One Hundred Years of the ANC

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Chapter Fourteen

THE ANC: PARTY VANGUARD OF THE BLACK MIDDLE CLASS?

Roger Southall

The African National Congress (ANC) lays claim to being the oldest living nationalist movement in Africa. Purportedly, nationalist organisations represent the interests of a putative or extant ‘nation’ against those of an oppressive external power or coloniser. When their struggles triumph, they lay claim to ownership of the previously externally dominated state, national oppression is overthrown, and the nationalist movement moves into power as the representative of the people. However, as has been wryly observed time after time, the triumph of nationalism exacerbates rather than eliminates differences the nationalist struggle had contained. Once they have assumed power, nationalist movements may claim to represent and promote the interests of the entire nation, yet regularly they have become the vehicles of particular ethnic, class, religious and/or regional interests. The category of ‘nation’ effectively dissolves, except in so far as the now-ruling party defines who and who does not belong to it.

Likewise, the sectional interests of those who control the ruling party become unambiguously identified with the ‘national interest.’ Across wide swathes of Africa the post-colonial state has come to be identified as effectively owned and controlled by a post-colonial elite which, while it may have all sort of ethnic and other properties, is, above all, defined by its use of the state machinery for purposes of material accumulation. Having taken control of the instruments of power, the nationalist movement establishes the ‘party-state’ and becomes a ‘political machine’ central to the allocation of political and economic goods and consolidation of power and well-being of the new elite.

According to its theology of the National Democratic Revolution (NDR), the ANC is uncomfortably aware of the dangers of South Africa following this trajectory. The principal dynamic of the NDR is said to be the liberation of Africans in particular and blacks in general from political and socio-economic bondage. The ‘motive forces’ of the revolution are recognised as workers and the rural poor, who constitute the large
majority of the popular movement, alongside middle strata (including small business operators and real and aspirant capitalists), which, historically, were blocked from growth and development by the racial exclusions of segregation and apartheid.

As part of the motive forces, the black middle strata constitute a critical resource, providing not only professional skills but fostering value systems appropriate to the building of democracy and development. At the same time, the achievement of democracy has seen ‘the dramatic, if still exceedingly limited, emergence of the black capitalist group.’ This has a very direct stake in the continued advancement of the revolution, particularly the necessary deracialisation of ownership and control of wealth and income, and in the development of the forces of production.

‘However, because their rise is dependent in part on co-operation with elements of established white capital, they are susceptible to co-option into serving its narrow interests – and developing into a comprador bourgeoisie.’ Further, because their advance is dependent upon a variety of interventions with both private capital and the state, ‘they are constantly tempted to use corrupt means to advance their personal interests – and thus develop into a parasitic bureaucratic bourgeoisie.’ Access to state power likewise opens up enticing opportunities for cadres in the public service and professions. Even within the allied trade union movement and the party itself, ‘unprecedented opportunities’ are made available to ordinary cadres for individual material gain, while, simultaneously, political incumbency can lead to ‘Patronage, arrogance of power, bureaucratic indifference, corruption and other ills,’ undermining the organisation’s lofty value of service to the people. It follows that the ANC must play an historic role of both guarding and promoting the NDR of mastering common platforms so that ‘all motive forces pull in the same direction’:

We do acknowledge that, at times, the narrow self-interest of a particular class or stratum group may not necessarily coincide with that of other motive forces. In some instances, as with the working class and the bourgeoisie, these interests may even be contradictory. [However, the ANC] should strive to manage ‘contradictions among the people’ in such a manner that they do not undermine the long term goal of national democratic transformation. In attending to these issues, the ANC should remain steadfast to principle, and guard against attempts by any force to turn it into a hostage of narrow sectoral interest.

Ultimately, the ANC’s success in pursuing this difficult role relies upon its members acting as the most advanced elements of society and its organisation remaining rooted in and deriving from its mass base, that is, its ability to stay in touch with and guide ‘the people.’
It is clear from even this highly compressed account that the ANC recognises the difficulties of pursuing a progressive, ‘vanguard’ role within the context of an economy which it continues to see as dominated by white ‘monopoly capital’ in an era of globalised capitalism. The question is immediately raised: How far has it succeeded in managing ‘the balance of forces’ to keep the NDR on track? In particular, how far has it succeeded in containing the regressive tendencies of the black middle strata and directing its energies, potential and interests in a progressive direction? Or has the ANC’s assumption of state power so led to the growth of the political and economic weight of these strata that the party itself has become transformed into their vanguard, its direction and policies primarily shaped by their material and other interests?

