Brazilian Journal of African Studies
e-ISSN 2448-3923 | ISSN 2448-3915 | v.1, n.1, Jan./Jun. 2016 | p.11-39

"MEET THE NEW BOSS - SAME AS THE OLD BOSS": SOUTH AFRICA'S TRANSITION AS *EMBOURGEOISEMENT*

Ian Taylor[1]

With a few notable exceptions, a celebratory discourse constructed around the ideas of "change" and "new" dominates analyses of the South African transition. However, alternative positions are possible. It is argued that the events of the early 1990s, which led to the overthrow of formal apartheid, can be seen as the conglomeration of social and politico-economic forces that stimulated a shift rightwards by the elites within the African National Congress (ANC), eager to share in the benefits of the country's wealth, rather than restructure the political economy of South Africa for the benefit of the majority. Embourgeoisement is the concept that postulates the migration of individuals into the ranks of the bourgeoisie. The life style and individualistic values of the middle class are adopted and there is a concomitant rejection of former commitments to collective social and economic goals. The opposite of embourgeoisement is working class consciousness.

What was the ANC?

The foundations for the subsequent *embourgeoisement* of the ANC elites lay in the confused and contested nature of the organisation and its ideological goals. When the ANC was unbanned in February 1990, the organisation had no clear-cut economic policies. This was as a consequence of the fact that 'the ANC in exile never articulated a clear program for economic change' (Waldmeir 1997, 253). As a 'movement whose raison d'être before 1990 was liberation from apartheid, it was perhaps not surprising that formulating [an] economic strategy was not a priority' (Ward

1 School of International Relations, University of St Andrews, St Andrews, Scotland. E-mail: ict@st-andrews.ac.uk

in Toase and Yorke 1998, 38). Instead, the organisation had relied on an almost mystical attachment to the principles of the 1955 *Freedom Charter* (1987, 673) with its vague but suggestively redistributionist slogans such as:

The People shall share in the country's wealth!

The national wealth of our country, the heritage of all South Africans shall be restored to the people;

The mineral wealth beneath the soil, the banks and monopoly industry shall be transferred to the ownership of the people as a whole;

All other industries and trade shall be controlled to assist the well-being of the people;

All people shall have equal rights to trade where they choose, to manufacture and to enter all trades, crafts and professions.

The land shall be shared among those who work it!

The Charter committed the ANC to what it later (at the Morogoro Conference in 1969) referred to as "national democracy". This was essentially conceptualised as competitive elections, profound economic restructuring and large-scale improvements in the situation and the standard of living for South Africa's working class. The post-apartheid "national democracy" as viewed by large segments of the ANC was seen as social-democratic democracy combined with economic egalitarianism. For most of the struggle period, it was the *Freedom Charter* that enquirers were referred to when the question of how a post-apartheid economy was to be structured was asked. Hence, on paper and for many (most?) of the ANC's grassroots membership, the organisation was apparently committed to a mixture of state intervention and a socialist (or at least social-democratic) reform of the underpinnings of the economy via nationalisation. This socialist orientation was spurred on by the ANC's close linkages with the South African Communist Party (SACP).

Yet, the exact manner by which the ANC was supposed to pursue such goals and exactly what economic policies an ANC government would implement was never formally enunciated. Instead, echoing Marx's comments on the slogans of the revolutionaries in France, in 1848, a 'pleasant abstraction from class antagonisms [and a] sentimental equalisation of contradictory class interests' was postured (1935, 107). The reasons behind this lay in the diverse membership profile of the movement. Essentially, its 'purposefully vague anti-capitalist rhetoric gave the ANC leadership considerable ideological leeway successfully to stitch together a loosely defined coalition of interest groups that included workers an aspirant entrepreneurs, Christians and communists, and the unemployed and middle class, around a shared objective of dismantling apartheid' (Murray 1994, 18).

The ANC was always a broad church. Nelson Mandela himself admitted that the ANC was 'united solely by [its] determination to oppose racial oppression' and that it was 'the only thing that unites us...there is no question of ideology as far as the odysseys of the ANC is concerned, because any question approaching ideology would split the organisation from top to bottom' (quoted in Sparks 1991). This was reflected within the organisation by two broad fractions—socialist and bourgeois Africanist—who historically struggled for supremacy. In the modern era, the bourgeois Africanist element originally centred around the original ANC Youth League (formed 1943–44) and the figures of Nelson Mandela, Walter Sisulu and Oliver Tambo. They were joined by later generations of ANC leaders, such as Thabo Mbeki, Donald Mkhwanazi, Peter Mokaba and Joel Netshitzenze. These figures and the fraction they come from had always been somewhat uneasy with the ANC-SACP nexus (despite Mbeki's long-time SACP membership).[2] An aversion to the socialist implications that such an alliance had flared up during the liberation struggle—Mandela himself repeatedly claimed that the Freedom Charter was simply a blueprint for 'African-style capitalism' (Mandela 1994, 527).

The expedient and cynical usage of socialist slogans by the bourgeois elite within the ANC was openly admitted by Mbeki in an interview when he remarked that it was 'very easy to say the people will share the wealth of the country. That is sufficient for the purposes of mobilisation and getting them engaged' (quoted in Murray 1993, 32). Mbeki of course was also the main opponent against, in 1979, having the ANC declared a "Marxist-Leninist movement" à la FRELIMO, arguing that it 'was wrong, the notion, that the ANC was a party of socialism'—a strange position to take for an ostensible communist (quoted in *Sunday Times* June 6, 1999).

From a class analysis, the Africanist element within the liberation forces represented a nascent congregation of Africans who saw themselves as the heir-apparents to a new post-apartheid Black bourgeoisie. Even the Black Consciousness movement of Steve Biko et al. was grounded in the Black middle class and had its support base in the Black intelligentsia and

2 Mbeki's close friend Willie Esterhuyse has asserted that Mbeki 'was [Oliver] Tambo's ears and eyes on the central committee [of the SACP]' and left the Party 'when there was no threat [from communism within the liberation movement] any more' (*Weekly Mail and Guardian* June 18–24, 1999). A CIA report in 1988 supports this thesis, arguing that Tambo had 'long been subtly curbing and channelling SACP influence' (cited in Sampson 1999, 388).

university students, and hence never developed a mass base (Lodge 1983, 322–324). As Blade Nzimande and Jeremy Cronin correctly summarise, ‘the cause of an aspirant Black elite, and a discomfort with socialism and the “undue left-wing influence” of non-Africans [were] the hallmarks of this tendency’ within the ANC (*Weekly Mail and Guardian* October 10, 1997).

