

# ECONOMY AND SOCIETY

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emerges. The game restarts.' A French translation of Ibn Khaldun was available at the time when Engels wrote these lines (1894), namely that of de Slane (1862-8).

54. Cf. E. Gellner, 'Doctor and Saint', in N. Keddie, *op. cit.*

55. Cf. C. L. Brown, 'The Religious Establishment in Husainid Tunisia', cited above, and E. Burke III, 'The Moroccan Ulama, 1860-1912, an Introduction', in the same volume.

56. In the previous generation, this group found political expression in the U.D.M.A. and Ferhat Abbas, and in the succeeding generation it finds its home within the framework of the nationalised corporations and of central planning.

57. For Tunisia, see the article by A. Zghal, in *Daedalus*, cited above. For Turkey, see N. Yalman, 'Islamic Reform and the Mystic Tradition in Eastern Turkey', in *Archives Européennes de Sociologie*, X:1 1969.

58. This remains to be analysed properly. One can already see its outlines. All the same, one ought to be able to understand the services performed for the symbolic order by subordinated religion which accepts such a status. Similiar re-activations can be observed in Egypt (cf. Morroe Berger, *Islam in Egypt Today*, Cambridge U.P., 1970) and in Tunisia (cf. S. Ferchiou, 'Zarda ou la fête maraboutique en Tunisie', paper presented to the 1st Congress for the Study of Mediterranean Cultures under Arabo-Berber Influence, Malta, April 1972, proceedings due to be published by S.N.E.D., Algiers, and in *L'Homme*, XII, No. 3, 1972.)

59. This can be exemplified for instance in the Tafsir (Koranic commentary) of Ben Badius, Cf. A. Merad, *Ben Badis, Commentateur du Coran*, Algiers: S.N.E.D., 1972.

## South Africa: capital accumulation and violence

Martin Legassick

### Abstract

This article analyses the conditions of capital accumulation in South Africa, and seeks to explain the authoritarian and racially discriminatory features of the South African social structure in terms of (a) the specific historical processes of change (mercantile colonial conquest, primitive accumulation in mining and farming) and (b) the specific features of contemporary capitalism, notably the capital-intensive structure of industry. The authoritarianism embodied, for example, in the extra-economic coercion of black labour is seen as reflecting the circumstances of the struggle between capital and labour under conditions where capital-labour contradictions exist alongside the contradiction between South African capitalism and the 'dependent' societies it has preserved/recreated. The implications of this situation for strategies of socialist change are briefly evaluated.

The authoritarianism and violence of the South African state is a well-known fact. For the majority of the population the 'liberal freedoms' classically conceived as part of bourgeois society have never existed: freedom of speech, assembly, and movement, equality under the law. South Africa's largely black labour force has been subjected to rigid forms of extra-economic coercion which have increased rather than decreased in recent years. Such forms of liberal democracy as existed for the white oligarchy have been eroded. Censorship, detention without trial have become commonplace. Opposition to the system has been met with ruthless repression based on a powerful military machine and a sophisticated security police using refined and brutal methods of physical and psychological torture. At the same time South Africa has undergone rapid economic growth. A hundred years ago South Africa was almost entirely agricultural, with peasant producers and a small export sector in which the producers were separated from ownership of the means of production, and the level of the forces of production was low. Today in terms of gross national product, South Africa falls in a position midway between the advanced capitalist societies and those which are 'classically' underdeveloped. But this 'intermediate' level of GNP disguises gross disparities in the distribution of wealth, and the nature of the forces of production. On the one hand South African capitalism has the capability for the production of jet aircraft, nuclear

✓ weapons, and computers. On the other hand the majority of the population lives literally on the edge of starvation while the richest 10 per cent of the population receives of the order of 60 per cent of total income.<sup>1</sup>

These features, of economic growth under conditions of authoritarian rule, of vast disparities of wealth and power, South Africa shares with a number of other societies, especially those of similar 'intermediate development'. In common with such societies, the conditions of South Africa have proved attractive to foreign investment. In 1970 total foreign investment was estimated at R5818 million [£2904 million] of which 58 per cent was from the sterling area, 24 per cent from Western Europe, and 17 per cent from the dollar area (South African Reserve Bank, 1971; Murray, 1970). New investment has been particularly pronounced in the last fifteen years, and average rates of return have been among the highest in the world. However, despite the volume of foreign capital, local capital appears to have greater strength than in some other societies of intermediate development. A survey in 1956 estimated that foreign capital represented 14 per cent of South Africa's capital assets, though admittedly this was before the recent massive influx (South African Reserve Bank, 1958; Sadie, 1958). More recent figures are hard to obtain and more difficult to assess. Between 1965 and 1970 the ratio of net foreign investment to gross capital formation varied between 6 and 20 per cent, but such figures underestimate by neglecting reinvestment of locally created profit by foreign firms (First, 1972). On the other hand a recent report that foreign capital controls, directly or indirectly, 80 per cent of industrial production, would seem to exaggerate.<sup>2</sup> Although sectors of local capital have expressed a certain restiveness about the growth of foreign interests, there has been substantial co-participation by local capital in foreign concerns, encouraged by the government. And the more advanced sectors of local capital are strong enough to invest outside the country, not only elsewhere in Africa, but in Europe, America and Asia.

South Africa is also distinguished from other societies of intermediate development by the pervasiveness of its system of racial differentiation. This institutional system, and the ideology which sustains it, is a complex one, with manifold functions and effects. In general the society attempts to allocate persons to the roles generated in the constantly changing processes of production, and prescribe their treatment in those roles, on the basis of ascribed 'racial identities' whose character and definition may themselves change over time. The system involves attempts to alter and regulate the class status of persons and groups, that is, their relationship to the means of production; and it involves specific forms of regulation and control within a given class status. In overall terms the effect has been that wealth and poverty, power and powerlessness, being the subject or object of exploitation, bears a close though not complete relationship to ascribed racial status.

With few exceptions (at least until quite recently) prevailing com-

mentary has tended to see some paradox in the conjunction of continued (capitalist) economic growth, authoritarianism, and racial discrimination. The implicit or explicit assumption has been that the authoritarian and (racially) ascriptive features of the society are archaisms, which would disappear with the inevitable emergence of a liberal capitalist democracy, whether by evolutionary or revolutionary means. Capitalism, in other words, has been assumed to generate the social structure broadly characteristic of its Western European-North American form: and deviations from this social structure must be explained in terms of the power wielded by non-capitalist forces, whether within sectors of the economy, or within the society as a whole. Even the post-1962 attempt to describe the system as characterised by 'internal colonialism' fostered by international and South African 'imperialist' monopoly capital and large-scale agriculturalists is vague, inconsistent, and unsatisfactory in explaining the origin, functions, or dynamics of the society.

This essay, in contrast, argues that throughout the twentieth century / ✕ the dominant mode of production in South Africa has been capitalist. (A similar line of argument is indeed implicit or explicit in some other recent Marxist writing, notably that of Harold Wolpe, e.g. 1972.) It abandons the general assumption that bourgeois democracy is a necessary or inevitable product of the capitalist mode of production in favour of an attempt to examine the specific social relations generated by the specific character of the capitalist mode in its internal and international context. South Africa has been and is dominated by capitalism, that is, a mode of production in which the economic surplus is subject to private appropriation and in which ownership of the means of production is severed from ownership of labour-power: 'it is that [which] permits the transformation of labour-power into a commodity, and with this the birth of the wage-relation' (Laclau, 1971, p. 34). Slavery is not the dominant mode precisely because in South Africa the appropriator of surplus assumes no rights of *ownership* over, or responsibilities of ownership for, the '*person*' of the exploited (see Rex, 1971, p. 405, etc.). Feudalism is not the dominant mode because the workforce has been separated from ownership of the dominant means of production. Although much of the workforce has access to land ownership in certain restricted areas, this access is so regulated that it is not adequate for reproduction, let alone production: its product forms an increment to proletarian income rather than the basis for a peasantry (Laclau, 1971, pp. 31-3).<sup>3</sup>

South African capitalism, however, is characterised by extreme extra-economic coercion of the majority of the labour force (see F. R. Johnstone, 1972, and forthcoming). Under feudalism, slavery (or, indeed, the Asiatic mode) such extra-economic coercion is *essential* to the extraction of surplus. In the capitalist mode, in contrast, appropriation ✓ takes place by means of the *economic* wage-relationship: it is not simply

surplus that is appropriated, but surplus-value. This does not however exclude the possibility of extra-economic coercion. For, as Marx argued in his chapter in *Capital* on the length of the working day, the state under capitalism reflects the balance of power in the class struggle between capital and labour, and therefore can extend or inhibit the power of capital to appropriate surplus. In South Africa the circumstances of this struggle are such that capitalism is able to utilise extreme extra-economic coercion to increase the volume of surplus appropriation.

This analysis regards South Africa as capitalist therefore because of dominant *mode of production* and not (as A. G. Frank has argued) simply because of its historical and contemporary participation in a world market generated by capitalism. For the world market does not designate a particular mode of production; it is simply an example—the widest example—of what Laclau calls an economic system, of different economic sectors and productive units in mutual relationship (Laclau, 1971). As the forces of capitalist production came historically into being, and whether they operated 'economically' or 'extra-economically' (through the state, etc.) they have contradictory effects: they acted both to *dissolve* non-capitalist modes (in Western European agriculture for example) and to *conserve, restructure* and *create* non-capitalist modes (the 'second serfdom' in Eastern Europe, slavery in the Americas, etc.) (cf. Bettelheim, 1972; Genovese, 1969). Hence the emergence of a dominant capitalist mode of production in South Africa is not an automatic consequence of integration in the world market, but requires specific explanatory analysis. So, moreover, do the tendencies of capitalist production in South Africa, once established: i.e. towards dissolution or conservation/recreation/ restructuring of the existing non-capitalist modes.

The specifics of these transformations are complex, too complex indeed to be more than touched on in a brief essay like this. The framework for analysing them must include both the economic system, at the international level and the South African social formation or, more crudely, state. This latter is especially important because the existence, and significance of separate states within the world capitalist system is often taken for granted and treated at the descriptive level rather than analysed or explained in Marxist literature. Yet when one speaks of *South African* capitalism one is clearly referring to the dominance of a capitalist class in the South African state, requiring discussion not only of the causes of its dominance *per se* but of its sphere of dominance with respect to other national capitals. Moreover the extra-economic coercion characteristic of South African capitalism also makes immediately relevant the nature of the South African state. Hence this essay will be concerned not only with modes of production in South Africa and with their economic inter-relationships at various levels, but with the formation and character of the South African state.