DEFINING ‘BLACK MIDDLE CLASS’ IN SOUTH AFRICA

There are huge controversies around the subjects of racial definition and identity and their political and social consequences. The democratisation of South Africa has formally eliminated race as a constitutional category. Nonetheless, although, for instance, the South African census allows for respondents to its questionnaire to self-define their ‘race’ (so that, for example, the white writer of this chapter is quite free to identify himself as ‘African’), the more pungent reality is that South African society continues to revolve around the racial categories of apartheid, and to define the category ‘black’ as composed of those who, under the former regime, would have been formally classified as African, Indian or coloured, however arbitrary the definition. ‘Black,’ in turn, is regularly transmuted into a definition of ‘historical disadvantage,’ which is taken as a key criterion for the potential granting of preference regarding, for instance, admission to a university or recruitment into the public service.

While critics (left and right) rage that the continuing use of racial criteria constitutes a form of neo-apartheid and obstructs progression to true ‘non-racialism,’ the ANC (as we have seen) continues to employ the old racial categories as depicting an historical reality, and in this it would seem to be endorsed by popular perceptions of society, of racial identification as constituting simple ‘common sense.’ From this perspective, ‘black,’ as in ‘black middle class,’ is relatively unproblematic. However, the term becomes far more contentious if and when intra-black tensions and contestations are taken into account, with, for instance, coloureds complaining that when it comes to accessing jobs and advantages they are deemed not to be ‘black
enough’ and that in much ANC parlance and action, ‘black’ effectively collapses into the category ‘African.’ Use of the term ‘black’ as in ‘black middle class’ can therefore be highly contentious, assuming a unity of group purpose and identity which may not exist in practice. Suffice it to say here that the ambiguities embedded in the term ‘black’ are admitted and recognised, as are the difficulties in disentangling them.

Debate about what is meant by ‘middle class’ is similarly fraught with pitfalls. Classic Marxist scholarship traditionally located the ‘middle class’ or ‘petty bourgeoisie’ as a class of petty capitalists, traders, shopkeepers and professionals (lawyers, doctors and so on) sitting uneasily between the two great opposing forces of capitalists and proletariat and destined to be crushed in the battles between them unless they choose sides, their relationship to the state being a major factor in determining their fate. ANC theorising about the black middle class falls into this grand tradition, as does much scholarship embracing neo-Marxism.

In contrast, liberal scholarship in South Africa has tended to embrace neo-Weberian understandings of class constructed around occupation and status, arguing broadly that the development of a black middle class has been founded upon expanding life-chances (notably, improving access to education and acquisition of skills) and upward mobility of blacks into occupational categories historically reserved for whites. The debate is continuous as well as complex, and the approach adopted here will attempt to draw insights from both traditions. In particular, it will borrow from the Marxian tradition the emphasis laid upon the importance of the relationship of the middle class to the state; from the liberal tradition it will recognise the importance of defining the middle class via occupation.

Space considerations prevent detailed consideration of the variant definitions of the term middle class employed by scholars. It is enough to say here that since the 1960s, there has been a considerable body of work exploring the upward mobility of blacks and Africans into professional, managerial, technical, clerical and non-manual jobs. Much of the early focus was upon the manner and extent to which blacks were moving upward into jobs previously occupied by whites and how, as a result, the wage gap between black and white workers was narrowing. The resulting debate was rendered complex by scholars using somewhat different definitions of the term ‘middle class’ and by the fact that official employment statistics do not readily translate into class categories. In any case, while the term ‘middle class’ is bandied about freely, the implication of a class being ‘in the middle’ is that it is located between upper and lower class categories. Marxian categorisations would distinguish between a ‘bourgeoisie’ proper and a ‘petty bourgeoisie.’
### Selected Employment by Occupation, Race and Sector, 1991 and 2011