It can be said that the alliance between the ANC and the SACP was largely an uneasy one, sitting as it did within a movement consisting of an elite whose aspirations centred around nationalism and not socialism. Yet at the same time, this linkage did have a radicalising effect on the support base of the ANC, raising their expectations vis-à-vis a socialist reorganisation of society. One cannot simply dismiss the fact that surveys in 1985 found that between 74 and 77 percent of Blacks favoured socialism as the organising principle in a post-apartheid South Africa (cited in Meer 1987, 399); or that in 1991, 67 percent of COSATU shop stewards wanted the nationalisation of key industries while only 17 percent favoured privatisation (Pityana and Orkin 1992, 67). Yet the leadership of the ANC was extremely wary of such impulses—Oliver Tambo, against all received opinion, went so far as to claim that ‘our people will decide [on a post-apartheid dispensation] and they’re not very interested in a socialist state’ (Tambo, January 21, 1987, quoted in Sampson 1999, 362). The ANC-SACP linkage thus had a set of dialectical contradictions inherent in it and that was reflected in the different agendas of the elites (itself subject to intra-elite disputes vis-à-vis policies) and their mass support base.

The constraints of globalisation and the collapse of communism in the Eastern bloc, however, resolved much of the potential for a split within the liberation forces, particularly after the SACP found itself affected by the global uncertainties that affected all socialists at the time, which seemed to suggest that were no apparent alternatives to capitalist democracy (Manzo 1992). This served the interests of those fractions advocating the neoliberal project. As Habib (1998, 225) remarked:

> [T]he principal ideological resource available to actors’ advocating a neoliberal economic programme was the rise to hegemony of market ideology. This resulted from the collapse of the communist bloc in Eastern Europe and the Soviet Union. This collapse of communism ensured that there was no alternative economic discourse to that of the market [and the] market was celebrated as the only rational mechanism for the efficient production and allocation of goods within and among societies. The legitimisation of market discourse [was] clearly evident in South Africa.

Such a playing out of the collapse of communism and the ensuing compromise by ostensible socialist forces was reflected by the intervention of Joe Slovo in 1990 in his essay entitled *Has Socialism Failed?* (Slovo 1990). Though this rightly critiqued the tendency to bureaucratism and the lack of tangible democracy in the Soviet-style centrally planned economies, the practical effects were to undermine confidence in the socialist movement and to promote a rightward shift of the SACP towards Eurocommunism and even social democracy. Though Slovo's thesis was heavily critiqued by Leftist elements within and without the SACP, the support it elucidated from leading lights such as Jeremy Cronin tends to suggest that it was the accepted "line" within the SACP hierarchy. Slovo's intervention coincided with many ANC leaders such as Thabo Mbeki, Mac Maharaj, Gill Marcus, Joel Netshitsenze, Aziz Pahad and so on resigning from the SACP.

At the same time, even such leading luminaries who remained loyal to the Party like Joe Slovo underwent a metamorphosis until, as one colleague put it, 'the only things that were red about Joe were his socks' (cited in Matissonn, 1998). Mass media that was supportive of the interests of big business gradually sought out Slovo for reassurances and were rarely disappointed. For instance, the *Financial Times* reported to its readers that 'building socialism…is not the immediate goal of the ANC, Mr. Slovo [said]' and that Slovo went on to assert that 'the economy of South Africa the day after the ANC flag flies over the Union Buildings in Pretoria will be exactly the same as the day before' (*Financial Times* February 27, 1990). Such utterances served to soothe nervousness on the part of capital and the entrenched elite who, at the beginning of the transition process, were somewhat apprehensive of the playing out of any negotiations with the ANC and its allies.

Stumbling rightwards

The first effort to resolve future ANC economic policy was found in the prescriptions of the Harare Conference in April-May 1990, which followed the unbanning of the organisation. This document, the product of a joint ANC/Congress of South African Trade Unions (COSATU) workshop, reserved for the state a 'leading role in the reconstruction of the economy in order to facilitate the realisation of…developmental objectives. This necessitates some form of overall macroeconomic planning and co-ordination' (African National Congress 1990, 12). Indeed, in a post-apartheid state dirigiste impulses would be manifested by an extension of public ownership, the restriction on the exportation of capital, the closer regulation of the mining conglomerates and an emphasis on domestic savings as the main source of investment.

Such a seemingly strongly pro-egalitarian position was followed by a draft ANC Economic Manifesto (prepared for but not adopted by the 1991 National Conference), and the ANC's *Ready to Govern* document of May 1992. According to Hein Marais (1998, 148), the Harare document 'in its main themes (and several other respects)...echoed policy work done by COSATU's Economic Trends group, which, until then, had been responsible for the most substantial efforts to develop a coherent yet progressive economic strategy'. At the core of the Discussion Document was a basic commitment to the restructuring of the economy. However, just as previous ANC statements on economics were vague and imprecise, so also was the Document and different readings could deduct 'anything from extensive state intervention to conventional market-driven structural adjustment' (Nattrass 1994a, 6).

The document gave a deliberately active part to state bodies in the planning of future industrial strategy and also emphasised the necessity to reorganise the financial sector (ANC Department of Economic Policy 1990). Such a programme 'would include funnelling foreign investment into targeted areas of the economy [and] basic needs would not be met through "inflationary financing" but by marshalling domestic savings and raising corporate tax rates' (Marais 1998, 148). In a seemingly direct challenge to big capital, the document argued for a breaking up of the massive corporations that dominated (and effectively controlled) the South Africa economy while capital's familiar demands for low labour costs were rejected (ibid.).

The Document's basic message centred around "growth through redistribution". That such an economic programme could be promoted by the ANC reflected the temporal moment i.e. it was very early on in the transition process. Essentially, it was before the ideological onslaught from the neoliberal community worked its effect on the decision-making elites within the ANC and weaned them off, as it were, from the residual influence of Left-leaning intellectuals. Such a process, analogous to the subsequent *embourgeoisement* of the ANC leadership, was to emerge later.

Changing hearts and minds

In fact, the breathing space for class-based egalitarian ideas was not to last for long. The prescriptions of the document and in particular its "growth through redistribution" agenda were immediately attacked by a disparate array of pro–business elements in the media and "independent" policy think-tanks, as well as by various conservative economists. The thesis put forward by those opposed to the growth through redistribution approach was that an increase in state expenditure aimed at redistribution would lead to massive inflation and disaster. The pro-business media in particular ran a string of hysterical articles warning about the "foolishness" of redistributing some wealth from the massively privileged to the chronically disadvantaged. For example, the *Financial Mail* (October 18, 1991) warned that there would 'be a massive loss of jobs, shops will empty of goods, housing will fall into ruin, disease and misery will predominate—Comrade Nelson, like Comrade Nyerere of Tanzania will say: 'Sorry, we made a mistake. We've redistributed all we have'.

Closely following the Gramscian understanding of how common sense is promoted, such media interventions simply rubbished alternatives to the orthodoxy. At the same time, a remarkable project to convince the ANC elites of the foolishness of egalitarian approaches to the economy was embarked upon. The mass of anti-interventionist thought caught the ANC off-guard, precipitating a 'back-pedalling on its commitment to some form of socialism' from then on (Koelble 1999, 104). It is important to note that as early as 1991, Nelson Mandela was anxiously placating Washington that the ANC had ditched any "radical" notions regarding nationalisation, asserting that 'nationalisation is like the sword of Damocles hanging over those who want to invest. So long as nationalisation is our policy, we will not attract investors' (*Financial Times* November 1991).