## Mercantile Colonial Conquest

Prior to the mid-seventeenth century, indigenous black South Africans existed as peasant producers, organised in communities within which surplus was redistributed through hereditary rulers (see also Legassick, 1974). Over two centuries later the majority of South Africans were still peasant producers, although in most cases there had been changes in the mode of surplus extraction and the manner in which the surplus was distributed. The ultimate agency of this change was a process of colonial conquest, incorporating Southern Africa within the international economic system extending from Western Europe, and using military power to contribute to the alteration of the relations of production. This process created, superimposed on the old, a new structure of classes and a new system of power: however to understand South Africa fully at the time (towards the end of the nineteenth century) when capitalism achieved its dominant position, both the strengths of and the limitations on this process must be comprehended.

Conquest was initiated under the mercantile monopoly of the Dutch East India Company. But on the basis of local accumulation of surplus there emerged a local mercantile-commercial bourgeoisie, created by, and contributing to the economic weakening of the DEIC. Despite conflict with the DEIC this class was not able, as in Latin America, to wrest from the metropolis formal independence for a new state. Instead the British, regarding the area as strategic in respect of the route to India, assumed power from the Dutch in 1806. Under British economic and political hegemony the local bourgeoisie enlarged their wealth, extended their geographical influence, and moved from trade alone into banking and land speculation and ownership. Though they pressed for, and obtained, increasing self-government through the century, they remained by and large tied to the British economic connection: their 'comproder' interests were stronger than their 'national' interests. Indeed for much of the century the economy did not attract British capital, as opposed to British exports: British investment in South Africa has been estimated (or perhaps underestimated) as £16 million in 1870 and £34 million in 1884 (Cairncross, 1953). But as such capital did move in it was able to co-operate in the spheres of export agricultural production, trade, and land ownership, and to dominate (publicly-owned) railways and finance. Imperial banks, for example, entered South Africa in the 1860's and within a generation absorbed almost all the thirty or so local banks.

The surplus on which the wealth and power of the commercial bourgeoisie rested was derived both from the existing productive system and through the creation of new modes of production. With colonial conquest the surplus produced by the indigenous peasantry was progressively appropriated, no longer within the black communities, but—by a combination of economic and political forces—by inter-

mediaries along an axis extending to the Dutch (and later British) metropolis. This social-geographical redistribution of surplus initiated the 'underdevelopment' of those parts of South Africa which remained under black 'ownership'.<sup>4</sup> At the same time colonial conquest established new modes of production, initially at the south-western tip of the continent, but spreading over two and a half centuries to embrace large areas of what is today South Africa. The initial mode was slavery, producing wine and grain, and using *imported* labour, from the East and other parts of Africa. Colonial conquest was sufficiently powerful to establish the private property in land necessary for this system, and gradually to extend (partly by local settlers' military power but more often with metropolitan power) these relations of private property. But, whether because of South Africa's relative unimportance to the world market, or white settler weakness, or the strength of indigenous resistance, colonial conquest did not extend the system of private property, nor expropriate the indigenous population, over the whole of South Africa. With the abolition of slavery in the early nineteenth century, indeed, a rural proletariat came into being of ex-slaves and those blacks whose land had been quite expropriated, and was supplemented by *imported* indentured labour from India. Agricultural production in such areas—predominantly the Cape Colony and Natal—was conducted on the basis of capitalist relations with a labour force subjected to various forms of extra-economic coercion. Outside what might be called these 'deeply' colonised areas, whether before or after the abolition of slavery, relations of production tended to be more feudal in character. That is to say, though landowners could use colonial power to establish 'ownership' of land, occupation and production remained in the hands of indigenous producers paying a rent in cash or kind. At the interfaces between these new modes of production, moreover, and the old system of peasant production, an indigenous individually land-owning peasantry began to emerge. At the same time the 'underdevelopment' of the old system, and class differentiation at its fringes, released seasonally or temporarily some peasants who offered themselves to supplement the labour force as migrants.

After the commercial bourgeoisie, and in the absence of any significant industrial bourgeoisie, it was of course land-ownership which was the key to wealth and power: whether the 'communal' ownership of the old system, with a community headed by a chief, or the individual ownership under the new slave, feudal, or capitalist modes of production, or the marginal individual ownership of the indigenous peasantry. In contrast to the commercial bourgeoisie, the landowners had 'national' interests. But these were both of differing kinds and within different and separate political-economical frameworks. Indeed much of the history of nineteenth-century South Africa can be seen in terms of the political and economic alliances and conflicts of the landowners with the commercial bourgeoisie and its metropolitan partner. Within this

context of differing modes of production and rival politics, however, there was no clearly dominant mode and no unequivocally dominant class. Such could only emerge with the creation of a single South African state and the emergence of forces of production which impinged on the whole Southern African economic system.

The precolonial population of South Africa was black. The new colonial state created by the DEIC, and these politics which sprang from it, were dominated by immigrant whites. Within these new states the establishment of non-capitalist modes of production involved ideologies of hierarchical difference, whether such modes were slave or feudal. In the context of progressive colonial conquest both the 'cultural' clash between indigenous and new modes of production, and the hierarchies within the new modes, encouraged the emergence of ideologies of 'racial' difference and the development of institutions based on racial/cultural discrimination. Over time some blacks came to be property owners within the context of the colonially-created state; over time there emerged a class of rural and urban propertyless whites. Through time sexual intercourse, largely between lighter men and darker women, blurred the 'objective' lines of racial division. Yet by the end of the nineteenth century, when biological racism was at its peak in Europe, such counter-tendencies appeared marginal. Both the character of the institutions of colonial conquest, and its incompleteness, combined to permit ideologies of racial difference and institutions of racial discrimination to be utilised in creating the social relationships of capitalism as a dominant mode of production in South Africa.

### Primitive accumulation: mining and farming

#### (a) *The accumulation and control of capital*

Primitive accumulation may be regarded as the utilisation by capital of instruments of extra-economic coercion inherited from the previous mode of production. Such primitive accumulation was occurring in nineteenth-century South Africa, it has been suggested, primarily in agricultural production in the coastal areas of the Cape and Natal under the overall hegemony of the commercial bourgeoisie. Two factors entered to alter and then qualitatively change the context within which this primitive accumulation occurred. Nineteenth-century South Africa might be regarded as something intermediate between an area of white settlement (e.g. Australia, Northern United States) and a territory of peasant production. For much of the century this was a matter of indifference to British or local commercial interests. But as the export of capital goods rather than consumer goods, and the export of capital to areas with high productivity rather than simply low organic composition of capital came to be more crucial to the British economy, it was in British interest that a settlement rather than the peasant type economy

should come to predominate in South Africa. Initially this would appear to have been conceived on the basis of a united South Africa dominated by the merchant-capitalist farmer ruling class of the Cape. But these plans were disrupted, and the economic and political context totally transformed, by the discovery of gold in the Transvaal and its consequent displacement of the Cape as the economic fulcrum of the country.

In the first place the development of gold mining in the Transvaal greatly accelerated the predominance of directly imperial capital over local capital. For technical reasons both diamond mining (emerging in the Cape in the 1870's) but more particularly gold (emerging from the 1880's) required inputs of capital on a scale inaccessible to the local bourgeoisie: this was particularly the case for the deep-level gold properties which began to be developed in the early 1890's. This capital became available in Britain and the Continent, partly perhaps because of capital surplus, but more particularly because of the urgent needs of the international economy for gold currency. It was instrumental in the creation of a highly centralised structure of control in gold mining, whose ownership was outside South Africa, but whose management was largely in the hands of *nouveau riche* South Africans or immigrants who saw their future in a 'white South Africa'. Thus De Beers, formed by Cecil Rhodes with Rothschild capital participation, came to monopolise diamond mining, while gold production was shared among some eight mining houses, grouped to promote common interest in the Chamber of Mines, and with Consolidated Gold Fields (Rhodes) and Wernher-Eckstein ('Corner House') the most powerful. Between 1887 and 1913 some £125 million was invested from abroad in gold-mining alone from Britain and Europe; and in the latter year less than 15 per cent of shares were held in South Africa (Frankel, 1938).

In contrast to the Cape situation, where imperial interests, merchants and farmers could bargain within a British-type parliamentary framework, in the new economically dominant Transvaal *nouveau riche* and foreign-controlled mining houses confronted a feudal rather than capitalist landowning ruling class. Despite attempts at compromise, through which part of the surplus from mining was diverted to local landowners and entrepreneurs, the polarisation festered and extended to the whole of South Africa: the result was the so-called 'Anglo-Boer' war, a war whose effect in fact was to ensure the establishment of a dominant capitalist mode of production throughout South Africa. The war, and British annexation of the Transvaal, was therefore not a necessary manifestation of British imperialism, but a crucial part of the social transformation of South Africa: capitalist revolution from above and without in a situation where internal capitalist forces could not achieve such a change. More specifically, it was sparked by the needs of the deep-level gold mines for a drastic reduction in working costs, which could be ensured (chiefly by reducing the cost of labour) only by a

ruling class with wider geographic powers and greater efficiency than the Transvaal landowners (Legassick, 1972).

Within a decade after the Anglo-Boer war the Union of South Africa created as a formally independent polity to safeguard the interests of the mining industry and to safeguard and promote the establishment of capitalist farming. With the initial phases of mining and the huge market for food which was consequently opened up, agricultural capitalists found themselves caught in a squeeze between cheap imported food and low-cost peasant producers responding rapidly and effectively to the market: from net agricultural export South Africa became a net importer. Already the state had been used in Natal and the Cape to supplement economic forces in restoring local agricultural capitalist production. The state continued to be so used after the establishment of Union, to subsidise white agricultural development, to freeze the possibilities of peasant production, and to transform from above feudal into capitalist production relations. Through such means agricultural producers could cut costs to a level where they could effectively compete. Rating and branch-line construction policy on the state-owned railways, for example, were geared in their interests, while a nationalised Land Bank was established to provide credit: in both cases the surplus was taken from the mineowners through taxation. Eventually farmers were guaranteed prices secured by a system of producer-controlled marketing boards. Beginning after the First World War in some commodities, and progressively increasing ever since, South Africa returned to agricultural export, particularly to Britain whose need of cheap food from the Empire grew apace: maize, dairy products, meat, fruit, sugar and wine.

The mining industry therefore created the conditions for the dominance of the capitalist mode of production, and mineowners exerted pressures for qualitative political change at decisive moments. But the impetus towards further modernisation derived more from the agricultural sector with its 'national' interests: like the commercial bourgeoisie, the mineowners could not escape the tensions between the interests of the metropolis and those of its developing colony. From the First World War the surplus generated in mining was eaten into by both the state and, to some extent, the white working class (see below, p. 263). The rate of new foreign capital inflow slackened considerably, both in mining and other sectors, public and private. Leading mining houses, like Corner House and Rhodes's Consolidated Gold Fields, looked for new investment fields outside South Africa. Yet the strength of 'national' forces meant that, in contrast to many other countries, a surprising proportion of capital accumulated remained in South Africa. Indicative perhaps was the formation in 1920 of the South African Reserve Bank, the first of its kind in the British Empire, taking from mineowners the right to sell gold, and gradually establishing local control over monetary policy. Mining came increasingly under local control: by the 1930's the

local share ownership had increased from 15 to 40 per cent. Symptomatic was the formation of the Anglo-American Corporation by the South African Sir Ernest Oppenheimer, in which the catalytic capital was American (Morgan) rather than British. During the 1920's the AAC acquired from the Rhodes companies monopoly control in the diamond industry and a foothold in gold. Gradually it came to control the richest of the newly opened goldmines, on the Witwatersrand in the 1930's and the Orange Free State in the 1940's. In recent decades it has dominated the goldmining industry, with large interests in most of the remaining mining houses and, with interests spreading to other minerals and secondary industry, has become the single largest interest group in the South African economy. From the 1920's moreover, AAC invested in mining outside South Africa—notably on the Zambian copperbelt—and interlocked with British and American capital in Africa and elsewhere (Gregory, 1972; *Financial Mail* supplement, July 4, 1969).