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>Year</th>
<th>African</th>
<th>Coloured</th>
<th>Indian</th>
<th>White</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional, semi-professional and technical</td>
<td>1991</td>
<td>287 503</td>
<td>72 448</td>
<td>38 739</td>
<td>442 058</td>
<td>840 748</td>
</tr>
<tr>
<td></td>
<td></td>
<td>34.3%</td>
<td>8.6%</td>
<td>4.6%</td>
<td>52.7%</td>
<td></td>
</tr>
<tr>
<td>Managerial, executive and administrative</td>
<td>1991</td>
<td>33 320</td>
<td>15 303</td>
<td>23 707</td>
<td>275 827</td>
<td>348 157</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9.57%</td>
<td>4.4%</td>
<td>6.8%</td>
<td>79.2%</td>
<td></td>
</tr>
<tr>
<td>Clerical and sales</td>
<td>1991</td>
<td>519 490</td>
<td>183 718</td>
<td>122 691</td>
<td>777 860</td>
<td>1 603 759</td>
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<tr>
<td></td>
<td></td>
<td>32.4%</td>
<td>11.5%</td>
<td>6.8%</td>
<td>48.5%</td>
<td></td>
</tr>
<tr>
<td>Total non-manual occupations</td>
<td>1991</td>
<td>840 313</td>
<td>271 469</td>
<td>185 137</td>
<td>1 495 745</td>
<td>2 792 664</td>
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<tr>
<td></td>
<td></td>
<td>30.1%</td>
<td>9.7%</td>
<td>6.8%</td>
<td>53.5%</td>
<td></td>
</tr>
<tr>
<td>Totally economically active population</td>
<td>1991</td>
<td>7 497 041</td>
<td>1 359 215</td>
<td>379 702</td>
<td>2 388 410</td>
<td>11 624 368</td>
</tr>
<tr>
<td>Professional, semi-professional and technical</td>
<td>2011</td>
<td>1 080 000</td>
<td>270 000</td>
<td>128 000</td>
<td>732 000</td>
<td>2 211 000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>48.8%</td>
<td>12.2%</td>
<td>5.8%</td>
<td>33.1%</td>
<td></td>
</tr>
<tr>
<td>Managerial, executive and administrative</td>
<td>2011</td>
<td>379 000</td>
<td>115 000</td>
<td>99 000</td>
<td>543 000</td>
<td>1 136 000</td>
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<tr>
<td></td>
<td></td>
<td>33.4%</td>
<td>10.1%</td>
<td>8.7%</td>
<td>47.8%</td>
<td></td>
</tr>
<tr>
<td>Clerical and sales</td>
<td>2011</td>
<td>2 290 000</td>
<td>367 000</td>
<td>162 000</td>
<td>425 000</td>
<td>3 245 000</td>
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<tr>
<td></td>
<td></td>
<td>70.6%</td>
<td>11.3%</td>
<td>5.0%</td>
<td>13.1%</td>
<td></td>
</tr>
<tr>
<td>Total non-manual occupations</td>
<td>2011</td>
<td>3 749 000</td>
<td>752 000</td>
<td>389 000</td>
<td>1 700 000</td>
<td>6 590 000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>56.9%</td>
<td>11.4%</td>
<td>5.9%</td>
<td>25.8%</td>
<td></td>
</tr>
<tr>
<td>Totally economically active population</td>
<td>2011</td>
<td>9 158 000</td>
<td>1 495 000</td>
<td>484 000</td>
<td>1 981 000</td>
<td>13 118 000</td>
</tr>
</tbody>
</table>

Sources: Sikhosana (1996) (citing email communication with Stats SA); SAIRR 2010–11, 232

*Figures may not add up horizontally and vertically, owing to rounding.

The table above makes a distinction between ‘upper’ and ‘lower’ components of the ‘middle class,’ but this cannot be regarded as the equivalent, because the information that is available refers to occupation and income shares of different races rather than to ownership and control of capital (which is critical to Marxian definitions). Nonetheless, for all the limitations involved in their use, the crude data offered by censuses is revealing. The table does not merely demonstrate a
considerable expansion in the number of black people located in occupations broadly deemed to be black middle class but offers significant pointers to the changing racial division of labour.

Caution should be exercised in using the figures in the table, as the data for the different years is not strictly comparable as the listed occupational categories have changed somewhat. In any case, the categories as presented are enormously broad, with, for instance, both the ‘professional, semi-professional and technical’ and ‘managerial, executive and administrative’ classifications, including a wide array of occupations, ranging from the highest rungs of management down to the lowest level of employees in professions such as teaching, nursing and jobs in local government. Nonetheless, the table indicates the following:

Firstly, above all, there has been a dramatic increase in the growth of African and black people employed in non-manual, white-collar occupations – from some 840 000 and 1 297 000 in 1991 respectively to 3 749 000 and 4 890 000 in 2011, a period which is roughly coincident with that of the era of democratisation. Overall, the black component of these occupations has increased from some 46 per cent of those in work in 1991 to nearly 75 per cent in 2011.

Secondly, if we (arbitrarily) choose to conceive those in the professional and managerial categories as providing the core of an ‘upper middle class’ and (generously) clerks and sales persons as a ‘lower middle class,’ we arrive at approximate totals of some 1 459 000 Africans and 2 071 000 blacks in the former category, and some 2 290 000 Africans and 2 819 000 blacks in the latter.

To update an observation made earlier, the distinction between an upper and a lower middle class is important, as it would seem that it is the former which is the principal beneficiary of a changing distribution of income. Thus:

- Long-term trends point to a substantial growth in the distribution of national income accruing to blacks: the African and black share of total income increased from 19.8 per cent and 28.9 per cent in 1970, to 42 per cent and 53.9 per cent in 1996 to 47 per cent and 58 per cent in 2010.

- The share of income accruing to the upper middle class overall appears to be increasing at a higher rate than that accruing to the lower middle class. Average annual income of heads of households in managerial, professional, technical and administrative grades increased from R116 000 to R150 000
(29.3 per cent) between 1995 and 2000 (at 2000 market value prices), while the figure decreased from R79 000 to R59 000 (-25.3 per cent) for those from clerical and sales grades. (Unfortunately, comparable figures for later years are not available).