Certainly the ANC's later May 1992 policy guidelines made no allusion to the "growth through redistribution" formula, and 'over the next two years, the party's economic thinking would increasingly bear the imprints of neoliberal thinking, as the need for macroeconomic stability became interpreted as demanding fiscal and monetary stringency and calls for deregulation, privatisation and export-led growth gained favour among ANC leaders and their economic advisors' (Marais 1998, 149–150).

Why this occurred sprang from a variety of factors. Firstly, the collapse of the actually existing socialist economies post-1989 threw Leftist intellectuals into a state of disorganisation and strengthened the hand of those who argued that there was "no alternative" to Western neo-liberal capitalism. The lack of a coherent macroeconomic policy by the ANC as the organisation went into the transition process, and the susceptibility that this opened up to the neoliberal-inclined organic intellectuals, also had an important effect. As one analyst remarked, 'how big is the ANC Economics Department? Very, very small and very new in a lot of ways. And yet you've got the captains of industry, with their think tanks that have got a whole lot of policy studies coming out. That can be quite seductive' (Karl von Holdt quoted in Callinocos 1992, 57).

Indeed, the ANC's Economics Department has subsequently been critiqued as 'understaffed, poorly organised, and its leadership appeared to have made little or no effort to mobilise the sources of relevant experience available at some of the universities' (Padayachee 1998, 433). This situation was not helped by the delay in transferring the department from Lusaka to South Africa after the ANC was unbanned in February 1990—a scenario 'that meant that there was a disjuncture between the political structures and the research departments' (Ngoasheng 1992, 116).

At the same time, a "charm offensive" was launched on the ANC's elites by big capital and its class allies, particularly in the business press and various think-tanks, to "correct" any remaining heresy in the movement's economic policies and showcase the allure of *embourgeoisement* to the ANC's leadership. In fact, 'the business sector [came] to play a part in national affairs that is surely without parallel in the world' (*Financial Mail* April 29, 1994). As one analysis observed, 'the close-knit circle of associates together with their coterie of supporters in the media and academia now pride themselves on having "weaned off" the ANC of its past economic fantasies [and] thwarted experiments' (Adam, Slabbert and Moodley 1997, 171).

This process was aimed particularly at Mandela and Thabo Mbeki[3] key figures in shifting the ANC's policies, and was tactically the construction of hegemony at both the coercive and consensual levels. Coercively, essentially scare tactics over the economy were the order of the day. For example, then Finance Minister Derek Keys 'gave ANC economics head Trevor Manuel a briefing on the economy, and Manuel repeated it to Mandela. "And I got frightened", Mandela recalls. "Before Trevor finished, I said to him, 'Now what does this mean as far as negotiations are concerned? Because it appears to me that if we allow the situation to continue...the economy is going to be destroyed' (Waldmeir 1997, 213). The ANC's Mac Maharaj concurred, describing Keys' lecture as 'truly devastating' (quoted in O'Meara, 1996, 412).

Equally, the pro-business media ran numerous articles along the line that 'a mixed economy [would] place the country's economic interests in much the same sort of jeopardy that apartheid ha[d] done' (*Financial Mail* October 11, 1991). These factors convinced many within the ANC leadership that there was no alternative to neoliberal policies. As a result, 'the ANC leaders [were] prepared to ditch old ideas and embrace new ones in the interests of what they consider[ed] to be their own power' (*Sunday Independent* June 6, 1999).

Such constraints were real, particularly because the National Party

3 Mbeki was head of the ANC's Department of International Affairs from 1989 onwards until 1993, when he was elected Chairman of the ANC. He was essentially Mandela's right-hand man throughout the transition.

government had increased the country's budget deficit from 0.9 percent of GDP in 1989-90 to 10.8 percent in 1993-94 through a 'reckless spending spree' that had its roots in the emergencies of the 1980s (interview with Terreblanche, July 15, 1999). During this period, massive amounts were expended on defence and other security measures, while corruption became endemic (ibid.). Combined with a profligate policy towards the end of the National Party tenure to pump extra finances into civil servant pension funds, the stock of government debt rose roughly from R 100 billion to R 250 billion. It should be borne in mind that this increase in debt of R 150 billion could have covered expenditure for essential services in South Africa for nearly twenty years (*Business Day* September 15, 1998). Criminally, in its last year of power alone, the National Party government increased the national debt by 60 billion rands (*Sunday Times* May 15, 1994). By doing so, the regime circumscribed any future ANC government's room for manoeuvre as further spending in order to redistribute wealth, for example, would lead to inflation and massive debt. It was a clever move by strategists in Pretoria.

The consensual aspects of the *trasformismo* process vis-à-vis the ANC leadership was helped by Mandela's seeming eagerness to mix with the privileged elite and embrace *embourgeoisement*—'he seemed more at ease with bankers than trade unionists' (Sampson 1999, 434). As Waldmeir (1997, 256) puts it, Mandela 'constantly sought the views of international businessmen and bankers on South Africa's future. And he cultivated close relationships with top local businessmen—he spent holidays with the head of one of the country's leading mining families [and] entertained at the home of one of Johannesburg's most ostentatious businessmen...[He also] dined regularly with Anglo patriarch Harry Oppenheimer'. In short, 'the leadership core of the ANC was wined and dined from morning to night by the captains of industry' (interview with Terreblanche, July 15, 1999).

Scenarios set the scene

The above strategy was largely successful, as a satisfied Oppenheimer asserted regarding this period: 'when you talked about the future of the country, particularly on the economic side [to Mandela] he said a great many things that seemed to me very silly, but he says many of them less now' (Waldmeir 1997, 256). This personal one-to-one attention on the ANC leadership was combined with a plethora of corporate scenario planning exercises, released and aggressively promoted after 1990.