A metropolis-linked mercantile or mining economy such as South Africa, even with 'national development' pressures exerted from the agricultural sector, does not inherently generate secondary industrial development. Yet, particularly from the Second World War, South Africa began to emerge as a state with significant secondary industrial capability. The roots of this development were however far earlier, though the causes, the precise structural character of such industry, and capital-control within it, are inadequately explored. On the one hand the demands of the mining industry, in combination with such protective measures as existed in South Africa before unification, produced development in construction materials (cement, brick and tiles, etc), explosives, and engineering workshops, particularly in the Witwatersrand. By the 1920's African Explosives and Chemical Industries (AE and CI), jointly owned by AAC and the British ICI was the largest industrial concern in the country, with the largest explosives plant in the world; here was a nucleus of a future fertiliser and chemicals industry. On the other hand, at the coast, there began to develop small scale (agricultural) raw materials processing and final-stage import-substitution manufacturing to supplement the artisan-type workshops of the nineteenth century. Such labour-intensive industry received a massive boost from 1925 with the introduction of major protective tariffs. In the long run, still greater impetus came from the state sector. In 1923 ESCOM was formed by the state for electricity generation, supplementing in infrastructural terms the state railways and harbours, and gradually displacing the privately-owned electricity corporation which had been founded by the mines. Of equal importance in the long run was the establishment of a state-owned iron and steel plant, ISCOR, legislated into existence against the protests of foreign-allied and mining capital after private efforts at production had been unprofitable. Despite the refusal of private capital to take shares in the concern, and attempts

at 'dumping' by the International Steel Cartel, ISCOR gradually established a leading role in the heavy industrial sector. Though, initially at least, it employed relatively expensive white labour, it benefited (as did ESCOM), from coal mined by cheap African labour. ISCOR acquired control of its major competitor, Union Steel, established in the 1940's a subsidiary for the production of ferroalloys (African Metals Corporation) and a heavy engineering subsidiary (Verenco) and since the Second World War has expanded into a huge complex, incorporating both foreign (British Steel Corporation) and local private capital.

If agriculture attracted little foreign capital, and mining was coming increasingly into local hands, it is nevertheless hard to estimate the overall trends in foreign-local capital control in interwar South Africa. Even state investment drew quite extensively on British loans in this period, and the external debt fell substantially only during and after the Second World War. To serve mining industry needs, to make use of local raw materials (e.g. sugar), to evade protective tariffs, to take advantage of the local iron and steel industry, to undertake heavy construction work, foreign investment trickled into manufacturing capability, or foreign firms established as agencies extended their activities. The involvement in South Africa of such well-known names as Nestles, Cadbury, Ford, General Motors, McKinnon Chain (US) Dunlop, Firestone, Siemens, Babcock and Wilcox, Dorman Long, Stewarts and Lloyds, Davy Ashmore, Lever, General Electric date from this period. Yet a substantial part of capital accumulation and investment was local, derived most extensively perhaps from the commercial bourgeoisie, compelled by protection to substitute for imports, particularly in the case of black demand (cloth, footwear, ironwear): until after the Second World War a strong preference for imported goods existed among whites. Agricultural (and other) capital also began to enter the food, drink and tobacco sectors. From the 1930's, moreover, mining capital, particularly in the smaller mining houses, began to diversify into industry: SAPPI (a pulp and paper mill) by Union Corporation in 1936, engineering, glass, cement, fishing, etc., by Anglo-Vaal. From after the Second World War, certainly, the more successful local firms called on a measure of foreign participation to introduce the latest technology and production methods, and this may have begun even earlier in many cases.

Before the Second World War, then, manufacturing industry had begun on the basis of both external and internal stimuli: the First World War, demands of mining, protection, state initiatives. The abandonment of the gold standard by Britain in the depression, soon followed by the American offer to buy South African gold at an increased price, produced a greater surplus for potential local investment and attracted new capital into mining and prospecting, and perhaps indirectly into industry. But it would seem that, by and large, industrial



production in this period was based largely on a rigid division of skilled and unskilled workers. It was the Second World War, throwing the country on its own resources and stimulating both military manufacture and more sophisticated import-substitution, which increased both gross production and the increased use of machinery worked by semi-skilled operatives. Gross output in manufacturing, which had hovered between £60 and £80 million from 1924-34, increased to £400 million by 1947.<sup>5</sup>

(b) *The exploitation of labour*

✓ The rise of the gold-mining industry had significant consequences for the use of labour in South Africa: it qualitatively increased the need for a class of permanent wage-earners and, more specifically, for wage-earners who were both cheap and unskilled. In a country where, as I have indicated, the majority of the population remained peasants, and where labour was supplied by importation, temporary or seasonal migrants, or a relatively small extra-economically coerced proletariat, demand was intensified most urgently on the gold-mines, but also on farms catering for new urban markets, in construction, on railways and at harbours. Primitive accumulation drew on and intensified the existing forms of extra-economic coercion to produce this labour supply at the required price, as well as creating new institutions. The process of colonial conquest of the indigenous population drew to its conclusion, but serving the new aims of primitive accumulation: rather than establishing private property in land, the social structures of African society were maintained while taxation, labour recruiting organisations, and more direct compulsion, drew out a migrant labour supply. Mine-owners combined to increase the efficiency of recruiting and to eliminate wage-competition between them, and legislation was extended from the agricultural to the urban sector to control desertions and to prevent strikes. At the point of production, mineworkers were housed in regimented compounds, far cheaper than any other form of housing, and far superior for purposes of control. While these measures were taking effect, the mineowners introduced, between 1904 and 1910, indentured labour from China. At the same time instruments of extra-economic coercion were used to regulate the 'market' flow of labour among mining, farming, and other urban employment: in particular pass laws could be used to retain labour in the least attractive sectors. Moreover the conversion of peasantry to proletariat took place in sectors of white landownership as well as where the indigenous peasantry was entrenched in the old redistributive system. The most notable legislation in this respect was the Natives Land Act of 1913, through which the state attempted to convert quasi-feudal tenants paying rent ('squatters') into labour-tenants or a rural proletariat: but the same process was underway by economic and non-economic means and has continued

since. The creation 'from above' of capitalist relations of production in agriculture has been completed only in the 1960's with the eviction of the last labour-tenants in Natal and the Transvaal.

Before the development of mining such proletariat (almost exclusively rural) as existed had been almost entirely black. White immigrants with skills, or indigenous white South Africans, exerted bargaining power over employers by their ability in the colonial state to acquire land or engage in independent production or trade. The creation of a white proletariat followed on the ending of these possibilities: centralised control in mining eliminated the independent digger, railways eliminated the transport-rider and itinerant trader, capitalist farming squeezed out the white tenant, conquest of African territories for labour rather than land froze new land acquisition (and was confirmed under the 1913 Land Act). But how was it, Marxists have often asked, that this white proletariat was not reduced to the condition of the black proletariat in South Africa, if profit maximisation was the aim of capital? Though this is a complex question, the answer must be sought in terms of differing conditions of class struggle. In a narrower economic sense, the white proletariat which emerged in the mining industry was in possession of needed skills and rapidly established trade unions to consolidate its bargaining power. In the wider sense both mineowners and landowners required political-military support in the establishment of the institutions of primitive accumulation inherited from the period of colonial conquest. Institutionally and ideologically, the capitalist state created divisions in the working class. For all practical purposes in post-1910 South Africa the white working class was enfranchised, while blacks were denied such political right. Miscegenation of white men with black women, posing the threat of greater homogeneity of interest among persons of the same status which had not existed in non-urban conditions, was frowned on and later legislatively forbidden. Indeed in some senses the existence of privilege for the white working class served to rationalise the lack of privilege for blacks: the ultra-exploitation of blacks through extra-economic coercion could be given an explanation in terms of race rather than, as was really the case, of class. Some whites found it unfortunate that such measures should embrace also non-working class blacks, and indeed the system has tried constantly, if unavailingly for the most part, to secure for 'a black élite' secondary privileges without commensurate power.<sup>6</sup>

At the same time the common interests of capital and white labour have not entirely eliminated conflict between them. At the extreme, white labour has called for the exclusion from mining and industrial employment of black labour, structurally cheaper through the instruments of extra-economic coercion, in favour of a totally white labour force. In contrast, capital in mining and industry has pushed for 'least-cost substitution' to displace more expensive white labour by cheaper black labour. The compromise, a necessary consequence of the



form of the class struggle in South Africa, has been the establishment of 'job colour bars' by employer-employee agreement or by legislation. First instituted in the 1890's, their level of operation has been a matter for dispute or conflict, particularly in dynamic conditions of capital-labour substitution where decisions have to be made on the racial allocation of new industrial roles, or under economic conditions where the profitability of capital is threatened. Between 1907 and 1922 in the mining industry white workers engaged in a series of industrial actions on this issue, culminating in an unsuccessful attempt at insurrection on the Rand. In consequence a new government elected in 1924 established protective legislation for white mineworkers, demarcating specific supervisory and skilled jobs, and permitting the enforcement of white-black ratios. Mineowners contested this legislation (and it may have stimulated some transfer of capital from foreign to local hands and reduced new investment) but have reconciled themselves to it. This government also acted to forestall similar conflict in secondary industry through the establishment of employer-employee institutions and state bodies to determine wage-rates, conditions of work, and racial division of jobs in other industrial sectors.<sup>7</sup> Moreover through the encouragement of industry, and a policy enforcing (in the state sector) and persuading (in the private sector) preferential employment of white labour, the pressures of proletarianised whites were diverted from the land and mining. The economy's export earners, mining and agriculture, could compete internationally through the use of cheap black labour, while whites could be used where the market was domestic. Nevertheless white worker 'privilege' at this stage consisted more in the existence of work than material prosperity. Particularly among white women working conditions were appalling, and if white wages were some 4-5 times black in secondary industry, neither the differential nor their money value increased markedly (Sachs, 1957).