- According to the Bureau of Market Research, the proportion of African and black households listed in a 'high' category increased from 13.0 per cent and 23.2 per cent in 1998 to 35.7 per cent and 48 per cent in 2004 (high being listed as an annual income of R153 601 at 2001 prices). Further, although only 5 per cent of all African households were classified as high income, they received 35.7 per cent of the income of the high-income group in 2004. "Thus, since 1998 a small percentage of Africans has gained riches at a rapid rate. The same cannot be said of the lower income groups of the African population. Their incomes have made more modest gains, while many in the lowest earning brackets have become poorer still." Indeed, we may note that what, for reasons of practical definition, is nominated a 'lower middle class' is located at a very modest standard of living.

- In 2009, of those defined as affluent (earning incomes in excess of R600 000 per year), 27 per cent were Africans and 38 per cent were black.

- While increasing numbers of blacks are joining whites among the upper middle class, South Africa is seeing a widening gap between rich and poor generally. Thus, the country's Gini co-efficient rose from 0.66 in 1993 to 0.70 in 2008, with comparable figures for whites being 0.43 and 0.56 and for Africans being 0.54 to 0.62.

Although the details of the overall picture remain obtuse, it is clear that the period of ANC rule has overseen not only a significant increase in the absolute size of those categories of black people who can be deemed 'middle class' but that the upper middle class has done considerably better than the lower middle class. Meanwhile, the growth of this middle class has taken place during an era when the labour market for manual workers has seen a marked relative shift away from permanent to deregulated, casualised employment. Although living standards for the majority of blacks have increased significantly since 1994, the last two decades have seen a simultaneous and very significant increasing differentiation among blacks along lines of class. However, to establish whether this has been an intentional or unintentional outcome of ANC rule requires first that we explore the nature of the
ANC’s inheritance in 1994 and the manner in which it has sought to overcome it to bring about political and economic transformation.

THE ANC AS A PARTY MACHINE

The ANC shares with other post-colonial nationalist and liberation movements the structural characteristic of having become a party machine whose primary purposes are to allocate goods (positions, privileges and opportunities) and to reproduce itself in power via its control over the state. From at least the early 1980s, large-scale capital had become increasingly conscious of the political wisdom of promoting blacks through corporate managerial ranks and cultivating links with the ANC (a thrust which was to provide the initial impetus for what became known as black economic empowerment – BEE). Nonetheless, at the moment of democratisation in 1994, the corporate sector remained overwhelmingly ‘white’ in both its higher and middle echelons, while continuing to dominate the economy. In this context, the ANC entered office in 1994 with a highly activist conception of how to use state power.

In becoming the leading force in government, the ANC assumed multiple responsibilities. In the post-apartheid context these involved, inter alia: promoting racial reconciliation, maintaining ‘business confidence’ and attracting foreign investment by pursuing appropriately robust market-oriented macroeconomic policies and ensuring, quite simply, that the state machinery would still work in democratic conditions, while simultaneously restructuring it, so that it would become more suited to addressing the demands of the majority of the population. However, above all, the ANC was burdened by the massive expectations of those who had voted it into power, and who envisaged ‘liberation’ as entailing not only freedom from racial oppression but substantial material improvement in the condition of their lives. Consequently, as a triumphant nationalist organisation, the ANC needed to use its control of the state to reward the various elements of its highly diverse constituency and to hold it together in order to be able to reproduce itself in power (notably by winning successive elections). Consequently, as the NDR theorised, the ANC set out to ‘capture’ the state in order to maximise its potential as the principal agency of ‘transformation.’

In essence, the theory of the NDR required the ANC’s consolidation of its control via:
• the radical restructuring of the personnel of the state at all three levels of the state (national, provincial and local);

• the similar restructuring of the personnel of other public institutions;

• the extension of ‘the power of the national liberation movement over all levels of power: the army, the police, the bureaucracy, intelligence structures, the judiciary, parastatals and agencies such as regulatory bodies, the public broadcaster, the central bank and so on.’

In pursuing these aims the ANC was hugely constrained. Firstly, in terms of the 1994 Constitution and the outcome of the first democratic election it was required to share power with the formerly ruling National Party (NP), as well as the rival Inkatha Freedom Party (IFP). Secondly, while the ANC assumed office, at least initially, it had to rule through a civil service whose upper echelons were dominated by whites, a key concession during the latter stages of the negotiation process, having confirmed the latter in the immediate security of their employment and the long-term assurance of their pension rights. Meanwhile, many white civil servants were mentally unequipped to serve a majority-rule government, if not actually antipathetic to the incoming liberation movement. Thirdly, the ANC was highly conscious that, while its long years of struggle against apartheid had rendered it highly politically astute, it was desperately lacking in experience of how to run a modern state and a relatively advanced economy, especially since its wider support base had been desperately poorly educated under apartheid.