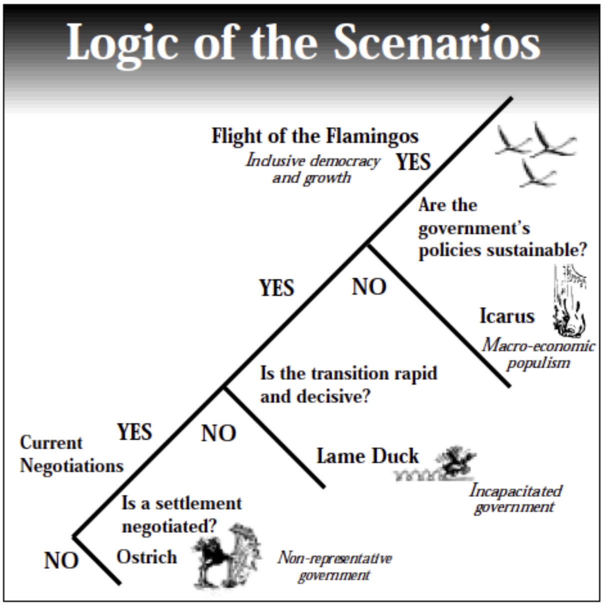
The first was Nedcor/Old Mutual's *Prospects for a Successful Transition*, launched in 1990. Between January 1991 and June 1992, thousands of South Africans, invariably from the decision-making levels of society and the ANC, attended the presentation of the Prospects ('Foreword', Nedcor-Old Mutual Scenarios 1992). This was followed by the insurance conglomerate Sanlam's *Platform for Investment* scenario and the social-democratic Mont Fleur Scenarios. Other scenarios, such as the South African Chamber of Business' *Economic Options for South Africa,* were also brandished about as offering "realistic" scenarios. The process by which these scenario exercises were introduced to the public was conducted so as to maximise publicity and impact, as one analysis pointed out:

> Beginning in late 1990 successive generations of scenario plans have typically been brought to the public's attention first by excited rumours of the planners' arduous, behind-close-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 through the ubiquitous video package and in print (Bond 1993, 3).

The most high profile of these at this juncture in the transition was the Mont Fleur Scenario of August 1992. Like many other scenarios of its kind, Mont Fleur revelled in simplistic caricatures aimed at attracting the public's attention. In particular was its demonisation of a 'popularly elected government which tries to achieve too much too quickly' and in the familiar language of those pushing the orthodox line, succumbed to 'macroeconomic populism' (Mohr 1992, 34). Such an economic programme was termed "Icarus" and the flight of the Greek to the sun and then disaster was mirrored in the Mont Fleur scenario with 'the country experienc[ing] an unprecedented economic crisis, resulting in social collapse and political chaos' (ibid.).

The above characterisation appeared to have made a deep impression of the ANC elites—as it was intended. Soon after the presentation, Tito Mboweni, chief spokesman on economic affairs for the ANC, stressed to the public that the organisation would avoid 'crowding out the private sector and over time destroy a whole set of macroeconomic balances, leading up to sharp economic decline and collapse—a kind of Icarus now, crash later' (Mboweni 1992, 42). As events have developed, the comment that '"Flamingo" has subsequently informed the economics approach of the GNU' appears remarkably accurate (Hamill in Toase and Yorke 1998, 66).

Actual graphic used in the Mont Fleur scenario



What was particularly notable about the Mont Fleur Scenario was the participation of ostensibly Left academics which 'tended to boost the credibility of the whole exercise' (Mohr 1992, 34). Yet such inclusion was purposeful in promoting a particular agenda ostensibly stemming from consensus by including ideas that somehow fit within the limits of what may be acceptable. Such tactics had been first practised by the Nedcor/ Old Mutual scenario which assembled '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' (Bond 1996, 20). Such efforts continued the rightward drift of the ANC.

Interventions by the IMF and World Bank

The involvement in the transition by two most powerful international financial institutions was remarkable. Throughout the transition period, 'the ANC leadership came under relentless pressure from the International

Monetary Fund [and] the World Bank…to abandon its proposed inward investment programme in favour of a more "realistic" investment-led, export-oriented growth strategy' (Murray 1994, 21). Though Left elements within the ANC warned about getting too close to such agents of surveillance and control, significant 'ANC officials were sent to Washington D.C. for a familiarisation course at the World Bank and returned without some of [their] baggage of suspicion' (Waldmeier 1997, 255).

This occurred within a context where the then head of the Johannesburg Stock Exchange had cynically remarked that the ANC 'must talk to people like competent economists from the IMF. If they go to Washington, they'll find all of a sudden that they'll be doing what everyone else is doing, which is privatising and reducing the state's share of the economy' (quoted in *South African Labour Bulletin* 1996, 23). Of course, advice from the World Bank and the IMF at this stage was offered—and accepted. It was not imposed upon a pliant liberation movement but was sought out by the leadership of the ANC. Such an understanding indicates that the World Bank and IMF were preaching to at best the wavering, and at worst converted.

Throughout this period, a plethora of research projects funded by the IMF and World Bank corresponded with and refined the same project. While the IMF delivered sharp injunctions about what was "reasonable" and "realistic", early on in the transition process, the World Bank began discussions with the ANC, creating a scenario where 'big business, the IMF and the World Bank [were] increasingly influential in the top ranks of the ANC leadership' (Von Holdt 1992, 34). According to one analyst, 'even by World Bank standards', the Bank's presence in South Africa during this period represented 'an unusually large…effort' by the body, and the Bank enjoyed considerable access to the ANC elites (Padayachee in Michie and Padayachee 1997, 30). Indeed, one World Bank representative later boasted that 'this is the only country in the world where we speak to the opposition' (*Business Day* August 15, 1994).

One of the Bank's main tactics was to 'win access to the most senior policymakers [in the ANC], thereby permitting the Bank staff to accelerate reform and to influence its character [i.e. the ANC's economic policies by securing] a place at the policy table' (Berg and Batchelder 1985). The Bank's efforts to influence the ANC were overt, frequently working in tandem with the business epistemic community. This process included an influential report that contributed to the debate over the eventual adoption of orthodox policies by the organisation.

The World Bank's *Reducing Poverty* became the constituent of a profound process of coercion and consent—pressurising and "trustbuilding"—with the ANC. The Report combined elaborate probes of Pretoria's economic situation 'with somewhat restrained neoliberal directives that were often offset by incorporating aspects of progressive thinking' (Berg and Batchelder 1985). Indeed, the Bank ironically leaned to a more progressive viewpoint than many of the South African "captains of industry" and their scenarios did.

Passion for the norms of neoliberalism pervaded the South African business press, however, with analysts openly recommending the implementation of IMF-style structural adjustment programmes. As an editorial in the *Business Day* reminded readers, the 'IMF will want measures such as currency liberalisation, reducing government spending, cutting subsidies to blue chip companies, privatising state assets and busting the cartels in labour and other markets. Some will complain about a loss of sovereignty, but we would have undertaken these reforms years ago if we had not be thwarted by vested interests ... we've been unable to make the reforms that will give us 6% growth. Perhaps the IMF will help' (*Business Times* August 21, 1994).

Embourgeoisement as surrender

From at least 1992 onwards, the ANC elites were actively seeking to pacify domestic and international capital. As the negotiations process wore on, deliberations by the ANC elites with its rank-and-file members and its Leftist allies, wereirregular. In particular, the link between the ANC's key negotiators and the ANC's Leftist economic experts were practically severed. As the elite rapidly began to accede to the hegemonic line, the pronouncements from the ANC even began putting forward the need for property rights guarantees and privatisation. Such guarantees were to be grounded in a constitutional law and followed what has been termed the 'new constitutionalism' of neoliberalism that 'privileged rights of citizenship...to corporate capital and large investors' (Gill 1998, 23).