The demands of the mining industry, and the other economic activity it generated, led to the creation of a black workforce from the African peasantry. These were migrants, that is, working for contracted periods in industry while retaining a stake on the land: at the same time they were subjected, in withdrawing them from the peasantry and at the point of production, to various forms of extra-economic coercion. There is a certain paradox here, for on the one hand the very incompleteness of their proletarianisation implies a measure of African power, while on the other the existence of the extra-economic coercions reflected the weakness of the black proletariat in the class struggle against capital. Yet the paradox is explicable. From the African point of view, resistance to mercantile colonial conquest had involved struggling for land which was the territorial and economic base of their society, a resistance waged over two centuries which had been successful in the measure that areas remained in black ownership, even if they had become

'underdeveloped', and that indigenous blacks had become feudal peasants and not slaves. At the end of the nineteenth century the metropolis and locally dominant classes had perhaps the power (of the Gatling) to alter this situation, but only at massive expense against determined resistance. Instead Africans were confirmed in that occupation they had retained with the creation of native 'reserves' secured from transfer to white ownership: they were allowed the vestiges of 'rural bargaining power' at the expense of prohibiting them from acquiring 'urban bargaining power'.

Such a situation, with a peasantry being transformed to a proletariat on the farms, and a labour force for the mines recruited from demarcated 'reserves', was also beneficial to capital. A workforce deriving a part of its subsistence from non-capitalist production on the land, and requiring as its 'welfare cost' only compound accommodation ensured that a larger proportion of production went to the creation of surplus-value (Wolpe, 1972).

Prohibition of black land-ownership outside the demarcated and underdeveloping reserves inhibited any peasant competition to white agriculture. Yet the situation was not a stable one. For the 'underdevelopment' of the African 'reserves' was intensified by their final demarcation and by the withdrawal of active labour: their capacity to provide a proportion of black proletarian subsistence diminished, and class differentiation within them proceeded. The perpetuation of the system required the establishment of barriers against free black urbanisation: the purpose of such barriers was already well expressed in one of the first of such laws, in the nineteenth century:

The object of these regulations is to check several growing evils . . . liberty that is becoming licentious and injurious to all in the towns. . . the . . . communication to the surrounding tribes of vicious impressions and ideas detrimental to their effective government; combination to exact from employers higher wages than as a rule the service is worth; and direct discouragement of the natural and desirable relation of master and servant. (Durban Mayor's Minutes of 1873 quoted in Swanson, 1968.)

But as, after the unification of South Africa, blacks moved to the towns in increasing numbers, and as they began to organise to exert 'urban bargaining power', these barriers were consolidated and rationalised. Africans began, just before and after the First World War, to strike for higher wages and protest at forms of extra-economic coercion in the mining industry. And during the 1920's there sprang up a powerful mass-based organisation embracing both urban black workers and blacks on white-owned farms: the Industrial and Commercial Workers Union. The state employed both specific repression and more long-term measures to control these tendencies. 'Redundant' blacks—those

who did not 'minister to the wants of the white population' or 'to the legitimate needs of his fellows'—were to be excluded from the towns (Legassick, 1973).

In the 'reserves' a structure of social control was strengthened, based on African chiefs now become salaried officials of the state. Thereby the potential social disorder of an urban black industrial reserve army was avoided, as also the expenditure of 'welfare costs' for an urbanised black population. Both farms and mines (who recruited from the rural areas) were protected against wage-competition from the urban sectors. More generally the 'privilege' attached to urban employment for blacks, confronted with an impoverished reserve army in the 'reserve', militated against the development of urban bargaining power. For white workers, too, restrictions on black entry to the towns ensured a better chance of employment.

Yet as secondary industry developed and as the 'reserves' grew more impoverished—a process exacerbated by the depression of the 1930's—the contradictions remained. The demand of secondary industry for unskilled labour increased and, more significantly in the long run, the demand of light industry (food-processing, textiles and clothing) for semi-skilled operatives. There is insufficient evidence readily available to make more than tentative arguments about the racial structure of this demand. In the mid-1930's it would seem that the number of blacks employed in manufacturing was, at about 100,000, little more than the number of whites: of the one million Africans in urban areas the majority were employed in mining and domestic service. Even immediately after the Second World War (partly in consequence of white military employment), if the number of blacks in manufacturing industry had increased to 250,000, over twice the number of whites, much of the increase may have been among Coloureds or Indians (rather than Africans) who were not subject to precisely the same forms of extra-economic coercion.<sup>8</sup> Blacks in manufacturing industry began to organise in trade unions and, if real white wages increased in this period, the increase in black bargaining power is shown by the fact that black wages increased (for the only time in South African history) faster than white. Mines and farms complained of labour shortages, and the mines began to turn increasingly to labour recruited from outside the South African state (as they had done before 1910). A black mine-workers union came into existence, but an attempt at a strike in 1946 was brutally repressed within days. At the same time, rural impoverishment produced black urbanisation leaping ahead of industrial demand: the number of 'legal' black residents in the towns increased, and controls on urban entry were *de facto* eroded as Africans established themselves in shanty-towns beyond the control of municipal authorities. It appeared as if the structures of labour control established in South Africa's period of primitive accumulation, and derived and intensified from the period of colonial conquest, were breaking down.

## Capital accumulation and authoritarianism: secondary industry and apartheid

A powerful body of argument, within South Africa, commenting on South Africa from outside, arguing more generally about the imperatives of capitalist development, has assumed that it was 'natural' and 'logical' that the instruments of extra-economic coercion, and with them the institutions and ideology of overt racial discrimination, should erode in South Africa as the urban industrial economy grew, and as the land was increasingly incapable of sustaining the bulk of the population. A black proletariat, it is argued, once economically entrenched in industry, could not fail over time to be granted or to secure those social and political rights which have been achieved by workers in advanced industrial countries. More specifically, it is maintained, the acquisition of skills by black workers should give them greater bargaining power. This has not in fact been the trend in post-Second World War South Africa. Whether or not the material position of some blacks has improved, the black population has been subjected to increasingly more stringent forms of extra-economic coercion. Since such a theory cannot attribute the responsibility for this to capitalist development, the 'blame' has been laid on the white working class, or attributed at the 'idealistic' level of 'racial prejudice'. This essay seeks to show, rather, that the specific structures of labour control which have been developed in post-war South Africa are increasingly functional to capital: though the particular combination of class forces which instituted them and have maintained them may be debated, nevertheless they serve the interests of capitalist growth in the South African situation.

### (a) Accumulation of capital

Since the 1930's the South African economy has grown in gross figures at a sustainedly high rate, exceeded in the 1960's, for example, only by Japan. Within this overall pattern, there was a boom during the later 1930's and 1940's, which slackened to stagnation and even recession during the middle and later 1950's, and then picked up to another boom in the 1960's, which has showed signs of recent slackening under pressures of inflation. These gross figures, however, do not provide an indication of the specific 'growth point' sectors, still less of the structure of capital control as the South African economy has grown, or of the internal structuring (capital-labour ratios) of industry. Nor do such figures explain the causes of growth.

In terms of sectors, it is manufacturing industry, whose percentage contribution to gross output overtook agriculture by 1930 and mining during the Second World War, which has been the spearhead. Yet this should not lead to an undervaluation of these other two sectors. Agricultural production underwent massive increase in the early 1950's,

4 { spurred by Korean war prices, temporarily overtaking mining in gross output, and has continued to flourish on the basis of export markets in Europe (thus also stimulating local food-processing industry). Forestry (supplying a local pulp and synthetic fibre industry) and fishing have also grown massively. Mining, which had been in anticipated decline between the wars, was boosted by the discovery of new goldfields coming into production in the late 1940's and, even more, by the development of a process of uranium extraction from gold ore residues. During the 1960's South Africa's other mineral resources—iron, copper, platinum, zinc, nickel, asbestos, manganese, chrome and a host of more specialised minerals essential to the production of modern alloys—have been more fully developed than ever before; while the increase in international gold price has lengthened the life of gold. This is the more significant in that it was in the interest of these economic sectors that South Africa's system of labour control emerged. Within manufacturing industry the major growth sectors until the 1950's would appear to have been 'light industry'—import-substitution and raw materials processing—'modernising' indeed through the employment of operatives on factory lines, but comparatively labour-intensive: metals and engineering, textiles and clothing, food and drink, footwear, construction. Since then, as the result of initial investments from the 1930's to the 1950's beginning to bear fruit, as well as conscious state policy, the growth points have been considerably more capital-intensive: automobiles and auto accessories, chemicals, pulp and paper, military hardware (including jets and missiles), capital goods equipment, electronic and computer manufacturing. Indeed even sectoral growth figures conflate industries of very different kinds, so that more detailed research is required to substantiate the picture, but the general trend seems clear.

✓ Economic growth, particularly of manufacturing industry, on the basis of the most modern technology and methods of production, has been actively pursued by the South African state since the Second World War. And this particularly in the last decade, in the conscious terms of an 'autarchic' economy, able to provide for all its own needs, and able to develop into an active exporter not merely of agricultural products and minerals but of manufacturers, particularly to 'our natural export markets on the African continent'.<sup>9</sup> Before the Second World War the state was already involved in the South African economy, through protective policy and nationalised industry, as well as the application of coercions or privileges to the labour-force. Since the 1940's, however, it has assumed a more active role of 'guidance, encouragement and regulation' of the economy as a whole: stimulating industrial rationalisation, regulating imports and exports, securing foreign investment and foreign loans, countering cyclical economic tendencies. The Industrial Development Corporation, established in 1940, was only the first of a series of bodies which have employed public

funds to catalyse or finance sectors regarded as key to economic policy.<sup>10</sup> Employment in and output of the public sector has always been proportionately high in South Africa—in both cases around 40 per cent of the total—yet as the South African economy has grown its proportion has remained as high, and indeed in the 1960's the contribution to output of state corporations has increased. Key ventures of this kind are, besides ISCOR, an establishment producing oil (the one basic material which South Africa lacks) from coal, and providing the nucleus of the South African chemicals industry, and FOSKOR, mining phosphates to produce concentrates for the fertiliser industry. The relation between such state investment and private capital was indicated by a Minister opening a new section of the SASOL plant: 'Private entrepreneurs will also be afforded an opportunity of participating in the form of new industries that may result from this expansion.' (*Finance and Trade Review*, IV, pp. 236–7.)

Indeed both the state and bodies like the IDC have been one main means of bringing together foreign capital, mining capital and local industrial capital into new enterprises. What is more difficult to determine is the qualitative structure of capital control in such areas, as between foreign and local capital, and between the different historic sources of capital accumulation in South Africa (mining, agriculture, commerce, etc.). Immediately after the Second World War there was a boom in private investment in South Africa, which slackened off in the mid-50's and then revived again towards and after the end of the decade. The slack was to some extent taken up by the state, obtaining loans abroad for infrastructure—loans obtained largely on the basis of potential uranium exports, but which served to create a more favourable situation for foreign investment.<sup>11</sup> With loan capital scarce in Britain, the government turned to United States and 'international' sources. In 1951 a consortium of US banks, brought together by Dillon Read, extended a 10 million dollar credit to the government, and at the same time the World Bank loaned 20 million dollars to the railways and 30 million to ESCOM. These were the precursors of nearly 200 million dollars of World Bank loans to South Africa during the decade, with more in the 1960's, the total far outstripping that received by any other African country. Over the same period the banking consortium renewed and increased its revolving credit, ultimately to 40 million dollars, and loans from other American, European, and British sources were received. In the 1960's, with a brief hiatus after the Sharpeville massacre, the inflow of private investment boomed, and as yet shows few signs of slackening.