It is not the focus of this chapter to outline how the ANC sought to consolidate its grip on the state. Suffice it to say here that the party used its domination of political structures, inter alia, to secure passage of a ‘final constitution’ in 1996 which, via the introduction of the notion of ‘co-operative governance,’ increased the weight of central relative to provincial government and eliminated the need to share power, to undermine the legitimacy and effectiveness of opposition parties, establish its control over the electoral machinery and, not least, to begin to direct public resources into party coffers, notably through the establishment of party-aligned companies which forged direct or indirect business links with parastatal companies.

Simultaneously, as the leading force in a Tripartite Alliance which linked it to the South African Communist Party (SACP) and the Congress of South African Trade Unions (Cosatu), the ANC remained deeply aware of the need to maintain its support amongst the mass of the people. This was no easy task in a domestic and international
context which urged the adoption of conservative macroeconomic strategies centred on the creation of conditions attractive to capital, the severe limitation, if not the actual reduction, of state expenditure and the privatisation of state industries.

Extensive critiques have argued that, while the ANC’s resultant economic strategy promoted a rate of growth, which contrasted very favourably with that of the last two decades of NP rule, the result was a pattern of development which failed to generate adequately increased levels of employment. Whether or not this outcome was one of ‘jobless growth’ or, as ANC policy-makers would have it, a restructuring of employment patterns whereby jobs lost were compensated for by jobs created, remains a matter of contention. However, what is undisputed is that South Africa has proved unable to escape a depressing high level of unemployment (however it is measured), at the same time as, despite the ANC’s introduction of a new labour regime intended to protect the rights of workers and trade unions, the labour market (notably in the predominant private sector) has been subject to an extensive process of de facto deregulation, informalisation and casualisation, resulting in a huge increase in the numbers and proportion of the ‘working poor’ who survive through informal employment. In short, a major component of the ANC’s constituency has remained extremely poor and has been denied the opportunity for material improvement in their standard of living which liberation was expected to bring.

In this context, the ANC has bucked the standard template of neo-liberalism by embarking upon a massive expansion of the system of social grants for, variously, old age, disability and unemployment. Many regard the extent and manner in which the ANC has proved able to ameliorate poverty in difficult domestic and global conditions as its greatest achievement, although it is simultaneously recognised that the expansion of the grants system has been accompanied more generally by a growth in aspects of inequality. Whatever the merits of these arguments, what can also be maintained is that by creating one of the most extended systems of welfare in the global South, the ANC has reinforced its links with South Africa’s poor and can generally be assured of their support in elections, thereby reproducing itself in power.

It is against this background that ANC policies have promoted the development of a black middle class, which, as argued here, is centred on an increasingly powerful ‘party-state bourgeoisie.’ The processes and procedures whereby the party has done this are fourfold.
Deployment

Since assuming office in 1994, the ANC has, in line with the theory of the NDR, massively extended its influence across ‘the strategic sectors’ of state and society, the chosen instrument being that of ‘deployment.’ Susan Booysen has tracked the development of the deployment strategy, noting how – building upon practices in exile – a de facto deployment committee established in 1994 was formalised at the ANC’s 50th national conference in Mafikeng in 1997, when a resolution was passed (and acted upon the following year) that deployment committees be established by the party’s committees at national (National Executive Committee – NEC), provincial, regional and branch executive levels. She also records that, in response to concerns about the integrity of the national deployment committee (Nadeco), the committee was suspended in 2001, with national deployment thereafter undertaken by ANC officials reporting to the NEC and its associated National Working Committee (NWC). Thereafter, while the new Nadeco assumed responsibility for the appointment of key officials such as the mayors of metropolitan councils and district councils, deployment committees at the lower levels continued to ‘deploy’ other officials to state positions.\(^{11}\)

In theory, ANC cadres were to be selected for deployment not only in line with their personal qualifications and abilities, but also because of their dedication to revolutionary duties and ‘agenda transformation.’\(^{12}\) In practice, however, the ANC was soon to acknowledge that deployment was becoming increasingly problematic and a huge source of factionalism within the organisation as individuals and groupings scrambled for position and jobs. Indeed, following the defeat of President Thabo Mbeki’s bid at the Polokwane conference in 2007 to secure a third term as leader of the party, the successful body of supporters of Jacob Zuma utilised the deployment committees to instigate a massive replacement of officials at the various levels of government, and followed up prior to the 2009 general election by demanding that those they favoured be selected as candidates on the ANC’s different electoral lists. Yet, subsequently, problems continued, with the party’s higher echelons increasingly accepting that the actual practice of deployment had led to widespread appointment of individuals to state positions for which they had little competence, as well as promoting extensive factionalism, cronyism and corruption.

