

## South Africa – unequal, unstable and unsustainable

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*“We have apparently gone astray from the path of liberation. Having lost our way, we are helplessly floundering in the desert, misled by the unprincipled, the unscrupulous, the self-centred and narrow-minded. The essential attributes of honesty, uprightness, integrity and a sense of honour are missing in our public life... The country has been brought to its knees and is desperately struggling to keep its head above water.” – Mda (2019)*

An overview of the current political-economic-social situation in contemporary South Africa points to the following key features:

- A **stagnating economy** where mass unemployment is now well over 32% of the labour force and at more than 46,3% for the youth – this translates to at least 7,2 million people (Statistics South Africa, 2021);
- The **collapsing social fabric** in poor and working class communities, which is, and has been the breeding ground for the kind of social unrest we saw after the incarceration of former President Jacob Zuma in July as well as extreme forms of violence and brutality against women and children, rising crime, gangsterism and substance abuse, xenophobic violence and pogroms;
- A **collapsing state and deteriorating services**, as government departments and state owned enterprises become more dysfunctional as a result of corruption and cronyism;
- **Super-exploitation** of employed workers in contrast to sustained profits by the very top of capitalists, and **precarity** for a large number of vulnerable workers, informal workers and a permanently unemployed mass;
- **Intersecting ecological and climate crises** subjecting vast parts of the country to extreme weather events such as devastating droughts, destructive storms and floods as well as eroding air quality, soil fertility and declining fresh water resources with resulting impacts for food sovereignty and quality of health;
- **Collapsing energy (especially electricity) and transport systems**, which exacerbate pre-existing inequalities, deepening spatial Apartheid geographies and demographics.

These multiple and intersecting crises have worked to give rise to a **crisis of politics**, at the heart of which is the erosion of popular progressive consciousness and widespread disillusionment and lack of hope amongst the impoverished majority. Under these pressures, South Africa’s rich tradition of popular social movements and working class solidarity have declined. Existing trade unions and social movements are fragmenting and struggling to effectively represent the interests of their constituencies. Yet these popular forces are key in turning the situation around. For this to happen, what is required is a coherent perspective, strategy and programme of the long-term, that can deepen organisational, political and geographic depth, sophistication, sustainability, impact, solidarity and unity in action. With such a strategy and programme, there can be real opportunities for the recomposition of a progressive broad mass movement, possibilities for the re-emergence of united workplace and community struggles and the potential for these to create a political dynamic that can challenge the ANC’s hold over the black working class.

### Stagnation and rising public debt

The National Income Dynamics Study of 2017 estimated that approximately 18 million people (which equals at least 30% of the total population of more than 59 million) live in the poorest 20 per cent of households (with almost half of these households being in rural areas) (Francis et al, 2020). The poorest 50 per cent of South Africans have do not have any wealth at all, instead they have on average more liabilities worth R16 000 than assets (Francis et al, 2020). By comparison, the richest 10 per cent have an average net wealth of R2.8 million per person with the top 1 per cent has an average net wealth of R17.8 million per person (Francis et al, 2020). In moments of economic crisis (such as those that pertain under the lockdown), it is not income, but wealth, which sustains households (Francis et al, 2020).

South Africa's public finances are in a perilous state due to the combination of four crucial factors: low economic growth, lethargy in tax revenue collection, a rise in public debt levels and the refinancing of poorly performing and often corrupted state-owned enterprises. The budget deficit for 2020–2021 has shifted from 6.8 per cent of gross domestic product (GDP) to 14.6 per cent with government revenue for the 2020/21 financial year was estimated to have suffered a shortfall of almost R300 billion, leading to a total budget deficit above R700 billion (Francis, Valodia and Webster, 2021). The country has a serious public debt challenge.

