country's second election, there was virtually no debate concerning economic policy, with the government proclaiming that it would "continue its 'unshakeable' commitment to sound macro-economic policy after the election." This was met with very little challenge from its ostensible opponents: such is the grip that the globalisation discourse has over the South African elites.<sup>72</sup> As one source framed it, "the economic debate in the lead-up to the election [was] so lacklustre that Thabo Mbeki... ha[d] the luxury of saying we are in for more of the same macro-economic policies in the ANC's second term of office [and] he [was] not pressed to be more specific or imaginative."<sup>73</sup>

Yet for the time being the ANC remains in alliance with its Leftist partners. Appreciating this helps us understand that though the discourse of globalisation and the market has had profound constraining effects this is by no means an event but a process and space does still exist for the advancement of an alternative

<sup>71</sup> "Madiba Says Goodbye at the End of History," *Sunday Times* (Johannesburg) (16 May 1999).

<sup>72</sup> "State Set to Gear up Macro-economic Policy After Elections," *Sunday Times* (Johannesburg) (23 May 1999).

<sup>73</sup> "Time to be Specific," *Sunday Independent* (Johannesburg) (23 May 1999).

agenda—most likely emanating from civil society. It is up to those within and without South Africa who oppose the ongoing scenario where “globalisation” is the be-all and end-all of the contemporary milieu to construct an alternative discourse that holds at least the potential to redress the iniquities that continue to plague the country.

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