Such a foundation for post-apartheid South Africa had been strongly demanded by capital and was articulated by the South African Chamber of Business' appeal for a constitutional bill of rights, which has been referred to as 'a way of protecting the minority's privileges rather than enlarging the freedom of the majority' (Adelman 1990, 34). This view was echoed by Habib's assertion (1998, 225) that one of the outcomes of the transition was a 'commitment on the part of the ANC to manage, and to locate its programme of economic reconstruction within the framework of, a market economy. This was captured in a range of clauses in the Bill of Rights which recognised the right of individuals to own property and accumulate capital, and to dispense with these as they please’. In short, the settlement thus established the parameters of any post-apartheid economic programme.

Such moves in turn marked ‘a shift away from policies which [would have been] morally and politically correct, but which [would have] cause[d] strong adverse reaction from powerful local and international interests’ (Kentridge 1993, 10). Indeed, the ANC’s draft policy guidelines of April 1992 made no reference to higher taxation thresholds for the massive corporations and suggested privatising elements of the public sector while at the same time ditched any call for a restructuring of the financial sector.

Though elements from the Left and COSATU ,in particular, attempted to stem the drift rightwards.By the time of the democratic elections of 1994, the macroeconomic debate had been largely won. It is extremely difficult to pin-point when this actually occurred as the dynamics surrounding the intra-ANC debate on economic policy and the rhetoric that emanated from this was complex and often contradictory. It is rather futile to attempt to fix a time when the ANC supposedly “switched” to neoliberalism, though the suggestion that ‘the ground for the macroeconomic compromise was sewn during the 1990-93 period’ is not unreasonable (Bond 1996, 16). Certainly, ‘by late 1992 nationalisation was effectively no longer a serious option on the economic agenda of the ANC’ (Habib and Padayachee 1999, 8).

Pronouncements by elites within the ANC indicated fairly early on in the transition that they had become reconciled to the broad norms of the hegemonic discourse. For example, when Mandela spoke at the World Economic Forum (WEF) meeting in Davos, Switzerland in February 1992, his rhetoric was remarkably soothing to the gathered elites. For instance, he asserted that the ANC was ‘determined to...establish the political and social climate which is necessary to ensure business confidence and create the possibility for all investors to make long-term commitments’ to South Africa, while urging business to ‘give us time’ over the question of nationalisation (*Financial Mail* February 7, 1992). By doing so, Mandela ‘created a good impression among the many leading international and business figures at the conference’ (*Finance Week* February 6–12, 1992).

According to one account, attendance at the WEF had a profound influence upon Mandela’s thinking vis-à-vis economic issues, with intense lobbying from the gathered elites finally convincing him of the common sense of neoliberalism. Apparently, ‘“They changed my views altogether”, recalled Mandela. “I came home to say: “Chaps, we have to choose. We either keep nationalisation and get no investment, or we modify our own attitude and get investment”’ (quoted in Sampson 1999, 435). Hence it is possible to assert that certainly by 1992, Mandela was acceding to the neoliberal line. To wit, 'the ANC [was] probably the only liberation movement in history to speak of financial discipline before it assume[d] power' (Herbst in Stedman 1994, 34).

Nonetheless, such a process eventually ensured that 'the "big issues" that were for so long the touchstones of socialists in South Africa—nationalisation of banks, mines and factories; nationalisation and redistribution of the land; universal health care and universal, equal education—[were] effectively abandoned' (Harris 1993, 91–92). Symbolically, the new ANC government retained Derek Keys (an ex-chief executive of Gencor, one of South Africa's major mining conglomerates) as Finance Minister. By doing so, Mandela 'delighted investors, businessmen and White South Africans...Nothing else would have persuaded the outside world—not to mention sceptical South Africans—of his commitment to free-market economies and political moderation' (*Financial Times* May 7, 1994).

In our theoretical understanding of how the GNU continued to be socialised towards the hegemonic norms, Keys' appointment is quite revelatory, for he played a no small part in imparting neoliberalism as "common sense" to the ANC elite. As a report in the corporate mouthpiece *Business Day* (January 13, 1993) commented approvingly:

> We can look with some hope to the evolution in economic thinking in the ANC since the occasion nearly three years ago when Nelson Mandela stepped out prison and promptly reaffirmed his belief in the nationalisation of the heights of the economy. By contrast...Mandela [has gone] out of his way to assure a large group of foreign (and local) journalists that the ANC was now as business-friendly as any potential foreign investor could reasonably ask. He indicated further that *ANC economic thinking was now being influenced as much by Finance Minister Derek Keys and by organised business as anyone else* [emphasis added].

Keys was later replaced by a conservative Afrikaner banker, Chris Liebenberg, whose budget in 1995 was described as 'speak[ing] volumes about the new-found conservatism of the...government of national unity' (*Weekly Mail and Guardian* March 17, 1995).

Explaining the embourgeoisement of the ANC elite

It is vital that reductionist explanations about the transition are avoided. The simplistic view is that the ANC came around to the "economic realities" of neoliberalism and so quietly ditched their socialist pretensions in favour of the ongoing orthodoxy. Yet such a supposition grants the ANC far more ideological coherence than ever existed during its long years in exile and certainly during the transition, when the organisation was in a state of flux over a host of issues, economic policy included. Furthermore, such a position ignores the residual body of aspiring bourgeois Africanists within the ANC who had always felt uneasy about the organisation’s socialist rhetoric during the years of struggle. For them, embourgeoisement was a very real ambition.

Such fractions within the ANC were boldly strengthened by the collapse of the socialist state systems and the ideological disorganisation that the Left suffered. One important factor in shifting ANC macroeconomic policy can be found in the crucial change—at the behest of capital and its allies—of the terms of the debate from the ideological, where the ANC was largely unprepared and in a state of confusion, to the specifically technical, where the organisation was most certainly disadvantaged (Marais 1998, 158). For sure, as Ngoasheng (1992, 117) summarised it:

> As the DEP entered the terrain of policy, it soon became clear that this was a contested terrain. The terrain of struggle had shifted to the arena of policy. For example, capital and the state tried to pressurise the ANC to concentrate on technical economic issues. The ANC had to say something about the budget, deficits, tax policy and so on. The state and big business were determined to push the ANC into a position where it [would] begin to concentrate on technical proposals to what [were] essentially politico-economic problems.

ANC efforts in working out responses to such pressures and crafting a coherent macroeconomic framework were hampered by the lack of attention put into bodies such as the Economic Department. This scenario was a direct result of the ANC’s long-standing neglect of economic policy. Thus ‘in terms of the economic debate, the ANC was...clearly on the defensive at the beginning of the negotiation process. It simply did not have a set of new progressive ideas and strategies to counter those neoliberal ideas so powerfully proposed by the Washington institutions, Western governments, local business interests, and the De Klerk regime’ (Michie and Padayachee in Michie and Padayachee 1997, 228).