Compounding this picture are the extreme levels of concentrated economic power, ownership and control (including vertical integration within sectors) which have actually increased since 1994. This has been confirmed by a Competition Commission study of merger reports which found that unilateral dominance (at least 45% dominance by a single firm) existed in 294 distinct product markets in ICT, energy, financial services, food and agro-processing, infrastructure and construction, intermediate industrial products, mining, pharmaceuticals, and transport. The exclusion of smaller participants from key economic sectors contradicts the need to deracialise the economic thereby fuelling the logic of using the state as a key leverage to accumulate and appropriate rents by new economic players.

With its prioritisation of export-led growth, commitment to free markets, conservative macro-economic policies such as inflation targeting, fiscal austerity, low taxes on high incomes and privatisation, Ramaphosa's policy positions reinforce the failed path that has been followed over the last 26 years. In addition to missed growth and employment targets, this neo-liberal path weakened the public health system, compromised the immunity of the poor, limited access to clean running water – thereby exposing society to the killer Covid-19 virus.

Mainstream neo-liberal economists and others have called for what they refer to as structural reforms in order to grow the economy and thereby create jobs. The key reforms they call for include privatisation of Eskom and other public entities, a further weakening of the labour regime, reduction of public spending, reduction of the public sector wage, as well tax incentives and reduced taxes for investors. All these measures are counter to overwhelming global evidence that measures such as public goods (including widely accessible education, health, electricity and public transport), social transfers, redistributive tax, a living wage and labour rights are critical to reducing the inequality gap.

In order to achieve these reforms, there have also been calls for a social pact where labour and poor people are expected to moderate their wage and other redistributive demands in order to allow space for capital to increase its liquidity and thereby be better positioned to invest. Not much has been said about what will be the concession from capital regarding

redistributive benefits that poor and working people would gain from such a pact. Even the initially pro-poor National Health Insurance which could have become a major part of such a social pact has been captured by private interests. Overall, the hoarding of profits away from productive investment make such a social pact unlikely to be redistributive. What further weakens the redistributive thrust of the punted social pact is the weak state of trade unions and social movements – meaning that there is not much that they can win on the negotiating table given that they do not have the required social and political weight to win it on the streets and broader hegemony in society. Further, the state is increasingly discredited and disabled from playing an appropriate leadership and investment role to facilitate such a social pact. In other words, South Africa is stagnating into a strategic stalemate. In such a context, the Treasury has been free to continue with ~~the~~ austerity largely unchallenged by organised social forces and also redistributive poles within the state.

This means that the prospects for South Africa to emerge from the pandemic with a more equal and fair society and a more resilient economy are rather dim.

### **Deepening social crisis**

Working class communities are already battered by the pandemic of violence, with women and children bearing the brunt of an extremely stressed society, where nearly 60 people are killed violently in our streets each day. Women, including the aged, live in fear in their homes and streets. We have also witnessed rising xenophobia, inter-ethnic strife, criminality, warlordism (often violent local competition over the remaining crumbs in the economic pie – parcelling out of small municipal tenders, control of land occupied by homeless people, taxi routes, informal trading sites). While seemingly meagre, the R350 Covid-19 unemployment grant has proved important to many without work or assets, or have to face a collapsed rail or health or education system. These day-to-day social costs — to answer the call of nature, to access work, to move, to live — may split our social fabric sooner than any political splits based on power and greed. The zones of reproduction occupied by poor and working people are zones of rot and decay. The Gift of the Givers Foundation reports that they've never before seen the kind of hunger they've witnessed in recent times in places such as the Eastern Cape (Cawe, 2020). The hard reality is that people remain poor, and they are dying, not just from Covid-19, but also from hunger (Cawe, 2020). Many of these features have been worsened by the Covid-19 pandemic and lockdown.

This entrenched social crisis further fragments progressive popular self-organisation. With such fragmentation has opened up space for the rising legitimacy of conservative social discourses as we can see in conservative churches and traditionalists using religion, culture and identity as explanations for the social ills we face. Given how the socio-economic conditions are pregnant with possibilities for a massive social upheaval, the rise of conservative social forces is a cause for worry.