Until recent decades the overwhelming bulk of this foreign investment was in mining, and was in large, part portfolio rather than direct investment. Direct investment overtook portfolio during the 1950's, and investment in manufacturing overtook mining in the mid-1960's. British investment has remained quantitatively greatest, though parti-

cularly in the last decade the rate of growth of United States and EEC investment has been greater. The immediate post-war boom was largely associated with the gold and uranium developments, and was chiefly British, although in this period European banking sources and American mining corporations (Kennecott Copper, Newmont) began to take an interest in Southern African possibilities. At the same time British participation in manufacturing industry increased, particularly in the food-drink-tobacco sector and in engineering. Participation (and perhaps majority control) rather than wholly-owned subsidiaries seem to have been more characteristic of British than other investment, and in many cases the firms involved were originally capitalised entirely from local sources (e.g. African Oxygen, African Cables, African Products Manufacturing). From such investment local capital has benefited in terms of modern management methods, patented techniques, etc. The major American drive began in the latter 1950's when Charles Engelhard, who already had interests in South African forestry, formed the American-South African Investment Company, and subsequently acquired control of the 'Corner House' mining house, reviving and strengthening its position within South Africa. This was the prelude to substantial American and Canadian involvement in mining and processing of South African non-gold minerals during the 1960's, often in consortia involving South Africa mining houses, the state, and other local capital. Thus African Triangle Mining Prospecting and Development Company involves Anglo-Vaal, Johannesburg Consolidated Investments and US Steel; Impala Platinum involves Union Corporation, International Nickel of Canada, and Engelhard; Palabora Mining Company involves Newmont Mining, Rio Tinto Zinc, the IDC, and South African insurance companies; Alusaf (aluminium smelting at Richards Bay) involves Alcan Aluminium, Union Steel Corporation (state-controlled) and the IDC; Republic Aluminium Company involves McKechnie Bros. (part British and part Engelhard owned) and Kaiser Aluminium, etc. At the same time American (and European) capital has moved extensively into the high-growth, capital-intensive, technologically advanced and most profitable sectors of the economy where it may well have a larger share than British: electronics, chemicals, computers, pulp and paper, advanced engineering, oil, and so on. Most dramatic, perhaps has been the development of the automobile industry, stimulated by a tariff-enforced 'local-content' programme of the government. Here the leaders are General Motors and Ford (both involved in South Africa since the 1920's), Chrysler (which bought out a South African distribution firm), as well as British Leyland, Datsun-Nissan and Toyota (nominally South African owned to comply with Japanese requirements), Citroën, Renault, Fiat, Mercedes, Volkswagen, etc. Both American investment (with officially calculated returns of 19 per cent or so) and British (with returns of about 12 per cent) have given almost the highest rate of return of *any* foreign investment for such countries.

The volume of foreign investment should not lead to underestimation of the strength of local capital. In manufacturing, local capital developed its hold between the wars and does not seem to have been overwhelmed by the flood of foreign investment to the extent of some other countries of 'intermediate' development. Indeed, quite apart from mining houses like Anglo-American, South African capital has been able to obtain a near dominant position in some sectors domestically, and even expand into international investment. Thus the Frame textile group, the major focus of African strikes in Natal in early 1973, has a powerful position initially deriving from the amalgamation of three small textile mills in the 1930's. Or there is the case of the Heller organisation, whose founder began with a small canning company, Standard Canners and Packers, in the 1930's, and in 1960 controlled 200 operating companies with a capital investment of about £30 million, in food and agriculture, ceramics and metals, pharmaceuticals, printing, property, shipping, insurance and finance. Or there is the tobacco empire, which began with the Rembrandt Company in 1943, headed by Anton Rupert, which has expanded into one of the world's largest tobacco firms, initially through linkage with Rothmans. In the early 1960's, with assets of £47 million (only £125,000 ten years earlier), and 15 factories in 10 countries on 4 continents, it sold 1 cigarette in every 80 smoked. In 1972 Rothmans International, controlled by Rembrandt, had 44 factories in 17 countries, employed some 25,000 people and had assets of c. £220 million. (See *Finance and Trade Review*, III, pp. 190-1; IV, p. 49; *Guardian*, August 12, 1972.)

Local capital for industry came, it has been suggested, initially largely from commercial sources, with some participation from gold mining (only partly in local hands.) Since the Second World War the trend towards localisation of mining shareholders has persisted, with a large majority of gold dividends paid in South Africa: and mining capital has intensified its diversification into industry of all kinds. A marked feature of the post-war years, too, has been the entry of agriculturally based capital into industry and mining. Such capital, largely 'Afrikaner' rather than 'English', had suffered discrimination of various kinds from foreign banking sources and local sources of finance, and had developed its own financial institutions (Sanlam, Santam, Volskas, Federale Voksbeleggings, etc.) In the 1940's virtually the only large Afrikaner-owned corporations were Langeberg Kooperasie (canning) and Rembrandt. But, with the active encouragement of the state, this situation has changed. Symptomatic was the assumption of control of the mining house General Mining by FVB, with assistance from Anglo-American. This was part of a trend by which local and foreign firms opened their doors to Afrikaner capital and Afrikaner directors, so that in some sectors such national capital has a dominant position. The case of Fedchem, formed by the FVB is indicative. This vast conglomerate which with AE and CU (AAC-ICI) dominates the chemical sector, was based on takeover

of foreign interests (BP Chemicals, Fisons fertilisers, the Dutch Windmill fertilisers, Hoechst of Germany, Japanese interests) sometimes with continued foreign participation, the reprivatization of nationalised concerns (Klipfontein Organic Products, Synthetic Rubber), and amalgamation of locally capitalised firms (Agricura Laboratory, National Chemical Products, etc.). Indeed such 'Afrikaner' capital has been a major force towards resisting the unbridled dominance of foreign capital and has directly and indirectly encouraged foreign firms to open participation or hand over control to local interests: Cope Allman (chemicals), Crown Carlton Paper Mills, Alcan Aluminium, American Motors, Renault are among the firms in which this has occurred. Most recently the drive has touched banking and insurance, among the most heavily foreign-controlled sectors of the economy.<sup>12</sup>

The trend indeed has been towards greater centralisation of capital control, towards the interpenetration of the earlier defined sectors of mining, agricultural, state, commercial and industrial capital, and towards a partnership between foreign and local capital in all sectors. At the same time the trend of investment is clearly towards growth in the capital-intensive sectors which will make the country internationally competitive in capital goods and the raw materials on which they are based. Given South Africa's small and skewed domestic market, and despite the possibilities of growth through sale of luxury goods to whites and through 'intermediate interchanges' rather than final products, economies of scale will make the expansion of exports imperative, or else the export of capital.

#### (b) *The exploitation of labour*

The rise of secondary industry and the coinciding decline in the capacity of the African 'reserves' to sustain or subsidise labour reproduction costs posed new problems for South African capitalism in terms of the control and exploitation of a labour force. The crucial factor in this respect distinguishing secondary industry in the post-war years from earlier forms of capitalist production was the demand, actively encouraged by the state, for cost-reducing rationalisation methods to promote competitiveness against imports through the use of semi-skilled machine operatives: 'The extension of manufacturing industry can be stimulated by a reduction of the high cost structure through increased mechanisation so as to derive the full benefit of the large resources of comparatively low-paid non-European labour (Board of Trade and Industries, 1945, pp. 42-6).

'Skill', of course, is a relative term. But the overall trend was to be towards capital-labour substitution which would (a) dissolve the old craft skills held and protected by the white working class into factory-line production (b) at a considerably slower rate substitute operative-worked machinery for the mass of purely manual unskilled labouring

jobs. Within this new structure of semi-skilled jobs, however, there would still be gradations of skill, measured in terms of specialisation and investment in job training, with perhaps a rough correlation of skill level to capital or labour intensity of the industry (or at least the possibility of paying higher wages in more productive capital-intensive industry).

Broadly speaking, there were two types of response which crystallised as strategies to cope with these new problems. On the one hand there was the argument that the *de facto* situation which had developed during the 1930's and the war must be accepted. Given that the 'reserves' were increasingly unable to subsidise labour-reproduction, given that secondary industry required blacks with higher skill levels, and correspondingly less job turnover, more blacks should be allowed permanent residential rights in cities and should have labour-reproduction costs (housing, welfare, pensions, amenities, etc.) financed through the state in the urban areas: for secondary industry and commerce at least, the migrant labour system should be gradually phased out (Report of the Native Laws Commission, 1946-8). Such an argument was sometimes supplemented by the proposals that such black 'operatives' should be incorporated within industrial conciliation machinery through 'tame' trade unions (so that trade unions and the nuclear family rather than the social structure of the 'reserves' would be the primary agencies of social control), and that blacks should have strengthened, but separate, political representation. The relative cheapness of black labour, it was expected, would be sustained by the persistence of such extra-economic coercions as the prohibition on African strikes, the control of labour through a centralised labour bureaux system, modified pass laws, etc., as well as the perpetuation of institutions which 'separated' the white from the black work force. At the same time dangers were recognised:

Racial and class differences will make a homogenous Native proletariat which will eventually lose all contact with its former communal rural relations which had previously given their lives a content and meaning. The detribalisation of large numbers of Natives congregated in amorphous masses in large industrial centres is a matter which no government can view with equanimity. Unless handled with great foresight and skill these masses of detribalized Natives can very easily develop into a menace rather than a constructive factor in industry . . . (Board of Trade and Industries, 1945, p. 46).

The concentration of the majority of the black population, in other words, at the major industrial growth points (the Witwatersrand, Capetown, Durban, Port-Elizabeth-East London) might eventually lead to the overthrow of that political structure which sustained South African capitalist accumulation. The answer to this problem was

perceived in terms of retaining a proportion of the black population in their existing areas, through agricultural development of the reserves, as well as the decentralisation of, in particular, labour-intensive industry and industry catering for the African market.