This factor considerably strengthened the hand of the business community and its organic intellectuals who relatively easily embarked on a concentrated political and ideological struggle to promote the hegemonic norms which they subscribed to. By doing so, the policies that should not be pursued—the “Flight of Icarus” of the Mont Fleur Scenario—were comprehensively rejected, very often at nominally technical levels. As one analysis has put it, the privileged elite in South Africa were 'quite effective in [their] ideological propaganda about economic policies that should not be implemented on the grounds that they may damage the vested economic interests of the rich and the very rich' (Terreblanche in Van Beek 1995, 361). That this was possible can, in large part, be accounted for by the failure of progressive elements within the ANC to put forward a coherent counter-hegemonic strategy that on the technical level could withstand the withering critique of the epistemic community of neoliberalism.

This actuality not only effectively emasculated the progressive wing of the liberation movement, but also gave courage to the Africanist conservative fraction within the ANC who, in tandem with erstwhile ideological partners in the business community, rapidly moved to influence the ANC's economic policy. Such a playing out of the historical contradictions within the liberation organisation not only meant that the conservative wing of the ANC became ascendant, but also that the progressive element was essentially disempowered by their inability and inaccessibility to the economic debate. Henceforth, and in classical Gramscian analysis, those fractions who opposed the neoliberal agenda were cast from the terrain of the debate as lacking any serious and rigorous contribution to be made.

Last chance saloon

Prior to the outright adoption of neo-liberalism by the ANC, a holding action centred around the Reconstruction and Development Programme (RDP) temporarily placated Leftist critics. The RDP reflected the ambiguities and tensions in the ANC's economic stance as its elites struggled to reconcile their drift to the Right with its more progressive mass base.

The Reconstruction and Development Programme was the main vehicle chosen by the new post-apartheid government to further the much-needed socio-economic reform that the ANC had campaigned upon during the electoral period and was to a large degree the icon around which the ANC's vision for the future was predicated (Munslow and FitzGerald 1995, 42). Initially drafted in February 1994 and the economic document upon which the ANC fought the elections, the RDP was finally presented as an economic framework for South Africa in the form of the RDP White Paper in September 1994. Yet the differences between the initial pre-election Base Document of February and the post-election White Paper of September both were quite profound. This process in itself reflected the ongoing tensions within the ANC and the pressures of capital, for the Base Document had been widely seen as a compromise that the ANC elites had agreed upon to keep on board COSATU and the SACP during the immediate pre-election period, raising the suspicion that ‘the RDP was viewed by the ANC leadership as just a mobilising tool for election purposes’ (Padayachee 1998, 440). For sure, the South African labour movement had ‘made its entry into the Tripartite Alliance contingent upon the ANC and SACP adopting [the RDP] as the basis of all subsequent development policy’ (Ginsburg 1996, 87).

Even before the ANC acceded to power, its elites were indicating to big business that they were ‘more flexible on its [the RDP’s] policy outlook’ and ‘clearly [didn’t] want the RDP to constitute a writing in stone of its economic thinking’—raising the question: how genuine was the ANC leadership in its commitment to the original RDP document? (*Finance Week* April 7–13, 1994). Certainly, on the eve of the elections key ANC players such as Mandela, Mbeki and Alec Erwin met with 250 key businessmen at the “Sandton Summit” to ‘subject the practicalities of the ANC’s RDP to public scrutiny’ or, phrased another way, and in an advertisement for the meeting, the opportunity to ‘have them [the ANC] for breakfast’ (*Finance Week* March 10–16, 1994). Instead of promoting the RDP in principle, Mandela emphasised to the assembled representatives of large-scale capital that ANC policy was ‘evolving in detail’ and that he ‘envisage[d] a partnership with business making an input into policy’, while Erwin stressed that ‘there [was] not one mention at all of socialism’ (*Finance Week* April 7–13, 1994). This retreat from defending the RDP as a principled cornerstone of any post-apartheid administration’s economic policy reflected not only a continuum in the development of the ANC’s overall macroeconomic stance, but also an almost desperate attempt to court large-scale capital and signal to “the market” the ANC elite’s general “tilt”.

This in itself was a reflection of the ANC leadership’s belief that ‘the confidence of the markets could only be maintained by a commitment to financial orthodoxy and the belief that such confidence was vital to the country’s ability to attract inward investment’ (Guelke 1999, 170). This was manifested shortly after acceding to power when, hampered by a constitutional demand to share office with the National Party, ‘there was a... discernible shift away from state intervention and towards an RDP driven by private-sector growth’ (Adams 1997, 241). Such a scenario reflected the steady, if non-lineal, trajectory rightwards by the ANC since its unbanning in 1990, increasingly predicating ‘transformation on the prior servicing of the prerogatives of capital’ (*Weekly Mail and Guardian* May 16, 1997).

In the context of the RDP, this was perhaps possible because of the essential vagueness, lack of concrete economic proposals and the confusion sown around the differences between the original Base Document and the subsequent White Paper, which meant that the RDP came 'to mean anything anyone want[ed] it to mean' (Rapoo 1996, 5), and could be viewed as 'an attempt on the part of the South African Government of National Unity to be all things to all people' (Black 1995, 544). Indeed, 'the politically motivated attempt to keep the Left within the democratic movement happy... resulted in a highly incoherent and largely fragmented strategy for economic development' (Adelzadeh and Padayachee 1994, 2). This fragmentation in itself reflected the deep concessions that the ANC elites had granted during their negotiated path to power and, the structural compromise via the new constitution that forced onto the first post-apartheid government the National Party as ostensible partners. In short, the RDP was a compromised document from a compromised movement.

Hence many saw it as a 'very significant compromise to the neoliberal "trickle down" policy preferences of the old regime' (Adelzadeh and Padayachee 1994, 2). The *Sunday Times* (October 9, 1994) remarked that 'all signs now are that our policy-makers see that the objectives of the RDP are wholly compatible with the three words [liberalisation, privatisation and convertibility] which so interest the money men'. For example, eliminating calls for nationalisation—even as a policy option—while pushing for privatisation and "fiscal discipline" indicated just one way the White Paper had changed from the initial Base Document. Indeed, whereas the Base Document had argued that fiscal discipline should be a mean to achieve development, the White Paper elevated such a notion to an objective. It is for this reason that even the most conservative economists supported the RDP, focusing on its 'envisaged monetary and fiscal discipline' and its usage of 'domestic and foreign competition as the disciplinary force in the market for the private sector, leaving it ["the market"] on its own for the rest' (De Wet 1994, 330). By doing so, the hand of conservatives within the ANC was further strengthened.

Furthermore the weakness of the RDP was increasingly evidenced by the disjunction between the RDP as an economic programme and other aspects of economic policy, which became more and more conspicuous (Blumenfeld 1997, 69). In particular the contradictions that the RDP engendered at a time when the new government was desperately trying to appease domestic and international capital through its repeated pledges vis-à-vis macroeconomic stability and the desire to make South Africa "investor-friendly" made the RDP's place within the wider economic framework 'unclear [and] at worst...potentially antithetical' (ibid.). The fact that the RDP itself could be seen as arguing for 'creating an "enabling environment"... through macroeconomic balance and sound fiscal policy' compounded this 'cocktail of confusion' (Nattrass 1994d, 36). At the same time, the palpable lack of delivery on the ground proved a major embarrassment to the government, with the minister in overall charge of the RDP—Jay Naidoo—being ridiculed in the business press as the 'Minister of Everything and the Minister of Nothing' (*Business Day* March 27, 1996).