Following the 2009 election, therefore, the national deployment committee itself proposed that appointments to state positions should increasingly be open to non-
ANC members and all South Africans. Although this has yet to be followed through, the Zuma administration did pass a Municipal Systems Amendment Act in 2011, which aimed to prevent political parties at local level from placing political loyalty above merit (the functional capacity to do a job) in their appointments. This, argues Booysen, reflected recognition that, after some seventeen years in power, voters were increasingly inclined to judge the party by its ability to perform in government efficiently rather than voting for it out of an entrenched loyalty.\(^{13}\)

Nonetheless, for all the divisions which have arisen within the party through the practice of deployment, and for all that the country’s Constitution provides for a vigorous separation of powers among the legislature, executive and judiciary and insists upon the independence of state institutions, the ANC has managed to establish a de facto party-state whereby its dominance of the political and electoral arenas is complemented by its control of virtually all leading positions in government, parastatal organisations and numerous public institutions. At the time of writing, the ambitions of the ‘party-state’ seem to be extending to the bending of the judiciary to its will, with President Zuma having set the scene for a review of the powers of the Constitutional Court, citing various of the court’s judgments as an obstruction to ‘transformation’ and as negating the will of the majority.\(^{14}\) Whether or not any such review culminates in a major clash between government and the judiciary, the party-state already established has provided the framework for the development of a ‘party-state bourgeoisie’ which is defined by its high position (in party, state or both) and its resultant ability to accumulate wealth via high income and/or access to ‘rents’ (often directed to friends or family in order to adhere formally to legality or to obscure illegality) in the form of the returns from outright appropriation of state resources and/or state-awarded contracts.

**Restructuring of the Public Service and Public Institutions via ‘Employment Equity’**

As noted above, the public service and virtually all other public bodies were overwhelmingly staffed at their higher and middle levels by whites (save in the various ethnic homelands and racially separate administrations to which the minority white regime had allocated and divided the black population under apartheid). For the ANC, therefore, ‘transformation’ entailed not only the collapsing of the racially separated administrations into unified public services at national, provincial and local levels, but the insistence that the composition of personnel
in all such institutions should come to reflect the demographics of the country (wherein Africans represented 76 per cent, Indians 2.5 per cent, coloureds 8.5 per cent and whites just 12.6 per cent of the total population). Notwithstanding philosophical difficulties raised by the ANC, a party which formally adhered to ‘non-racialism,’ now adopting ‘neo-apartheid’ racial categories as a basis for achieving ‘transformation,’ the government rapidly committed itself to changing the demographic profile of the public service and all other institutions under its control.

A White Paper on the Transformation of the Public Service in 1995 identified the goal of creating a genuinely ‘representative’ public administration, this being subsequently validated by its incorporation into the 1996 Constitution. Then, in 1998, a White Paper on Affirmative Action in the Public Service led to the passage of the Employment Equity Act of that year, which sought to promote equity in the workplace by eliminating ‘unfair discrimination’ and the redress of racial imbalances by ‘affirmative action,’ this entailing the rapid employment of black people.

Africans actually constituted the largest racial segment of public servants prior to 1994. According to Vino Naidoo, in 1989 they accounted for 50.2 per cent of the composition (915 545) of the total employment of central government, the then four provinces,15 and the ‘self-governing’ states, while whites accounted for 33 per cent, coloureds 13.1 per cent and Indians 3.4 per cent.16 But Africans (and other blacks) inevitably staffed lower-level positions, whilst senior occupational categories were overwhelmingly filled by whites, the latter accounting for between 89 per cent and 94 per cent of management, according to the calculations used.17 Initially, demographic targets of 50 per cent black people and 30 per cent women in management by 1999 were set, and certainly, the first target was reached on time, subsequent to which the target figure for black managers was raised to 75 per cent by 2005. Women fared far less well, having started from a low base of constituting only 7.9 per cent of public service managers, and, overall, gender imbalances were not reduced at the same pace as racial imbalances. Nonetheless, representation of women at middle management level had climbed to above 30 per cent by 2004.

These changing profiles need to be located within broader changes occurring within the public service. Between 1995 and 2001, there was an increase in the number of white as well as black managers from about 24 000 in 1995 to more than 70 000 by 2001, even while the total employment figure for the public service declined between 1994 and 2001 by as much as 124 959 (reflecting the implementation of
the Growth, Employment and Redistribution policy). Overall, by 2006, whites constituted just over 13 per cent of the aggregate composition of the public service, compared to African representation, which stood at just under 73 per cent – although African representation remained highest at the lower-skilled levels while decreasing towards the upper end. This was in the context of an increase in the number of public servants from 1 025 137 in 2001 to 1 166 753.

Within a workforce composed of 78.3 per cent African, 9.9 per cent coloured and two per cent Indian in 2007, the composition of the public service in 2008 was 78.3 per cent, 9.9 per cent and 2.8 per cent respectively, rendering it very close to a representative bureaucracy in terms of race. Similar transformation strategies were pursued more widely throughout the public sector – including parastatals, public commissions and, importantly, the health and educational professions, with health workers, nurses and teachers being overwhelmingly employed by national and provincial authorities.