The other type of argument called for the extension of the migrant labour system to secondary industry in the existing industrial areas: Africans were not to be permitted to extend their residential rights in cities—and eventually existing *de facto* or *de jure* rights to be curtailed—nor to be incorporated within industrial conciliation machinery. The existing mechanisms of extra-economic coercion were to be strengthened, not only so that urban entry on a migrant basis was regulated for the needs of industry, but, through a system of labour bureaux which were eventually to be located in the 'reserve' areas, the prospective worker could be assigned to a particular industry or employer. Thus, with a limited time to get a job, faced with exclusion from urban employment altogether should he be fired, the relative cheapness of the African worker was to be preserved. At the same time such control over urban influx meant that the proletarianisation consequent on declining productivity in the reserves could proceed without the threat of black 'concentration' at the industrial growth points. The regulation by extra-economic means of a supply of labour at a near constant wage, moreover, was a tool for fostering mechanisation of industry as a substitute for the upwards pressure of wages in the cyclical situation described by Marx. Such a system of migrancy to the established industrial areas, moreover, could be supplemented by industrial decentralisation, either to 'border areas' adjacent to African 'reserves', with a commuter workforce, or (as has occurred more recently) by allowing (white) capital investment within the 'reserves' themselves. Such a system was not incompatible with industrial needs for less job turnover or for a workforce spending more time on the job: migrants could be encouraged to decrease their period of absence to something like a few weeks 'holiday' in the reserves, and to return to the same job thereafter. This system did however pose the problem of how labour-reproduction costs were to be sustained in a situation where reserve agriculture was no longer able to fulfill the function. Indeed it was necessary in the existing industrial areas to provide housing for the migrant labour force, though this could be done on the basis of *single* rather than *family* accommodation, and in an ecological form approximating more to the 'compounds' of the mining period than to 'normal' urban residence, thus ensuring intensified control of the workforce.<sup>13</sup> Other costs (pensions, hospitals, schools, etc.) could be diverted to the rural 'reserve' areas, where they would be cheaper. And by encouraging the elaboration of African 'self-government' in the 'reserves' (as has emerged in the 1960's in the Bantustans) mechanisms could be developed whereby the black community taxed its own small petty-bourgeoisie (farmers, traders, professionals, etc.)

to subsidise the workforce. To some extent, moreover, the state could regulate black urban wage-levels so that they did not fall too drastically below the 'poverty datum line', the calculated necessary minimum for subsistence.<sup>14</sup>

Politically and ideologically it was the advocates of this second argument who triumphed with the accession to government of the Nationalist Party in 1948. Both arguments, it must be stressed, were primarily concerned with the interests of capital and continued capital accumulation from an extra-economically coerced labour force: their differences were over the character, and to some extent the intensity, of such extra-economic coercion. At one fringe, at an ideological futuristic level, some saw the erosion of extra-economic coercions and the emergence of a single Western-type South African liberal democracy; at the other fringe there were those who saw 'white South Africa' and the 'reserves' as eventual separate self-sustaining societies, equally with the erosion of extra-economic coercions. But the reality was secondary industrial development occurring in a context already defined by the economic and extra-economic institutions of the period of primitive accumulation, themselves elaborated on the inheritance of the period of mercantile colonial conquest. Within this context the differences of emphasis persisted through the 1950's, causing quite considerable inter-capitalist tensions, but these tensions diminished during the 1960's, coinciding with the massive influx of foreign capital into manufacturing, the interpenetration and integration of different capitalist sectors, and the increasing capital-intensity of industry.

More research is needed into the precise economic locus of the two trends of argument. It is fairly clear that both farming and mining were broadly in favour of the perpetuation of the migrant labour system. Only in this way could the farms protect their cheap labour force, with its special instruments of extra-economic coercion, from desertion to the towns (and particularly the seasonal component of that labour force). Although the mines were drawing an increasing proportion of labour from outside the South African polity (and some farming sectors began to do this as well), it is significant that they announced themselves for the first time since the depression satisfied with the supply of labour within a few years of the actual implementation of intensified urban influx control (Wilson, 1972a, p. 103). The farmers also secured an increased labour supply over the same period, partly through the use of convict labour generated through intensified pass-law enforcement and, more recently, through the establishment of organisations recruiting from the 'reserves' analogous to the mining recruitment system (Wilson, 1972b). Equally capital relying more than the average on white rather than African labour, as also aspirant capitalists without vested interests in the existing *de facto* urbanised African workforce (and able to locate itself in accordance with government policy, or to use productive methods suitable for migrant contract labour) would not have been



antagonistic to elaboration of the migrant labour system. On the other hand, other sectors of capital were hostile to measures which they saw as potentially threatening to an increase in labour supply: and this opposition expressed itself politically at the national level and through the municipalities of major cities like Johannesburg, Cape Town, Durban, Port Elizabeth etc.

In this context of intercapitalist debate, the government moved in fact comparatively cautiously towards the implementation of its programme of (a) migrant contract labour (b) decentralisation of industry during the 1950's. During this period, one must suspect, it was not only the gross numbers of Africans in industry which increased, but also those with legal rights to residence in urban areas. Those blacks most stringently affected in this period were 'foreign'—from the British-ruled 'High Commission Territories' (economically equivalent to the reserves) and other British colonies. This period was, after all, one when South African economic growth seems to have been centred in labour-intensive sectors. Indeed this meant that not only was there some opposition from capital to government policy, but also, equally if not more important, from the black workforce which had strengthened its *de facto* urban bargaining power in the 1940's. African trade unions, rural Africans in the 'reserves', and the national political organisation, the African National Congress, waged during the 1950's massive campaigns against the whole structure of extra-economic coercion which reached a peak of mass militancy towards the end of the decade: in these campaigns attempts to erode the structure in the direction of bourgeois democracy overlapped with attempts to combat the intensification of these structures under the new post-war conditions. Much of the energy of the government was absorbed in this struggle, and it was only with the banning of the black political bodies and with a campaign of massive and ruthless repression and torture waged against an underground sabotage movement and isolated local outbursts of rural rebellion that the state re-established control: for the moment blacks retreated to sullen apathy while the remnants of the cadres regrouped in exile to attempt guerrilla struggle.

With the capitalist class somewhat divided, and with the black working class in a stronger position than hitherto in the country, a crucial factor in the accession of the Nationalist government in 1948 may have been the support of the white working class. The creation of operative roles in industry, with its dissolution of the skilled artisanal base on which the power and privilege of the white working class had rested, posed a strong potential threat. Although sectors of capital argued that the influx of less skilled blacks to an expanding economy would allow the existing white working class to sustain its labour-aristocracy role, without special protection, this was not generally accepted by white workers (see Board of Trade and Industries, Report 282, pp. 45-6). Thus they supported black migrancy rather than

permanent urbanisation, since this would give whites privileged access to the labour market. They also supported the maintenance of other political structures, etc., which gave them privileged access to the state. And they called for the supplementing of those institutions of industrial conciliation which could allow them to negotiate with employers over the racial allocation of semi-skilled work categories by a legislative 'job colour bar' which could be brought into action where their jobs or privileges were threatened by employment of cheaper black labour. In practice this 'job colour bar' legislation has been more a threat to employers than actually utilised: such measures are of relevance chiefly in periods of economic recession. However on the basis of access to state power, and of their greater bargaining power in comparison with blacks, not only have white real wages begun to increase considerably since the Second World War, and most dramatically in the 1960's, but the differential between white and African wages has also increased substantially. Whatever this has meant with respect to the share going to total wages rather than to profits, it has certainly contributed further to the division of interest between the white and black sectors of the workforce. That is, as a result of the institutions generated in the period of primitive accumulation in mining and farming, the white working class attained a position where it seemed more advantageous to place its own special interests before the long-term interests of the working class, and by so doing it has been allowed to generate a vicious cycle which separates it still further from the desirability of making common cause with the extra-economically coerced sector of the workforce. On the other hand, it remains the subject of exploitation by white capital: and this is reflected, *inter alia*, in the differentials of wealth and income even within the white community.

During the 1960's, with intercapitalist tension reduced, with capitalist-white labour conflict minimised by the rapidity of economic growth, with black protest forcibly suppressed, the state was able to move ahead much more rapidly with the implementation of its programme. Substantial inroads were made, particularly in the Western Cape, into the vested urban status of Africans, and 'unproductive' people—wives, children, the disabled, the elderly—have been forcibly removed to the 'reserves', now called 'Bantustans'. At the same time the final stages of proletarianisation, and rationalisation, in agriculture resulted in the removal of substantial numbers of blacks from white farms to the 'Bantustans'. Within the 'Bantustans' a series of new kinds of accommodation are being developed for such people: an industrial reserve army removed from the cities rather than an impoverished migrant peasantry. A number of recent surveys have depicted the desperate poverty and plight of such people (Desmond, 1971). Within the long-established industrial areas there is evidence that, perhaps in contrast to the 1940's and 1950's, the amount of labour present as migrants on one year contracts is increasing (Wilson, 1972—). At the same time the policy of

'decentralisation' has been more actively pursued, though the growth areas in this respect have for the most part been not far removed from industrial growth points: on the other hand a cheaper wage structure exists as a result of different racial role-allocation and state wage regulation, which can be sustained by the control exerted over black workers commuting from 'Bantustans'. More recently capital has been permitted to enter the 'Bantustans' themselves, though this has for the most part been mining investment.

These processes have taken place in the context of an increasingly capital-intensive industrial structure: even border-area and 'Bantustan' investment has not for the most part sustained the labour-intensity desired by earlier policy-makers. Indeed there is increasingly evidence that, in contrast to earlier periods when the demand of capital for labour exceeded the supply at the price capital was prepared to pay, the problem is now one of creating sufficient employment to meet the supply. Current policies seem geared both to foster this trend and control its effects. Regulation of the black-white employment ratio in the major industrial centres, especially in a context of scarce white labour and pressures (whether internal or external) towards raising black wages, are likely to promote further capital-labour substitution at these points, allowing 'growth' without substantial increases in employment.<sup>15</sup> Although it is possible that a black mini-labour aristocracy might emerge, contract labourers will of course have the most tenuous employment potential. In the 'Bantustans' it is possible that a class of full-time peasant farmers will be encouraged, completing the transformation of migrant labour into peasantry and the proletarianised. It is in these areas that unemployment will grow, mitigated only by the extent to which sluggish (and usually capital-intensive) investment can be diverted to them. The structures of extra-economic coercion will serve to control the migrant contract labour force in the major urban areas, the commuting labour force in the border areas and 'Bantustans'. 'With the development of industry', wrote Marx, 'the proletariat not only increases in number; it becomes concentrated in greater masses, its strength grows, and it feels that strength more' (*Communist Manifesto*). Rightlessness, migrancy, and dispersion, reduce this concentration and this strength. At the same time the structures of extra-economic coercion serve to control the industrial reserve army of the unemployed, disposing it in impoverished areas distant from the centres of power and wealth. Labour-reproduction costs need be met only to the extent that labour is needed: increasing pressures on the state for a birth-control programme for blacks are symptomatic.

