The end of apartheid was not the end of poverty

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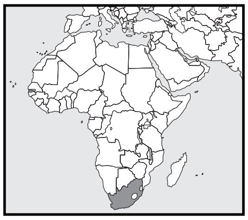

2001 was the year of the further consolidation of South Africa's neo-liberal transition. But 2001 also witnessed the beginning of a new era of social mobilisation against the effects of these neo-liberal policies, as landless people, poor communities, workers and activists took to the streets to oppose the basic tenets of the South African Structural Adjustment Programme.

Since its 1996 adoption, the Growth, Employment and Redistribution Strategy (GEAR) – the South African version of SAP – has succeeded in little more than dampening the hopes of the poor majority that liberation from Apartheid would also mean liberation from poverty.

But these hopes quickly faded as the new political elite eschewed the egalitarian ethos that had underpinned the anti-apartheid struggle in favour of neo-liberal solutions to the challenges facing the new nation. The past eight years have increasingly revealed the high costs of these policies for the poor majority. In 2001, the South African Human Rights Commission reported that more than 20 million of the country's 45-million population live below the ZAR 390 (USD 32.50: Jan 2002) monthly poverty line. Only three million of these are reached by relevant poverty relief measures.[1]

The failure of the neo-liberal macroeconomic strategy

In 1996, two years after the birth of democracy, the new political elite abandoned the progressive, yet market-oriented, Reconstruction and Development Programme in favour of the new conservative macroeconomic strategy GEAR. Premised on the neo-liberal assumptions and prescriptions of the Washington Consensus, including deregulation, export-orientation, privatisation, liberalisation, reliance on Direct Foreign Investment (DFI) and curbing budget deficits by cutting social expenditure,[2] GEAR has delivered neither growth, nor employment, nor redistribution.

GEAR's proponents argued that the strict belt-tightening measures impacting on the poor would be offset by the resulting high economic growth rates, averaging 4.2% annually from 1996 to 2000, for a total growth of 21.2% of the five-year period with annual growth reaching 6.1% in 2000.[3] Yet annual forecasts have repeatedly been revised downwards to around 3.5% growth targets, and even these have routinely been missed, with South Africa's economy expected to barely reach 2.2% growth when the final results for 2001 are in.[4]

The 1.3-million new formal non-agricultural jobs GEAR promised to create between 1996 and 2001 also failed to materialise, with well over half a million jobs lost during the period instead.[5] According to Econometrix, "there has been a 10% decline in formal sector employment since 1995". The income gap between whites and others has narrowed, but within blacks the gap between high and low income households has widened. And GEAR's promise of "redistribution" has amounted to little more than the typical neo-colonial creation of a small indigenous elite. Econometrix adds that: "The gap between the educated and the poorly skilled has widened, so has the gap between urbanites and the rural poor. The threat of AIDS seems set to overwhelm achievements in other areas. The share of blacks in wealth has risen, but only a relatively small elite has benefited."[6]

Globalisation: slaves don't get paid

Despite the government's slavish adherence to GEAR's neo-liberal fundamentals in the face of the policy's ongoing failure, the long-awaited fruits of increased FDI have failed to materialise, with President Thabo Mbeki's economic advisor Wiseman Nkhulu forced in May 2001[7] to lament a matching lack of sufficient domestic investment (less than 17%, compared with the 20% needed to meet growth targets). This should hardly surprise South Africa-watchers, however, following the government's decision to allow several major multi-nationals, including Anglo-American and South African Breweries to delist from the Johannesburg Stock Exchange in order to list overseas. Having rolled out the red carpet for large-scale capital flight, the government then feigned surprise when the South African rand lost 40% of its value in 2001.[8]

The dominant explanation for the rand's demise points to "external factors" such as the December 2001 events in Argentina and the political crisis in Zimbabwe – in other words, the negative effects of globalisation caused by currency speculators. Mainstream economists nevertheless have urged the government to intensify its privatisation drive[9] instead of rethinking the country's enslavement to globalisation's drivers. The neo-liberal solutions proposed amount to more GEAR instead of less, putting the country on a slippery slope towards total chaos.

1 South African Human Rights Commission. *Annual Economic and Social Rights Report*, November 2001.

2 Patrick Bond. "Elite Transition: From Apartheid to Neo-Liberalism in South Africa", Pluto/ University of Natal Press, 2000; Hein Marais. "The Political Economy of Transition", Zed/ UCT Press, 1998.

3 *Growth, Employment and Redistribution Strategy*, South African Government Policy Document, 1996.

4 Daniel Thöle. "SA Feels Weight of Global Slowdown". *Business Day*, 28 November 2001.

5 October Household Survey, 2000, Statistics South Africa.

6 Econometrix website: www.econometrix.co.za.

7 Jonathan Katzenellenbogen, "Faster Growth Tops State Agenda". *Business Day*, 25 May 2001.

8 Danie Joubert. "Reasons for Mysterious Slide in Rand". *Business Day*, 20 December 20 2001.

9 John Fraser. "Foundation Urges Economic Liberalism". *Business Day*, 31 December 2001.

The battle for water

Perhaps the most radicalising service issue in South Africa is the growing battle between poor communities and the World Bank-inspired water privatisation process underway across the country. The birth of "public-private" partnerships in the late 1990s saw most metropolitan councils effectively privatising their water supply responsibilities to foreign multinationals. According to the SAHRC, "a number of problems emerged with these partnerships, including higher user charges, poor technical design, poor community participation, administrative confusion, and lack of training and transfer prospects."