At the same time, representatives of large-scale capital urged 'the rejection of egalitarianism, which is counterproductive', while making a strenuous push for a firm commitment to 'privatisation and tight curbs on health and education spending...so that official debt can be reduced, taxes moderated and interest rates lowered' (*Financial Mail* December 8, 1995). Such calls reflected an intensification of 'increasingly successful lobbying of, and impact on, the ANC leadership' (Padayachee 1998, 444). This process was symbolised by the release by the South Africa Foundation (SAF) of a rabidly orthodox macroeconomic strategic plan entitled Growth for All (see South Africa Foundation 1996).

Representing a consortium of fifty of South Africa's most powerful corporations (a company has to be valued at more than 2 billion rands to qualify for membership and the fee is 70,000 rand per annum), the South Africa Foundation was 're-established to propagate a free market approach' (interview with Terreblanche, July 15, 1999). Written by 'mainstream economists and leading business figures' (*Finance Week* March 7–13, 1996), the Foundation's document endorsed capital's call for a wholesale embracing of neoliberalism by the GNU. Integral to this was the SAF's call for a "two-tier" labour market which discriminated between those already employed (who would remain subject to continuing labour regulations) and new entrants to the market (who would be subject to more "flexible" regulations). These new entrants would be subject to termination of employment 'for commercial reasons' while having no automatic right to severance pay and no right to a procedural mechanism before retrenchment. Employers meanwhile would possess the right to instantly fire workers involved in unofficial strikes. Furthermore, the employer would have the obligation only to implement minimum-standards legislation, while minimum wage restrictions would be abolished (South Africa Foundation 1996, 103). Much of the business community was highly enthusiastic: for instance, the *Financial Mail* deemed the two-tiered market 'a novel idea' (March 8, 1996), that was 'a genuine attempt to put forward a strategy in the national interest' (*Financial Mail* March 15, 1996).

The importance of the Growth for All document is hard to gauge, though certainly Mandela—and this reflected the access business had to the top echelons of the GNU—was given a private presentation of the document prior to its release (*Sunday Times* June 2, 1996). Such access undoubtedly lead to the *Financial Mail* boasting (on its front cover) that 'Business Shows Mbeki the Way' with the SAF report (*Financial Mail*, March 8, 1996). A critique of its platform feared that 'the business community, represented by the South Africa Foundation' had embarked on 'a well-financed and well publicised campaign to cling onto their wealth' by influencing the ANC elite (COSATU, NACTU and FEDSAL 1996, 5).

For sure, one analysis has argued that its publication, combined with the collapse of the rand 'appear[ed] to force the GNU to accelerate the production of its macroeconomic framework document, in part to reassure jittery international financial and currency markets of its fiscal prudence' (Padayachee 1998, 441). Certainly the business press valued its importance, regarding it as an opportunity to effectively blackmail the government into embracing the extremist neoliberal position of the SAF by asserting that 'if government reacts negatively, it will draw attention to its qualified endorsement of market-oriented economics. That in turn will discourage investment, undermine the rand and lock this economy into a low-growth trap' (*Financial Mail* March 8, 1996). This in itself mirrored the SAF's own self-inflated position that if the GNU ignored its prescriptions, 'the world will forget about the political miracle before long, because [South Africa's] economic policy will have failed' (quoted in South African Foundation 1996, 43). Such pronouncements were not made after dialogue with the broader civil society, but rather curtailed any serious public discussion by delimiting debate to the elites.

The 'factors and pressures all served to focus attention on the appropriateness or otherwise of the government's macroeconomic policy' and further undermined the RDP (Michie and Padayachee in Michie and Padayachee 1997, 224), as 'those who wanted a "clear" (that is, their own) macroeconomic policy to be anointed as official [and not the RDP] used the rand's decline to intensify pressure' (*Weekly Mail and Guardian* June 20, 1997). This ensemble of determinants rapidly lead to an abandonment of the programme in what has been termed 'a panic response to the...exchange rate instability and a lame succumbing to the policy dictates and ideological pressures of the international financial institutions' (Adelzadeh 1996, 67).

Such a scenario was compounded by the urgings of the international financial institutions, the domestic media and capital. The *Financial Mail* for example claimed that the failings in the South African economy were in fact due to the failure of the RDP, and urged its scrapping (October 6, 1995). In addition, by maintaining most of the old civil service, the GNU was continually receiving 'advice given on economic matters [which was] almost exactly the same as under the National Party regime' (Dexter 1995, 58.). This inexorably led to a situation where the ANC-led government relied too heavily on old guard strategic counsel (*Weekly Mail and Guardian* October 2, 1996). This was combined with ongoing circumstances where there was a 'continuing extension of the rise of a "technocratic" policymaking elite, comprising key ministers and senior civil servants in relevant departments together with a core of academic advisers, most of whom were politically sympathetic to the government, but almost all of whom emphasised the need for fiscal discipline to be at the core of South Africa's macroeconomic strategy' (Blumenfeld 1998, 2).

With this in mind and the trajectory of the transition that has already been mapped out, it became increasingly apparent that the ANC elites had 'internalised the conditionalities imposed by the World Bank and IMF' (Fine 1995, 21) and in fact 'had embraced liberalisation beyond the WTO's requirements' (*Sunday Independent* May 24, 1998). This was manifested through the release of the Growth, Employment and Redistribution (GEAR) document, the concomitant effective scrapping of the RDP and a situation where 'economists and the markets accepted that the democratic government had embraced dominant economic thinking' (*Sunday Independent* March 22, 1998).

Embourgeoisement emblematised: GEAR

In February 1996, Deputy-President Thabo Mbeki announced a new strategy for the nation's economic development. Though the government continued to pay rhetorical lip-service to the RDP, its office was closed and its head—Jay Naidoo—was reassigned, and this was rapidly followed in June 1996, by the government hastily releasing its new macroeconomic strategy under the name of the Growth, Employment and Redistribution (GEAR) plan. This document ambitiously claimed it would increase annual growth by an average of 4.2 percent create 1.35 million jobs by 2000, boost exports by an average of 8.4 percent per year and—perhaps crucially—improve social structure.[4] How this new policy was adopted came about from a coalescing of factors: '[T]he ANC, pressured by advisers from the old regime, economists from the World Bank and IMF [and] experts from the business community...stepped back from the RDP's emphasis on social spending...and instead adopted a neoliberal economic export strategy which emphasised free markets, fiscal discipline and building business confidence, even if that meant "downsizing" to be competitive in the global economy' (Murray 1997, 5).