Yet the developing system is not without its contradictions. Capital and white labour dispute about the level of the 'job colour bars', and about the competition between major urban and decentralised (and cheaper) productive capacity. Based on this dispute, and the vestiges of tension about the character and extent of extra-economic coercion,

there are weak forces of liberal democratic opposition to the regime. Equally, in the vacuum left by the demise of the national black political movement, the state-created black leadership of the 'Bantustans,' prompted by its local black base, has begun to call for more land for the 'Bantustans,' for greater power over local resources, and for co-operation among its different leaders. At the same time black political activity has revived among students and others. Most significantly, South African industry has been hit recently (1973) by a wave of black strikes. Initiated by the strike among black workers in South West Africa in late 1971, this wave has spread to most South African industrial centres, wrested increased wages in many cases, and shown a high level of sophisticated organisation: particularly in terms of a refusal to nominate negotiating representatives who can be picked off by the police or co-opted by employers. The future of this combination of developments is however as yet unclear, as is its relationship to the exile movements. Separated from South Africa itself by the 'buffer areas' of white-ruled Rhodesia and the Portuguese colonies, in both of which guerrilla struggle is in progress, Exile organisations have devoted as much energy to the creation of international solidarity as to the internal struggle. Their attempts to link up with the internal struggle, whether politically or militarily, have been partly at least foiled by the South African state. Yet they, and the African National Congress in particular, remain the only black bodies with a clear national orientation and with trained military cadres. (Legassick, 1970.)

### Black protest and socialist strategy in South Africa

As a result of mercantile colonial conquest, there emerged in South Africa a colonial state based on the creation of new modes of production, seeking to supplant and to exploit the indigenous system of production. Contradictions developed both within the new modes of production, and between the dominant classes of the colonial state and classes within the 'underdeveloping' indigenous societies. The character of these contradictions interacted with the demands of the gold-mining industry, to shape the institutions of primitive accumulation in South Africa. In particular there emerged a working class divided along 'racial' lines: a minority a 'free' proletariat, its (black) majority subject to extra-economic coercions and retaining links to the old system of peasant production. There was a short period when it seemed as if the duality of these contradictions would be dissolved by the expansion of labour-intensive secondary industry and black movement to the towns from the 'underdeveloped' peasant sector. But in fact the duality of the contradictions (within the capitalist mode of production, and between the capitalist mode and the colonised sector) has been maintained and even extended. While black proletarianisation has proceeded, it has

done so under conditions which sustain its structural differentiation from the white proletariat, and link it rather to other classes among the black population. The indigenous system of peasant production has been transformed into a cheap reservoir of labour-reproduction, maintaining the black proletariat dispersed from the major points of production, and controlling a growing reserve army of labour.

The duality of these contradictions has been reflected in the ideologies and strategies of protest in South Africa. Thus on the one hand, soon after the unification of South Africa there came into being the African National Congress, to unify the traditions of black resistance to the imposition of colonial hegemony. Its mass appeal lay in its references to the displacement of the power of African societies by the power of the South African state, to the expropriation of African land, to the processes of colonial 'underdevelopment' of indigenous systems of production. African nationalism as an ideology had the power to explain the persistence of these 'colonial' contradictions into twentieth century South Africa in the form of 'racially' ascribed disabilities imposed by white political and economic hegemony. Yet such a nationalist ideology, devoid of explicit class analysis, could become the instrument of different classes among the African population. And though it never lost its explanatory relevance for the black peasantry and proletariat, it often degenerated into a tool by which the black 'élite' (rich peasants, or petty traders, or professionals) sought to break the 'racial' barriers to their entry into South African capitalist society. Explicit class analysis, on the other hand, emerged in South Africa early in the century among *whites*, with the growth of revolutionary socialism as a splinter movement among the white working class. It reached its peak of influence among whites in the insurrection of 1922 which led to the entrenchment of white working class privilege in the mining industry. Thereafter some members of the Communist party (formed in 1921) began to organise among black workers (especially in the then powerful Industrial and Commercial Workers Union). But, drawing its analysis as much from anarcho-syndicalism as Leninism, the left saw 'racial' and 'national' divisions as mere superstructure imposed by capital which could be dissolved simply through the growth of a militant class-consciousness. In this sense the problems of unifying the (unskilled) black workers with the (skilled) white workers was conceived simply in terms of the transformation of craft unionism to industrial unionism. If African nationalism could neglect the contradictions *within* South African capitalism, the left ignored those resulting from the persistence of the other side of the duality.

In the late 1920's the Industrial and Commercial Workers Union declined, riven by ideological dispute, repressed by the state. Partly as a result of the depression, mass African activity remained at a low ebb until the 1940's. In the vacuum, 'African nationalism' became largely a vehicle for the black élite, collaborating with 'liberal' elements

in the South African ruling class. The Communist Party, too, was in decline. But ironically it was during this period that the Party embraced an analysis of South Africa in terms of its subjection to imperialism and local collaborators who were imposing national oppression on the black population: the struggle must be for a 'Black Republic'. The potential impact of this analysis was blunted however; it was formulated and modified more at the dictates of the Comintern and a tiny white-dominated party than out of the imperatives of black consciousness and activity, and it still failed to cope with the problems of structural differentiation between white and black workers (Legassick, forthcoming).

African activity began to revive in a context in which the growth of demand for workers by labour-intensive manufacturing industry was eroding controls on labour. Black workers were growing in strength, organising, and attempting an economic struggle. At the same time sectors of capital were calling for reforms in the direction of bourgeois democracy. Superficially there was a conjuncture of political interest between the liberal opposition and the working class (or at least the black working class). This was the objective basis on which the Party could justify the adoption of the 'Popular Front' strategy at Comintern behest in 1936. The content of the analysis on which this strategy was based, however, underwent gradual alteration. At first South Africa was situated in the content of imperialism, and the alliance of workers with a national bourgeoisie was justified in terms of overcoming economic colonisation (production of raw materials, etc.) by secondary industrial development which would lead to the extension of democracy. But over time the 'imperial factor' was elided, and more weight placed on internally generated Fascism in its South African form of white Afrikaner nationalism. Modelled on nineteenth-century Chartism, or on Tom Paine or Jefferson, the rhetoric became more 'anti-feudal' than 'anti-imperial'. The victory of the Afrikaner-dominated Nationalist Party in 1948, based as they argued on the farming sector, seemed to confirm this analysis. When two years later the Communist Party was banned, their only Member of Parliament warned that 'when government degenerated into a tyranny, the people were historically justified in using force to overthrow it and bring about a better social order.'<sup>16</sup>

Organisation during this period had produced some apparent successes: the formation of inter-racial trade unions, successful exertion of workers bargaining power, temporary government pledges of reform. The Party increased its membership, among Africans, as well as Coloureds, Indians and whites. Moreover the increase in black working-class activity stimulated the revival of a more militant African nationalist movement. The mobilisation of mass consciousness developed further during the 1950's in the urban areas, with some African townships becoming virtual 'liberated zones' within the South African state, and extended as well to the rural areas, where there was sporadic violence by

peasants against chiefs and white authorities. But the black movement found itself, as in the 1920s, torn between the African nationalist pressures of its mass base and the quasi-Chartist ideology of its liberal or left-wing leadership. Indeed the situation in which the objective conditions had created potential 'alliance' between the liberal bourgeoisie and the proletariat was dissolving.<sup>17</sup> What was the strategy behind the mass mobilisation? Even in retrospect, participants in and commentators on the period have difficulty in deciding whether the intention was to force a 'change of heart' in the power structure producing evolutionary change towards 'democracy', or to prepare for a general (black?) political strike *cum* insurrection which would overthrow the state (Turok, 1972). Certainly neither the Communist Party (in 1950) nor the African political movements in 1960 (African National Congress and Pan-Africanist Congress) were prepared for the transition to illegality as a result of banning and repression by the state.

This banning, and subsequent state repression, diffused the potential for change generated in the period of mass mobilisation and led to analytical and strategic reappraisal by the radical opposition. At the centre of the new strategy of the African National Congress was the creation of a military wing, Umkhonto We Sizwe, to undertake sabotage and to prepare, by sending cadres abroad for training, for guerrilla struggle. At first, viewing the rapid strides of popular militance through the 1950's, the southward thrust of 'decolonisation' in African states, and the apparent crisis of the South African state after the Sharpeville massacre of 1960 (the time when African movements were banned), there was an over-optimistic—and in some quarters near millennial—expectation of change. Indeed this potential seemed to be supported by the emergence of locally-organised rural revolt and sporadic and near-spontaneous terrorism. But if the moment existed, it was short-lived.<sup>18</sup> The state geared itself for ruthless repression and embarked on the rapid sophistication of its military machine. Internally the underground network was decimated and popular black consciousness stilled. The 'Unholy Alliance' of South Africa, Rhodesia, and the Portuguese emerged to stem the tide of decolonisation and even attempt to penetrate northwards in the Congo and elsewhere.

Momentary hesitations by Western capital about the 'stability' of the South African state disappeared, and the massive inflow of foreign capital cemented the ties more firmly than before. Internally subject to detention without trial, solitary confinement, torture, the African National Congress and the Party found their centre of gravity in exile. During the later 1960's a series of attempts were made to revive the internal struggle through infiltration of guerrillas, but without notable success: the models of guerrilla warfare emerging in the Portuguese colonies did not directly fit the circumstances of South Africa's urban capitalist economy.<sup>19</sup>

Meanwhile in the vacuum left by the demise of the African National

Congress and the period of repression, other forms of black political activity, as already mentioned, are reviving internally.

The mass appeal of African nationalism in this period of mobilised popular consciousness lay in its implicit demands for the restoration of the land and resources of South Africa to the indigenous population. The quasi-Chartism of the left could make no consistent allowance for such a 'racially' based movement—and indeed tended to denounce such 'racial' appeals as chauvinist—but was sufficiently vague to allow for apparently common aims. For the black 'élite' a non-racial bourgeois democracy would allow them 'equal opportunities' for capital accumulation. For the black masses the abolition of racial discrimination promised the end of extra-economic coercion, especially when linked with vague populist demands like the restoration of land and wealth 'to the people'. Since 1962, however, the Communist Party has attempted to develop an analysis which grapples more specifically with the duality of the contradictions of South African society.<sup>20</sup> This regards South Africa as itself an imperialist power practising 'internal colonialism' on the African people. 'Big' capital—foreign capital, the monopolies, large farmers—are the ruling class, though in the short run the system serves the interest of all whites, including the white working class. The main agency of change is therefore the African people, revolution by whom will inaugurate a state of 'national democracy' in which 'every sort of race discrimination and privilege will be eliminated', the land and wealth of the country restored to 'the people', and 'democracy, freedom and equality of rights' guaranteed for all. The task of the Communist Party is to 'unite all sections and classes of oppressed and democratic people' (or, more bluntly, to generate non-African support) for the struggle for national democracy—and this state 'is the key for future advance to the supreme aim of the Communist Party: the establishment of a socialist South Africa, laying the foundation of a classless socialist society'.

The first problem in this approach is the state of 'national democracy'. Here, it seems, are the goals of the 'Popular Front' period reintroduced as the task of a revolution inspired by African nationalism rather than the South African national bourgeoisie or anti-Fascist forces. But the argument of this essay has been that South African capitalism has not been subject to 'deformations' which, if removed, would permit a regime with bourgeois norms, but rather capitalism developing under specific conditions which can be ended only by a struggle against capitalism itself. The implication of the Party programme seems to be a movement under bourgeois hegemony and with bourgeois goals. Indeed nationalist movements can be such, and African nationalism in South Africa has sometimes had such a direction. But equally, one mass base of African nationalism has been in the peasantry. And, in a situation where the African 'national bourgeoisie' is a tiny force, deriving its sustenance as much from forces external to as internal to the African 'nation', the question must be posed as to the possibility of a proletarian

nationalism. From where, after all, does the black working class in South Africa derive its cultural formation?

