

SOUTH AFRICA, APARTHEID, AND ECONOMIC EXPLOITATION

Howard Ross, Eastern New Mexico University

INTRODUCTION

We will analyze the close relation between apartheid and economic exploitation in South Africa, and the influence of the poor white problem on the development of apartheid. The ruling class used apartheid not only to overcome major economic and structural problems, but also to consolidate their power base (Davis et al 1978, 10). This will contribute to the understanding of the contemporary South African situation. South Africa is the only industrial capitalist society in the modern world in which racial domination is the basic principle of social organization.

At the end of the Anglo-Boer War, in which the Dutch Afrikaners were soundly defeated by the English, the Afrikaners found themselves pushed off the land, their previous means of subsistence. Later, in their search for work, they ventured into the urban areas, where they were subjected to the discriminatory policies of the English, who preferred to hire cheaper black African labor. Many Afrikaners were unable to find work, and they became part of an underemployed class called *poor whites*. This large, socially displaced group posed a serious challenge to the continued stability of the Government and the country. It was feared that the poor whites would move closer to Communism or unite with the black Africans against the Government. Finally, they felt that a large number of whites living in poverty was undermining the image of white superiority (Magubane 1978).

Apartheid is universally understood as the racial practices of the South African Government, whereby a relatively small percent of the population directly controls all political and economic power in the country. To most of the world, the apartheid policies of the Afrikaners against the black Africans majority are unfair and unjust, and constitute a gross violation of international law and morality. On their part, the Afrikaners believe that if outsiders were more familiar with the realities of South African life, they would understand why apartheid is a necessity at present. They explain that the black Africans are backward, both politically and socially, and need to be guided until they are intellectu-

ally capable of governing themselves. They justify their policy by saying that they are allowing the black Africans to develop at their own rate, sequestered into one of the tribal homelands, where they can preserve their cultural and linguistic heritage. Black Africans are denied the vote in South African national elections, and as a result, the whites have complete control of South African society, with complete control over the political process. They refuse to share political power even with the English. All power must remain in the hands of the Afrikaners.

After the Soweto and Durban rebellions, and considerable pressure from the international community, South Africa has elected to relax some of the petty features of apartheid. Many say that this is an attempt to change the superstructure of the system without changing the base. From the Nationalist perspective, this is much too little, and the Afrikaners must someday be prepared to share power. Alan Paton, one of South Africa's most powerful liberal spokesmen, indicates that it is not within the Afrikaner mentality to compromise on their desire to maintain exclusive political power in the country (Paton 1977).

Virtually every major political decision made in South Africa in some way feeds into the Afrikaner's desire and intention to retain power at all costs. As the minority population in South Africa, the Afrikaners have instituted a strategy of separate development, primarily geared against the black majority. This policy fragments the African population, thus limiting the power which might derive from mass mobilization. At the same time, it enables the Afrikaners to appear stronger than they really are.

Under the policy of separate development, each of the races is forced by law to reside in one of the areas set aside for their exclusive occupation. One of the peculiarities of separate development is that black Africans are not only separated from whites, but from each other as well, according to linguistic and ethnic lines. The black African linguistic groups are separated into certain non-contiguous geographic areas called homelands (Butler et al 1977, 1).

THE TRIBAL HOMELANDS

In South Africa, there are ten homelands. The Transkei, Bophutatswana and the Kwa Zulu are the largest and most important in size and in population. They contain over 60 percent of the entire African population and include about 70 percent of the homeland area. Therefore, they possess a tremendous potential for future mobilization. This makes them important in the context of South African politics, where most of the black homeland politicians have gained some influence. Chief Gatsha Buthelezi, leader of the Zulus, has been recognized by the Afrikaners as a key spokesman for the black African people, and not merely for the Zulus (Butler et al 1977, 81).

The Transkei, Bophutatswana, and Kwa Zulu homelands have been selected as the first to be granted independence by the South African Government. Most of the international community considers this granting of independence to be farcical and only a means for South Africa to placate her critics. When final independence is granted and accepted by all of the homelands, South Africa will have set into motion what is considered the grand design of separate development—a South African Federation with the homelands as independent entities.

For the nations of black Africa, as well as for South African black peoples, the independence of the homelands is meant to provide a recognizable means of resolving the power struggle between blacks and whites. From all indications, they have not achieved this objective. The liberation struggle led jointly by the Pan-African Congress and the African National Congress continues. As long as the economic disparities exist between the homelands and the urban areas, conflict will always be a part of South African reality, regardless of putative independence.

As the homelands become independent, black Africans will be stripped of their South African citizenship and will become exclusively citizens of their respective homelands. This policy enables the South African Government to diffuse the majority of nonwhite groups in the country, and to maximize their own power. The homelands provide the main source of migratory contract labor for South African industries and are convenient dumping grounds for the surplus black population of the aged, the infirm, and the unemployed.