Despite the largely negative prognosis above, the Covid-19 pandemic and lockdown has also produced interesting seeds of hope – the nascent mutual aid initiatives, food gardens, soup kitchens, community action networks, broad coalitions, self-organisation of vulnerable sectors such as ECD workers, community health workers and outsourced workers; and initial signals for worker-community solidarity and action amongst progressive sections of the labour movement. It is these seeds that must bud and grow further for a renewed mass-based strategy to reclaim South Africa towards democratic social justice.

## **Strategic incapacity of a comprador ruling elite**

In essence, we have a weak ruling elite characterised by fratricide, strategic incapacity, and a limited agenda for change which still retorts to an exhausted and less attractive liberation legacy. This ruling elite struck a historic compromise with a tiny white monopoly capitalist class (WMC). Over the last 25 years WMC has grown more and more powerful, and the black elite less and less powerful. Both the black elite and the majority of the new black middle class are drowning in debt whilst WMC has repositioned itself outside the country, and disciplines the elite through limited fixed investment, capital flight, poor investment ratings by rating agencies and the roles played international financial institutions. Through its hegemony over the ANC and other parliamentary parties, WMC has felt no need to offer compromises for redistribution or socio-economic equality. The primary role of the post-1994 state is to defend capital accumulation on the basis of winning the legitimate consent of poor and working people through a democratic semblance and limited socio-economic reforms which have achieved effective social and political control over the impoverished majority to date.

The black middle class has risen through state employment, and also business tenders from the state. The economic decline of this middle class and its exclusion by large firms from key sectors of the economy has driven it into a situation where it has to accumulate and protect its newly acquired life-style through corruption. As a direct consequence of ANC actions and omissions, the ANC has effectively become a system aiding and abetting corruption. This explains why Ramaphosa will remain structurally unable to address corruption.

What we have not yet seen is sustained, systemic repression as the Ramaphosa government runs out of options in managing the ripening contradictions. But we have already established evidence that points to the state arming itself in this regard – in the 2016 fiscal year 70% of the salary budget of the state was allocated to repressive arms of the state (defence, the police and prisons). The instability of this state form is going to come to a head with the socio-economic fallout from the Covid-19 pandemic as the democratic shell is tested to its limits. The July social unrest was already a demonstration of this.

## **Weak social movements**

South Africa does not have viable mass organisations that can provide the strategic and political leadership capable of matching formidable challenges facing humanity today. Structurally, we have the old working class that came out of the period of apartheid and led the struggle for liberation (Covid-19 Working Class Campaign, 2019). Up until the onset of the Covid-19 lockdown, this diminishing section enjoyed permanent but precarious employment and is continuously been thrown into the streets, into the ranks of the unemployed (Covid-19 Working Class Campaign, 2019). The second section (the ‘post-apartheid working class’) is a large and growing section of the unemployed, casual workers, workers who hustle daily at the side of the road, a large part of which is feminised, ‘self-employed’ and does anything to earn a living (Covid-19 Working Class Campaign, 2019).. This section of the working class, led mainly by women as they bear the brunt of social reproduction, forms the bedrock of the survival of the entire working class.

According to the Covid-19 Working Class Campaign (2019), the section of the working class coming out of the anti-apartheid struggle was severely weakened (if not defeated) in the battles against neoliberalism which reached a peak under the Mbeki Presidency. Another

important section of the working class are the casualised, unemployed and feminised workers that led the resistance to neoliberalism from the mid-1990s but it did not lead to the constitution of a new historic moment in working class organisation. The third segment of arise from the second section which began to organise again after Marikana, and can be seen in many continuing protests in the country. While these two sections of the working class share the same social base, their political and organisational experience differs in that the “new social movements” (from Gear to Marikana), developed a broad political consciousness grounded in an anti-neoliberal and anti-globalisation politics (Covid-19 Working Class Campaign, 2019). This is where we stand as we consider how the Covid-19 context presents new questions about working class organisation.