Affirmative action overlapped strongly, although it was not synonymous with, deployment. Suffice it to say here that the rapid increase of black representation within a public sector which has expanded significantly over the years has provided for the substantial upward mobility of significant segments of the ANC’s constituency. At upper levels it has consolidated the rise of the party-state bourgeoisie; at lower levels it has promoted the rapid development of a lower middle class, which strongly identifies its material interest as dependent upon the state and which pursues this through high levels of unionisation. It is thus highly significant that as trade unions operative within the private sector have battled increasingly to maintain their level of membership, public sector unions under the ANC have increased remarkably in size and the political influence they enjoy within Cosatu.

Black Economic Empowerment

The ANC’s entry to political power in 1994 was accompanied by its determination to transform the hitherto racially restricted access of blacks to economic opportunity and ownership created by segregation and apartheid. Resultant initiatives were to become known from about the mid-1990s as black economic empowerment, the early understandings of BEE centring on the entry of blacks into the corporate sector and the promotion of black business. However, as Omono Edigheji has pointed out, this ‘minimalist’ position was, over time, to be rivalled by a ‘maximalist’ position,
which emphasised ‘a comprehensive restructuring of institutions and society ... rather than the replacement of white individuals with black ones.’

Don Lindsay has argued convincingly for so total a triumph of the latter position that BEE has become an ‘institution,’ a set of discourses, values and norms which mediate relations between the state and business, but which have become so broad that BEE increasingly lacks a meaningful definition and is viewed quite differently by different government departments and private-sector players. Whatever its ultimate fate, it is recognised that the origins of BEE lie not in ANC strategy but in both deliberate efforts made by large corporations before 1994 to anticipate a change in government and in increasingly vocal demands made thereafter by lobbies representative of those black businesses which had managed to establish themselves, survive and grow under apartheid. The latter were to culminate in calls for the state to take a more activist role in promoting BEE, resulting in the appointment by the Black Business Council in May 1998 of a Black Economic Empowerment Commission (BEEC) chaired by Cyril Ramaphosa, the former secretary-general of the ANC, who had, by this time, moved out of full-time politics to assume a number of high profile positions in the private sector.

The BEEC duly presented its report to President Mbeki in April 2001, recommending the adoption of a wide-ranging, state-driven programme which would create a ‘co-ordinated, simplified and streamlined set of guidelines and regulations that [would] provide targets and demarcate roles and obligations of the private sector, the public sector and civil society over a period of ten years.’ The ANC responded at its 51st National Conference in December 2002 by committing the government to drawing up a Transformation Charter, which would set BEE benchmarks, timeframes and procedures. Subsequently, the government followed up with a flurry of legislation (notably the Mineral and Petroleum Resources Act of 2002, which vested all mineral rights in future in the state and laid down BEE targets which eventuated in the industry drawing up a Mining Charter), also announcing that it would draw up a global empowerment charter to serve as a model for BEE charters to cover different sectors of industry.

Despite resultant efforts by corporations to set in place increased black ownership, recruitment and other targets and by sectoral organisations to draw up their own charters to pre-empt more radical government action, perceived slow progress in the rate of BEE culminated in the government’s passage of the Broad Based Black Economic Empowerment Act of 2003, which sought to consolidate BEE through the
issue of ten codes of good practice to which sectoral codes would have to conform. Meanwhile, the government itself had pursued its own version of BEE by deploying loyal functionaries to high positions in the various parastatals and demanding that the latter put in place procurement policies which prioritised the sourcing of supplies from black and BEE-compliant businesses.23

The course of BEE has been both controversial and troubled. Large corporations have proved eager to promote good relations with government by appointing blacks (especially if they are deemed to be ‘politically connected’) to their boards and to high executive positions and to combine this with share options via numerous specialised (and complicated) financial instruments, although many of these have been debt-funded. Further, they have become increasingly conscious of the need to recruit black managers, to promote them internally, and, thereby, to transform their racial profile. Likewise, in line with ‘broad based’ notions of BEE, they have variously engaged in skills development, black-oriented procurement, share deals with trusts representative of local communities and employee-share-ownership plans.

Against this, BEE progress has been hampered by the fluctuations of the market (with downswings often plunging aspirant black capitalists into major debt); resistance to BEE by certain international companies and fear by government that too vigorous a pursuit of BEE will alienate investors; cynical manipulations of BEE to achieve compliance (and thus access to government contracts), notably by the device of ‘fronting,’ whereby black individuals are improperly presented as significant investors and/or as senior executives; and, not least, a perceived lack of appropriately trained black personnel to fill corporate positions at middle and senior managerial level. Given, also, variant measures of the degree of what constitutes ‘black’ ownership on the Johannesburg Securities Exchange (revolving particularly around direct black ownership of shares in companies and indirect black ownership held via institutional shareholders such as pension funds), the extent to which BEE has succeeded or failed depends very much upon the perspective of the observer.