In an attempt at closing off debate, as Gramsci highlights in his

4 It failed to do any of these.

discussion of ideology, the government's finance minister immediately declared that GEAR was 'non-negotiable' in its broad outline. Indeed, GEAR was released 'without any qualification [and] after very limited discussion' within the ANC national executive committee (*Business Day* September 4, 1996), and with no prior discussion, particularly with the ANC's partners in government—COSATU and the SACP. Even senior ANC leaders were not informed of its contents.

Written by a small team of technical experts, GEAR was modelled on a South African Reserve Bank econometric model that was the same used by the Bank during the late apartheid years. This was characterised as 'one of the most conservative models that anybody could chose to use' (*The Citizen* July 23, 1996). '[T]he main model used [w]as never...made public and thus [w]as never...the subject of an independent and rigorous debate by professional economists' (Adelzadeh 1996, 68). It was 'decided on only by "some macro economists playing on their computers"' (*Pretoria News* July 22, 1996). While this is perhaps unfair, the credentials of GEAR's authors certainly exhibited a profound conservative bent. As Patrick Bond wrote, 'most of the sixteen economists who devised the strategy are from institutions such as the Finance Ministry, Development Bank of Southern Africa, World Bank and Stellenbosch University's Bureau of Economic Research. Their free-market ideologies have proven ineffectual or downright oppressive here and across the Third World' (*New Nation* June 21, 1996).

The ideology contained in the GEAR document was consistent with the consensus within the ANC elite on the efficiency of the market system and exhibited a 'commitment to conservative fiscal policies, trade liberalisation and a shift from consumption to investment spending' (*Business Day* October 30, 1998), made up of 'litanies of policy measures that could have been taken from the IMF manual' (Padayachee 1998, 442). While the new framework stunned many on the Left within the ANC alliance, it did finally illustrate, 'quite clearly that the "common-sense" orthodoxy of neoliberal development [was] entrenched' in ANC thinking (Leysens and Thompson 1994, 56), and highlighted the shift away from redistribution and towards growth as a development framework. In short, it was a culmination of impulses that had been played out throughout the transition, and ultimately 'reflect[ed] a remarkable shift in the ANC's ideological orientation in the period from 1990 to 1996' (Terreblanche 1999, 7). This can be characterised as the *embourgeoisement* of the ANC elite.

Concluding remarks

When reviewing the development of the ANC’s economic thinking during the transition, one analysis summed it up: ‘to all intents and purposes, the policy that almost replaced the sacred Freedom Charter [i.e. the RDP] in its vision of a more equal and progressive order [was then] shelved [and a] Thatcherite discourse of fiscal discipline and market forces’ took over’ (Adam, Slabbert and Moodley 1997, 161). Mandela himself later admitted that people ‘can say [our policy] is Thatcherite, but for this country, privatisation is the fundamental policy of our government’ (quoted in Pilger 1998, 606), while Mbeki invited analysts to ‘call [him] a Thatcherite’ (*Business Times* June 16, 1996).

This subsequently meant that the business press in South Africa was in general highly supportive of Mbeki’s succession post-Mandela, with the *Business Day* typically expressing the assertion that ‘Mbeki [has] the hand on the GEAR economic policy, [it is] a hand which everyone wants to be strong’ as capital hoped that ‘Mbeki [would] prove a decisive, Machiavellian figure, who will use his mandate to break the power of the unions to impede privatisation and block needed liberalisation of the labour market, and thus make it easier for employers to hire and fire [workers]’ (*Business Day* June 9, 1999). How right they were.

Such support for Mbeki and his circle was long-standing and went back to the transition period when he was ‘the darling of the business sector’ and ‘the corporate sector’s Man in Shell House’ (*Sunday Times* June 20, 1999). Indeed, as a biography of him points out, Mbeki was long recognised as someone who ‘possessed the qualities to lead the ANC into the new South Africa and strike an historic compromise with White South Africa and the forces of capitalism’ (Hadland and Rantao 1999, 88). This in itself ties in with the aspirations of the emergent Black elite who were strongly supportive of the *embourgeoisement* of the ANC, subsequently joining the ranks of a nascent historic bloc, sharing the ‘liberal capitalistic ideology’ of White-dominated capital, while reinforcing their increasing foothold in the economy (*Cape Argus* March 8, 1999). As one newspaper put it, ‘the buppies [Black yuppies] are right behind Mbeki’ (*Sunday Independent* July 4, 1999).

Such developments were a playing out of tendencies that had been residual within the ANC’s own historical experience through the long years of struggle and which manifested themselves more openly in the transition and then post-apartheid era. After 1994, a key policy of the ANC government has in fact been the enthusiastic support for the development of a Black bourgeoisie through legislative and administrative actions (*Weekly Mail and Guardian* May 21-27, 1999). Thus ‘although the ANC still enjoys overwhelming support of the Black working class, its policies are aimed at advancing the interests of the Black bourgeoisie and petit bourgeoisie whose interests are integrally tied to that of [externally-oriented] money capital' (Labour Left Collective 1998, 13).

The result was that it has been very hard to locate equity as an explicit policy goal of Pretoria post-1994. Attempts to restructure the social organisation of South Africa's political economy have not been attempted, other than the cultivation of an ostentatious parasitic Black elite through programmes such as Black Economic Empowerment. John Saul pointed out that the government's policies pretended that 'everyone, capitalist and shanty-town dweller alike, ha[d] more or less the same interests and [could] be served by more or less the same policies' (Saul 1994, 38). By separating the economic from the political, the interests of the emergent Black elites as they became increasingly incorporated into the nascent historic bloc were safeguarded. Indeed, GEAR itself might be described as reflecting and reinforcing the *embourgeoisement* of the ANC elites and their allies, the Black bourgeoisie, which has less and less disputes with the old social order and a greater appetite to join it.

Emblematically, just after the first non-racial election, the Minister of Public Services and Administration, Zola Skweyiya, crowed that 'the ANC shouldn't shy away from Blacks becoming capitalist. The only question is—how do we achieve it?' (*Weekly Mail and Guardian* December 15, 1995), whilst Deputy Minister of Trade and Industry Phumzile Mlambo-Nguka stated that Black businessmen should not be shy to say that they wanted to become 'filthy rich' (quoted in Adam, Slabbert and Moodley 1997, 201). So much for the 'The People shall share in the country's wealth!'

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ABSTRACT

This article aims to analyze the process of embourgeoisement present in post-apartheid South Africa. Comprehending embourgeoisement as a process in which there is the migration of people to the bourgeoisie ranks, it is argued that the initial events in the 1990s that marked the end of the apartheid regime can also be seen as a conglomeration of social and political-economic forces that has stimulated the ANC elites to not turning back to the economic policy restructuration of South Africa. After these analysis, it is concluded that there is not a clear trend in South African politics in post-1994 based on social equity.

KEYWORDS

South Africa; African National Congress; Embourgeoisement; South African economic policy.

Received on December 06, 2015.
Approved on April 29, 2016.