In the mining industries, one of the strategic areas of the South African economy, migrant labor from the homelands provides over 50 percent of the labor requirement. The importance of cheap black African labor to the country's economic growth is related to the international economy in gold and diamonds. A primary purpose of the homelands is to provide native black labor. "Damming up African labor in the homelands obliges reluctant black labor to go to the mines and farms. Limiting labor contracts to only one year for each worker combines a growing black industrial labor force with minimum security." (Magubane 1978, 147).

Travel from the homelands is closely monitored, and black Africans are not allowed to travel to the urban areas unless they are serving the needs of whites as laborers in industry or domestic service. Even if they are working in the urban areas, they cannot remain in these areas more than 72 hours without special permission. The few exceptions allowed are for those born in the area, those with 15 years' total residence in the area, or those with 10 years' employment, or for those who are wives or children of those meeting the 10 years' employment standard. Very few black Africans will meet any of these conditions, and least of all, the 10 years' employment condition. Most black Africans will have to live their lives in one of the homelands (Carter 1980, 29).

Black Africans living in the homelands need employment to support their families. Therefore, many come to the urban areas illegally to search for work. Those captured by the security forces and charged with being in the urban areas without permission are given a choice between a long jail sentence or farm labor. Although black Africans consider farm labor the worst form of work in the country, it is preferred to the prison on Robben Island.

One way to understand apartheid legislation is to view it as a nonmarket mechanism for helping to create a vast floating labor pool from which South African industries and farms can draw just the needed amount of labor. When farmers or mine owners are faced with chronic labor shortages, one of their first reactions is to call for more restrictive legislation or for a closer enforcement of existing laws. They are fully aware that they will benefit from the low-cost labor caught in the web of oppressive

laws.

Cheap African labor is closely controlled by the policing of influx and efflux, which limits the number of black Africans either entering the urban areas or leaving the homelands. In order to leave the homelands, black Africans must be recruited by government labor bureaus in their territories, generally for a particular employer. Even so, they are required to return to their homeland after only one year of employment. More than a thousand Africans leave the homelands annually looking for work, and with the new commuter settlements and better transportation, the number is certain to increase.

Between 1960 and 1970, over 996,000 black African labor tenants, squatters, and their families have been pushed off their land or farms and have been resettled in the homelands (Myers et al 1980). Now, the official government rationale for the homeland policy is to allow the black Africans to develop according to their own self-imposed rate, unencumbered by outside influences. Due to the nature of the homelands as bleak, barren, and desolate areas that allow for little or no economic development, this rationale does not correspond with the facts. The forced homeland resettlement serves two important functions for South Africa. It helps maintain exclusive Afrikaner control of lands with the economic and political power that goes with it, and it provides a constant, inexpensive source of labor for the white-controlled industries and farms.

FOREIGN INVESTMENT IN SOUTH AFRICA

Cheap labor and developing industry have transformed South Africa into a haven for foreign investment. The combination of South Africa's easy access by sea to major international markets, its excellent ports, and its growing domestic market has made South Africa one of the world's most profitable places for capital investment. This depends on guaranteeing the political stability of the country.

Foreign capital investment in South Africa is large in relation to capital investment in the rest of black Africa, and it is invested in strategic sectors of the economy. Foreign capital from Western nations has provided a substantial portion of the foreign exchange needed for industrialization. This has helped South Africa to meet the capital

needs of the critical growth sectors of the economy, such as motor-vehicle production, computers, telecommunications, and petroleum processing. Foreign capital investment has been directly or indirectly responsible for almost a third of the country's gross national product. Of equal importance is the technology that has followed foreign investment. It is possible that South Africa has become the first African nation to develop a capability with nuclear weapons.

The United States has provided a substantial amount of foreign capital investment in South Africa, where more than half of the largest corporations possess either direct investments or portfolio investments through local affiliates. More than 6,000 other United States companies employ nearly 100,000 workers, of which two-thirds are black Africans. And the size of the United States' capital investment in South Africa is slowly increasing. In 1978, direct investments stood at 1.79 billion dollars, increasing to 1.99 billion dollars in 1979. Total indirect investments, through shares held in South African industries, gold, stocks, or bonds, stands at about 2 billion dollars. This amounts to about 37 percent of the total investment commitment by the United States in the African continent. Despite the international boycott of South Africa, international trade with the West has steadily increased (Meyers et al 1980). The significance of this foreign trade is apparent in that it has stimulated economic growth in the four areas of the country relying heavily on black or colored African labor. In the Western Cape, colored labor is used. In the Eastern Cape, both colored and black labor are used. In the Durban-Pinewood areas, black African and Indian labor are used. Finally, the PWV Triangle of Transval, the country's largest industrial area, producing 80 percent of the gross national product, employs nearly 80 percent of the total black African work force (Magubane 1978, 98).