According to the Covid-19 Working Class Campaign, the factory closures, the collapse of whole industries that promised some kind of permanent employment in the private sector, and lastly, the impact of this collapse on state revenues in a neoliberal framework has led the largest number of jobs lost in the shortest period of time since 1994 (some 3 million jobs lost over some 9 months from March 2020). The Covid-19 Working Class Campaign believes that this bloodbath breaks down the social isolation of the anti-apartheid working class from the precarious post-apartheid working class. This is likely to shift the terrain of organising from the factories to the townships: struggles for survival, livelihoods and political change are more likely to be driven from the townships than factories given (Covid-19 Working Class Campaign, 2020). Both progressive and regressive elements of working class self-organisation in the township already co-exist with their contradictory logics in how the marginalised in South Africa often survive – by occupying land illegally, connecting to electricity illicitly, and entering into clientelistic relations with slumlords, political brokers, and even criminal syndicates. Both the progressive and the regressive confirm that even the most marginalised people exercise some degree of individual and collective agency, and this is increasingly outside the factory floor.

Despite thousands of protests and some impressive social movements, ultimately South African popular movements are weak. The actions and strategies of popular movements are still shaped in terms of failed promises, and not yet in structural and systemic terms. In other words, the struggles and demands posed by these popular movements are not shaped by a rigorous inadequate analysis and understanding of the structural and systemic roots of the social, economic and political problems faced by the unemployed and workers. They have only inadequately realised elements of the tools of analysis required.

The second major weakness of most popular movements is the absence of theories and strategies of change beyond winning immediate demands. There is no conscious effort to think about the transition from the immediate to long-term visions of a changed society. There is the absence of a generalised and shared strategy to win immediate demands whilst also pushing the limits of the given framework and fashioning out long-term changes. There is no connection of immediate reforms with systemic transformation. There is generalised absence of anti-systemic transformative logics/alternatives/ ‘liberated zones’/‘occupied spaces’ from below.

The third major weakness is organisational: the thin activist base which the popular movements rely on. There is not a big enough layer with the strategic, political and programmatic capacity required to mobilise, organise and win. Generally, the majority of popular formulations have weak organisational capacity. There is no critical mass of a capacitated activist layer that can carry through and sustain the diverse organisational,

political and programmatic tasks.

These weaknesses are shaped and reproduced by several factors: the disorganising impacts of capitalism and neo-liberalism and the delegation of change to the state means the weakening of self-agency from below. The daily struggles to eke out a living from limited livelihood options impose severe stresses and strains on atomised individuals, families, households and communities. These do not leave much room for political self-agency. Whilst little understood, the demobilising effects of the emboldened religious and traditionalist outlooks should not be underestimated as they entrench social conservatism and right-wing consciousness. Part of this demobilising dynamic are how the working class is turning on itself as can be seen in xenophobia, tribalism, 'Coloured' vs. 'African' tensions, crime, violence and so on. All of these mean the dispossessed classes are simply not yet a counterpoint from which to challenge the power of capital and the state.

Outside of popular movements, there is a significant sprinkling of powerful organisations with features that combine movement and NGO features. These are normally well-funded organisations with a national profile. They have skilled activists, leaders and a professional core. They normally focus on a single issue and mobilise around that in effective ways that win defined demands. These NGO-movement hybrids also work alongside similarly well-resourced NGOs. This collaboration has often proved effective in successful litigation, public campaigns, lobbying and advocacy. Their strategy has been based on optimising the progressive rights and transformative mandate in the country's Constitution. This is what the December 2014 Preparatory Assembly ~~of the~~ envisioned when it argued that the UF has "to mobilise for the advancement, deepening and realisation of the progressive and transformative content of the Constitution of the country from below in order that the mass of the oppressed and exploited people may meaningfully and substantively claim their democratic, political, socio-economic and other rights enshrined therein whilst also creating space for informed public debate and progressive review of the Constitution from below". However, it is not clear whether this sub-set of organisations may be able to survive without the resource base they have. They have also been critiqued as having a limited strategy that focuses on a narrow conception of social justice that is seen as insufficiently taking into account systemic and structural questions of political economy. Linked to this critique is also the critique that this sub-set of organisations do not go beyond immediate reforms. Despite all these critiques, this sub-set of organisations has won important victories, has built a significant social base and serves as a strong pillar in defence of democratic rights and claiming of constitutional rights. However, their collective impact has not yet been broadened and extended to help build a broader popular movement.