The second question posed by the post-1962 Party analysis, and it is implicit also in this essay, is the strategic imperative imposed by the concept of 'internal colonialism'. The economic dimension of colonialism is provided by (a) the geographical transfer of surplus generated in the 'colony' to the metropolis (b) the determination of the colonial mode of production by the metropolis. In this sense socialist strategy against imperialism has differed from socialist strategy in metropolitan situations. In the latter the proletariat can be mobilised to appropriate the already developed forces of production which it has created. In the struggle for national liberation this appropriation is not possible: the surplus has been geographically removed. Yet (in Algeria for example) this did not prevent the struggle for national liberation assuming priority over the struggle long favoured by the French Communist Party for socialism in the 'combined territory' of Algeria and France together. For national liberation can at least call a halt to further surplus transfer and localise the determination of the mode of production. Yet what are the implications of this for a situation in which the 'metropolis' is located on the same territory as that over which the national liberation movement claims hegemony?

Ultimately—and this is the implication of rejecting the state of 'national democracy'—it would seem that such national liberation could be achieved only coterminously with the abolition of capitalism in South Africa. The struggle of the South African proletariat and the struggle of the African national liberation movement under the hegemony of the African proletariat and peasantry have the same ends. The duality of the contradictions in South Africa can only finally be dissolved together. But in the meantime, what? The question, perhaps, is the relationship of the contradictions or, more concretely, a socialist strategy towards the structural differentiations in the working class. Two, perhaps not mutually exclusive, directions suggest themselves. On the one hand a left movement must return to the pre-1928 attempt to develop proletarian class-consciousness amongst workers in industry, based on an analysis and an organisational structure which can explain the different circumstances of class struggle among white and black workers. On the other hand the national liberation movement can only base itself on those institutions and areas which still define its existence as a nation. Indeed the colonial dimension of South African society has been such as to actually absorb *territory* from the oppressed nation, and indeed the main means of colonial surplus transfer is now the export of labour-power. But the immediate meaning of the national struggle in South Africa would seem to be the struggle within the 'Bantustans' and the other areas subjected to South African imperialism for restoration of resources (demands for land, etc.), and for greater determination over local resources. The class hegemony in this struggle may be of different kinds

though, if, as Marx wrote, 'the proletariat of each country must, of course, first of all settle matters with its own bourgeoisie', then these areas will be the forum for this struggle. Indeed national liberation cannot be completed within these limits, circumscribed as they are in territory and resources. Yet equally it is doubtful if the struggle against capitalism in South Africa can proceed, through the unification of the interests and circumstances of black and white working class, without the leverage that might be achieved by a black proletariat using its 'national' institutions to their fullest extent.

## Conclusion

This essay has been concerned to analyse and explain the fact of capital accumulation under conditions of authoritarian rule in South Africa. It has sought this explanation both in terms of the contemporary conditions of capital accumulation (capital-intensive industry largely consequent on the importation of advanced technology with foreign investment) and in the specific circumstances of South African historical development. As a result of the specificity of these historical processes (of mercantile colonial conquest, and of primitive accumulation in gold-mining and farming), it was argued, the contradictions within South Africa developed a duality of character which has persisted in a new form in the contemporary period. This duality of the contradictions, within the South African capitalist mode of production, and between it and that of the 'dependent' societies which it has preserved/recreated, constitutes the specific form in which the dissolution-conservation contradictions of capitalism have appeared in South Africa. The origins of, character of, and functions of the South African state must be seen in the context of causing and caused by this specific development. Moreover authoritarian rule is not explicable in terms of 'archaisms', but in terms of the specific form which capitalism has taken.

The specific character of South African capitalist society, and the existence of a duality of contradictions, has important consequences for strategies of social transformation, and in particular for the relationship between 'national' and 'class' struggle. A major effect of the duality of contradictions, which is at the root of the system of racial differentiation, is the structural division of the working class. At the same time the system of racial differentiation is not sustained by 'archaisms', and its abolition involves struggle against capital. (In this context it is also important to understand the specific dynamics of the relation between foreign and local capital.) A brief concluding section of this essay has examined the history of black working-class movements in South Africa and critically evaluated strategies of the left. Such a brief treatment (as in other aspects of the essay) must leave many questions, unresolved or even unasked, gloss over many problems, and speculate

too freely on others. However I hope that it may provide some basis on which to develop constructively a discussion of the strategies of national liberation and socialist transformation in South Africa.

## Notes

1. This estimate is tentatively made by Archer (1973). The 'starvation-level' of African incomes is based on the fact that the majority of Africans live below the 'poverty datum line' income calculated by liberals as the minimum required for food, rent and other essentials.
2. *The Guardian*, March 13, 1973, quoting the president of the Afrikaanse Handelsinstituut (Chamber of Commerce).
3. However, the South African case does raise interesting questions about the form of transition between modes of production (slave to capitalist, and feudal to capitalist) and the consequent formation of class-consciousness.
4. The question of 'ownership' is a complex one. In the redistributive system of production, land was the communal 'property' of the political community, with rights *vis-à-vis* other communities almost undefined under conditions of non-scarcity, yet claims to family cultivation of particular plots defined within the community. Colonial conquest modified this situation towards more rigorous definition, even while Africans continued to retain autonomous political power. I am also using 'black ownership' to categorise those situations where ultimate ownership was transferred by conquest to the colonial state, but not to private (white) landowners.
5. Information on specific South African companies has been collated from numerous sources, including histories of individual concerns or specific industrial sectors, reports of the government and/or the Board of Trade and Industries, periodicals and newspapers, etc. A useful introduction is *Our First Half Century* (Capetown, 1960). For gross statistics on the economy, introductory sources are *Union Statistics for Fifty Years* (1963), Hobart Houghton (1964), Horwitz (1967).
6. This essay, focusing on the black workforce, has not been able to deal with the important question of the emergence and circumscription of other black classes in the overall structure of South African capitalism. This is of particular importance in assessing the character and potential of African nationalism.
7. The conflict and collaboration between capital and white labour, in the context of extra-economic coercion of black workers, is dealt with by Johnstone (1972) and forthcoming.
8. In an essay of this length, it has been impossible to deal with the important questions of the Indian and Coloured peoples of South Africa. From a situation as extra-economically coerced rural proletariat in the nineteenth century they became an urban proletariat under conditions different from both Africans and Whites. At the same time the growth of an Indian trading and merchant class, of Indian agriculturalists, of Indian and Coloured professionals, and the existence of a skilled Coloured artisanate all produced specific effects within the overall pattern of racial differentiation of South African capitalism. Equally, when dealing with black protest and socialist strategy, I have not evaluated the actual or potential contributions of the different Coloured and Indian classes.
9. E. H. Louw, Minister of Economic Affairs, in *Commerce and Industry*, VI, August 1948, 593-4. I introduce this quotation simply as an illustration of the long historical roots of South African expansionism. Of course in

- fact they go back, in terms of territorial ambitions, mining investment, and and labour demand, to a much earlier period and even in terms of exports to the interwar years. However this whole question of the role of South African capitalism with relation to the African continent I have also had to ignore in this essay.
10. For example, among recent such bodies, the Armaments Development and Production Corporation, and the Uranium Enrichment Corporation of South Africa.
  11. A number of British and American official reports on the economy at this period remark on poor infrastructural facilities as an inhibitor to investment.
  12. There are a number of recent studies of foreign investment in South Africa, by British, American and European anti-apartheid groups. The best introduction is First (1972). However, all these studies tend to over-estimate the role of foreign capital in comparison with local capital, and there are as yet no comparable studies of the structure of local economic power: these are urgently needed.
  13. The actually implemented housing programme of the 1950's and 1960's thus (a) eliminated along with 'slum' areas those black residential sectors in which black property rights or black community consciousness had developed in favour of easily policed and atomised rentable family and single accommodation; (b) more recently has concentrated on the building of 'hostels' for migrants which, from descriptions, are more like prison accommodation than homes. Large employers often also supply compounds for their workers. Of course my statement on 'normal' urban residence raises the question of the ecology of social control of working class residence in other industrial societies.
  14. I have dealt here with these two 'trends' of argument highly schematically both (a) in the sense of failing to differentiate within the two trends among different emphases and degrees of change; (b) in the sense of compressing a debate which, in different forms, has persisted over some time, its arguments refining themselves to some extent. For more details see Legassick (1974a).
  15. The campaign initiated by the British newspaper, *The Guardian*, in March 1973 (in consequence of the black strikes in South Africa during the preceding months?) should be assessed in this light. On this question with reference to the mining industry see Wilson (1972), pp. 144-6.
  16. Quoted in Simons (1969), p. 594. This is the most informative account of both black protest and socialist strategy in South Africa, though it has, I believe, analytical shortcomings. Useful information, though not analysis, may also be found in Walshe (1971). In my account of the 1936-50 policy of the Party I am compressing a complex period of debate; however I do not believe that A. Brooks is correct in his University of Sussex M.A. thesis in arguing that the Party was in support of 'African Nationalism' by 1950.
  17. Between the 1930's and the 1960's, the most trenchant Marxist analysis was by Trotskyists, largely white and coloured, who however had little influence on political action and occupied much energy in internecine factionalism. An account of their developing analysis and its intellectual influence has yet to be written.
  18. There seemed to be the expectation that the stimulation of insurrectionary acts, combined with international pressures, could lead to a transfer of power to the hands of the 'African majority'. This strategy, which has been called 'Bourguibist' was also initially favoured by Holden Roberto in Angola: see Marcum (1967). There is some evidence, both for Angola



and South Africa, that the United States (in particular the CIA) favoured this strategy, or at least regarded it as having sufficient potential for success as to which to control its results. In this sense, had such a transfer of power occurred, it would have led (as in the Congo) to serious struggle over the class character/ideological direction of black rule.

19. For some description and analysis of Southern African guerrilla activity from African nationalist and left-wing perspectives, see *South African Studies* (1970).

20. South African Communist Party (1962). See also the analysis of and discussion of this programme in the *African Communist* (quarterly since c. 1959). The documents on Party policy between 1950 and 1959 are not available, since the Party was underground and speaking through 'united front' periodicals. However a significant issue leading towards the party programme was debate on the 'national question' in which L. Forman (who also wrote some important pieces on the development of African Nationalism before his early death in 1959) and H. J. Simons were important. Other strains of Marxist analysis in the 1960's were a continued Trotskyist argument (in the Non European Unity Movement) and one faction of the Pan-Africanist Congress: some indication of the publications and analysis of the latter may be found in a highly tendentious and often misleading work by Gibson (1972).

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