These public-private partnerships have resulted in some of the most inhumane administrative fiats of South Africa's neo-liberal era, leading amongst others to the KwaZulu-Natal cholera outbreak of 2000, which claimed nearly 200 lives. A government "lifeline" policy promising 6000 litres free water per household monthly, has been poorly and unevenly implemented in areas where water supplies exist, and not at all in many rural areas where the "cherry-picking" practices of water multinationals find water provision unprofitable.

Land Reform: the seeds of discontent

Land dispossession was the cornerstone of colonial and apartheid rule in South Africa, forming the basis for the extraction of both labour and resources for accumulation by the settler capitalists. The government committed itself to a market-based process to redress this legacy. Almost eight years later, less than 2% of land has changed hands from white to black, and with less than 1% of the budget dedicated to land reform, it is expected to take between 125 and 150 years to redistribute 30% of agricultural land and complete the land restitution project for the victims of forced removals.[10]

The most significant developments in 2001 occurred despite – or rather because of – government's inertia. The Bredell occupations[11] made clear that landlessness is both an urban and rural issue, and the continuing events in Zimbabwe have fuelled community drives to obtain land on their own accord, through occupations. While these are distinctly different to those in Zimbabwe, in that they are local actions opposed by the ruling party, the fact that desperately poor and land hungry people have increasingly occupied land throughout the country has forced the issue onto the national agenda. The government's response, in the form of swift and brutal forced removals and criminalisation of poor landless people has pleased the white farming community (AGRI-SA), which similarly continues to abuse and evict many of the country's 8-million farm dwellers illegally and arbitrarily.[12] But these actions, as well as the continuing racism of rural courts that continue to give landowners lenient sentences for serious crimes including murder,[13] have also fuelled a new militancy among the landless. A new Landless People's Movement (LPM) formed in July 2001 marched in protest against the government's land reform failures during the UN World Conference Against Racism, called on Zimbabwean President Robert Mugabe to visit them, and threatened to begin widespread land occupations if its demands were not met.

HIV/AIDS: TRIPS vs. health rights

In November 2001, the Treatment Action Campaign (TAC) won a major court battle to force the government to provide ante-retrovirals to all HIV-positive pregnant women. The government planned to appeal this ruling in the Constitutional Court on the grounds that the courts do not have the power to force the government to deliver on socio-economic rights. TAC won the case on the grounds of a previous ruling, known as the Grootboom decision – a housing rights decision which ruled that the government had an obligation to fulfil the socio-economic rights granted by the Constitution, and that the "reasonableness" test included the provision of emergency shelter for the vulnerable. The government now plans to challenge the very basis of Grootboom, endangering not only the Nevirapine ruling, but also potentially challenging the legal enforceability of all the socio-economic rights clauses which distinguish South Africa's Constitution from those of other countries.

The government's planned court appeal is ironic in the context of an important victory it won in May over the multinational pharmaceutical industry. The South African Pharmaceutical Manufacturers Association and 39 international drug companies took the government to court in April 2001 in an attempt to block the adoption of the Medicines and Related Substances Control Amendment Act, which the industry claimed would open the door to the infringement of patents and intellectual property rights, as defined by the TRIPS clause of the Uruguay round. Supported by TAC, as well as the country's leading labour federation, COSATU and a range of other stakeholders, the government claimed that the AIDS epidemic represented an emergency situation that required the government to open the door to the production of generics and/or the importation of cheaper drugs from third countries. The industry dropped the suit in May, following a compromise agreement from the government that it would consult on the law's implementation, and the following month multinational drug giant Glaxo handed over the rights to its AIDS drugs (AZT, 3TC and Combivir) to a local generic producer. Although this victory should have bolstered the government's ability to extend anti-retroviral treatment to vulnerable groups in the near-term, the government has shown less interest in translating the legal victory into a wider treatment campaign than in fighting for the right not to provide treatment.

Conclusion

Almost eight years have passed since the birth of democracy signalled the end of colonial and apartheid oppression and exploitation, but these have been replaced by a neo-liberal economic order that has done little to end the unequal economic relations of the past. Almost half the 45-million population earns less than USD 35/month. Yet the rules of the neo-liberal game dictate that severe poverty is no reason for free services, and the government has dutifully enforced these rules through forced removals, evictions and service disconnections to the desperately poor.

Desperation, however, forces people to respond to their conditions, and a new mood of resistance is growing in informal settlements, townships, factories and rural areas across the country where the poor are beginning to take action to prevent the further consolidation of neo-liberal economic policies that have brought them only suffering. ■

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10 Edward Lahiff. *Land Reform in South Africa: is it meeting the challenge*? Policy Brief No 1, Programme for Land and Agrarian Studies, University of the Western Cape, September 2001.

11 In June 2001, over 10,000 homeless people occupied a piece of vacant peri-urban land in Bredell, Johannesburg. The government reacted with vociferous condemnation of the homeless people, arresting some and evicting the remainder with the help of a private security firm that has recently gained notoriety as the responsible for a growing wave of urban and peri-urban forced removals of large groups of people to make way for private capital projects, such as the park reputedly planned for the Bredell land.

12 Human Rights Watch. *Unequal Protection: The State Response to Violent Crime on South African Farms*, 2001.

13 African Eye News Service, 3 November 2001.