### **A weakened labour movement**

In contrast to its political heights from the late 1980s to the early 2000s, trade unions today are characterised by disorganization, fragmentation and paralysis. The trade union movement has been fragmented by the combined impact of the neo-liberal restructuring of work, limited resistance by official trade unions to the impact of neo-liberalism, outmoded organisational forms and organising strategies, political compromises arising out of COSATU's political alliance with the SACP and ANC, failure to connect with the unemployed, the decline of democratic worker control and the bureaucratisation of unions, with many of them also feeding on the trough of corruption. Much like the state, trade unions have become a stepping-stone for self-advancement and the consolidation of a bureaucratic elite.- This layer is often characterised by higher pay and better conditions than the workers they represent, the

separation of their conditions from those of their members, a working life where he/she spends more time talking to management than to the shop floor, a tendency to view disputes not as struggles to build workers' power and wion, but as problems ~~to be~~ within the given skewed workplace power system. It is this bureaucratic elite, entrenched in the labour movement, that finds it difficult and often counter-productive to seek common cause with the unemployed, under-employed, marginalised and impoverished sections of the proletariat or working class majority.

Although formal membership of trade unions remain one of the highest in the world, the reality is that it has been in decline. The levels of representation plummeted from around 40% in 1997 to around 24% today. Many workplace struggles increasingly bypass the trade unions with the emergence of the very active and propagandistic EFF's Labour Desk also being an additional discrediting factor. Although in September 2020, the new trade union federation (SAFTU) filed a Section 77 formal application for a general strike in February 2021, there has been no clear organising strategy and programme for this important political action – despite progressive political rhetoric, there is a lack of cohesion in organising for the stay-away, with no indication of any real resource mobilisation even up to the last two days before the action.

The last two major strikes (in 2018 and 2019 – one by SAFTU and one by COSATU) and the government's dishonouring of the public sector wage agreement all show how both the bosses and government are able to sit out one-day actions which they know workers cannot sustain for long. Employers are now more emboldened to ignore strikes and court actions by trade unions.

Boardroom-based labour politics shaped by the regime of managed labour flexibility remains the fundamental strategic orientation of trade union strategy. This strategic orientation trumps strong shopfloor-based worker organisation and struggles.

Already it is obvious how the ruling elite is taking advantage of the paralysis of the trade union movement in pushing through further neoliberal and anti-worker reforms which have been accelerated during the Covid-19 lockdown.

### **The end of the beginning**

Some 27 years since the end of apartheid and the advent of democracy, there is a deep rupturing of the post-apartheid social consensus and the setting in of the long-term decomposition of ANC hegemony. Contemporary explanations for this point to the failure of the Ramaphosa government to engineer a break with the Zuma government's neoliberalism and its complicity in corruption and cronyism. There have also been key moments that have educated the population – the Marikana massacre of 2012, the subsequent great mineworkers' strike and farm workers' rebellion of 2012/13, the 2015 to 2017 Fees Must Fall rebellion, the emergence of a non-ANC trade union federation, declining electoral performance of the ANC in the 2016 municipal elections and the 2019 national elections, the sustained public outcry about government corruption and failures, the ongoing service delivery revolts, strategic litigation in defence of constitutional rights, and organised citizen action exploring pathways towards self-provisioning and self-governance since the COVID-19 pandemic hit in March 2020. All these point to a changing political situation in the country whose medium- to long-term results are not yet discernible. At best, popular classes are likely to undergo a long process of crisis, strife, reorientation and rebuilding. At worst, social strife may result in the

rise of conservative right-wing politics amongst the broad black working class. But all these reaffirm that the ANC is no longer the glue that holds society together.

ENDS

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