THE POOR WHITE PROBLEM

Apartheid is not simply an ideological response by Afrikaners to people of a different culture. It is a type of world view which permits super-exploitation of black African and Colored labor. By viewing black Africans as inferior, primitive, and less than human, it justifies and rationalizes exploitation. South African white liberals argue that industrial economic rationality would eventually undermine the system of apartheid,

and they point to the shortage of skilled personnel as one indication of this. Apartheid and industrial economic growth are fully compatible. Each supports the other. The poor white problem is an indication of the close relation of apartheid with the economic growth of the country. Along with the increase in the number of poor whites in the cities after the Boer War, a more important struggle was going on between mining capital, dominated by the English, and local national capital, agriculture, and domestic industries, dominated by remnants of the Afrikaner bourgeoisie. National capital was no match for mining capital, which was supported by Great Britain and by the South African Government. There was also a struggle between poor whites and mining-capital enterprises. It was fought out over the issue between free trade versus tariffs. Mining capital favored free trade, being dependent on strong economic ties with Great Britain. National capital wanted tariff protection from international competition. Most of the enterprises composing national capital were not cost efficient, compared to foreign industries, and local industries could not compete with foreign producers. "British control of mining and British capitalist access to foreign capital meant that the aspirations of the Afrikaner business class were at a perpetual disadvantage. After World War I...the manufacturing sector in South Africa remained weak." (Magubane 1979, 147).

Internal problems were heightened by the world depression after World War I which produced a sharp fall in the price of gold, South Africa's main export, and for most other industrial goods. National capital had to adjust to the policy of free trade. Wheat farmers lost their favorable rail rates. Rhodesian imports were admitted tax free, driving up the price of local goods. New taxes were levied on the tobacco industries. These economic measures ruptured the tenuous unity between mining capital and national capital. The struggle was carried out on the political level between their political representatives. This ultimately brought about the total reorganization of the political parties in South Africa.

APARTHEID AND THE AFRIKANER GOVERNMENT

The conflict between the political parties brought a new leadership into South Afri-

can politics. From 1919 to 1920, an attempt was made to unify the then governing South African Party and the Nationalist Party into a central party which would continue to serve the overall needs of mining capital. This attempt failed, and the South African Party united with the Union Party as the representative of mining capital. As a result, farmers were alienated from politics, and most of them sought alternatives to the South Africa Party, and the loss of their support accelerated the decline of the South Africa Party (Davis 1978).

The decline in political support, combined with the massive cost reductions initiated by mining capital in 1922, produced an explosive situation. Most of the cost reductions affected the 22,000 Afrikaners employed by mining capital, and many were laid off. This resulted in a wide-spread strike which had to be put down with military force. The use of the military against the Afrikaner workers brought back the recent memories of their defeat in the Boer War, and many turned away from the State.

Influential South African politicians viewed this as a very dangerous situation, particularly if the Afrikaners should join forces with the black Africans and Coloreds. They also feared that having a large segment of impoverished whites, in conditions like those of the black Africans, would undermine white superiority. Many politicians correctly saw that mining capital had lost its legitimacy in the country, and this prompted them to support national capital. Using the massive unemployment problem and the poor white problem as campaign issues, the Afrikaners were able in 1924 to gain substantial political power in the elections. Once entrenched in power, the Afrikaner Government reversed the favoritism which the previous Government had shown to mining capital, and now catered to the interests of national capital. One of their first actions was to reverse the previous government's positions against protective tariffs. A wide range of subsidies and grants were extended to agriculture, for which mining capital was heavily taxed to pay.

The new Afrikaner Government then turned to the poor white problem. It had two goals. First, they wanted to consolidate the poor white Afrikaners within their base of political support. Second, they wanted to fragmentize the working-class population. In 1926, the Mines and Workers Act was

passed which stipulated that in the future, all whites, and particularly Afrikaners, must be given priority for all available employment in industries and other enterprises. Therefore, many black Africans who were employed in supervisory or managerial positions were laid off to make room for whites. Numerous training and educational programs were set up for the Afrikaners. All of this was aimed at incorporating the Afrikaners into a consolidated base of political support for the State. The Government thus provided the white Afrikaners with one of the highest living standards in the world. Apartheid became an instrument to rationalize the economic exploitation of black African workers, whose surplus is used to pay for the high living standards of the Afrikaners. Apartheid was a means to consolidate political power for the State, and a means of self-legitimation.

REFERENCES

- Butler, J., R. Rotberg, and J. Adams. 1977. *The Black Homelands of South Africa*. California University Press.
- Carter, G. 1980. *Which Way Is South Africa Going?* Indiana University Press.
- Davies, R., D. Kaplan, M. Morris, and O'Meara. 1978. "Class Struggle and the Periodisation of the State in South Africa." *African Affairs*.
- Farwell, B. 1976. *The Great Anglo-Boer War*. New York, Harper Row.
- Magubane, B. 1978. "The Political Economy of Race and Class in South Africa." *New York Monthly Review*.
- Myers, D., K. Propp, D. Hauck, and D. Liff. 1980. *U.S. Business in South Africa: The Economic, Political, and Moral Issues*. Indiana University Press.
- Paton, A. 1971. Revision: "Attitudes Towards Apartheid." *National Review*, 23, 852-853.