Unsurprisingly, the private sector tends to the view that it has done reasonably well in a difficult situation, while government remains highly critical of its performance. Nonetheless, it is instructive that while one major overview of BEE estimates that, in the foreseeable future, black shareholding will probably level out at between 15 and 20 per cent, or between 25 and 40 per cent if third-party managed black funds are included,24 the presidency reported in 2009 that the number of black senior
managers in private industry had increased from 18.5 per cent in 2000 to 32.5 per cent in 2008.  

Notwithstanding its chequered career, BEE has incorporated and promoted important dimensions of upward class mobility. These operate at different levels. Firstly, for all its flaws, BEE has promoted the growth of a still small but growing stratum of aspirant black capitalists, alongside a steadily growing cohort of black managers, in both public and private sector corporations, while simultaneously encouraging increased black entry into professions such as law and accountancy. Secondly, however, BEE is accused of having created a hugely rich black elite, whose members combine membership of corporate boards and high executive positions with close connections to the ANC and, very often, former experience in government. Certainly, the overall effect has been to change somewhat the complexion of the South African ‘power elite,’ for, by as early as 2003, the Financial Mail was naming some nine black men (all closely aligned to the ruling party) as among the country’s top 20 business people.

One outcome has been to strengthen the criticism that, far from creating the NDR’s beloved ‘patriotic bourgeoisie’ devoted to a collective national development project, BEE has shifted South Africa towards ‘crony capitalism.’ From this viewpoint, the emergent black capitalist class is merely a local version of the state-dependent and kleptocratic bourgeoisies which have sprung up throughout much of Africa. This perspective is, in turn, given weight by a third dynamic, whereby politically connected individuals and companies secure contracts through opaque means from government departments or public entities. However, while this may be self-legitimated as BEE, this more properly constitutes a fourth and final major process promoting the ‘party-state bourgeoisie.’

Tenderpreneurship, Rent-Seeking and Corruption

In commenting upon corruption under the National Party, Jonathan Hyslop distinguishes between ‘rent-seeking,’ where a rent is characterised as ‘an income which is higher than the minimum which a firm or an individual would have accepted given alternative opportunities’ (ranging through monopoly profits to subsidies and transfers, legal and illegal, organised through political mechanisms) and patron-client relationships, ‘repeated relationships of exchange between specific patrons and clients’ (again, these may be legal or illegal, although it is unlikely that patrons unwilling to break the law will be able to retain their
client base). Although this is a valuable distinction, and it reminds us that rent-seeking and patron-client relationships commonly involve relationships between individuals and entities across the boundaries between the public and private sectors, it may simultaneously be argued that it excludes a further type of ‘primitive accumulation,’ that is, that of outright misappropriation of public resources for private interest (theft).

Suffice it to say that all three types of accumulation appear to have taken substantial root in the ANC’s South Africa. According to a statement made by Sipho Pityana, president of the Council for the Advancement of the South African Constitution, what he termed corruption was costing South Africa 20 per cent of gross domestic product. Notwithstanding the notoriously difficult issues surrounding the definition and measurement of ‘corruption,’ that particular statement accords with popular sentiment that corruption has become pervasive.

Rent-seeking and patron-client relationships appear to merge in the phenomenon colloquially known as ‘tenderpreneurship,’ whereby the allocation of public tenders by public servants and politicians is skewed towards family and friends as well as those enjoying political connections to ANC elites at, variously, national, provincial and local levels. For instance, there are substantial indications that since Jacob Zuma ascended to the presidency, undue benefits from the public purse have flowed to many who enjoy a close family, political and/or business relationship with him. Similarly, there are numerous instances of the questionable allocation of tenders to the politically connected at provincial and local government level.

A particularly high-profile example of this phenomenon in the province of Limpopo involves On-Point Engineers, a company co-owned by the family trust of local boy Julius Malema, president of the ANC Youth League until his expulsion for offending Zuma and the ANC hierarchy. Thus, according to well-documented reports, On-Point Engineers became unduly influential in the allocation of multi-billion-rand contracts issued by the provincial department of roads and transport and the Polokwane municipality. Malema opponents, as well as various company contractors, accused On-Point not merely of receiving kickbacks, but of insisting on being written into contracts once they were awarded, to the extent that the company would sometimes reap as much as 70 per cent of the profits. Numerous other such instances could be cited.

Meanwhile, many hundreds of public servants are suspended at any one time, at considerable public expense, while they face investigation and/or charges relating
to alleged involvement in the wrongful allocation of tenders or the theft of public resources. According to the Public Service Commission, the number of officials investigated for financial misconduct increased from 434 in the 2001–02 financial year to 1,135 in 2009–10, with some 369 state employees having been suspended between April 2009 and March 2010 at a cost of R45-million (this report excludes figures from the Department of Home Affairs, recognised as one of the departments with the highest number of suspended officials). Many more officials accused of malfeasance are never officially investigated, many are ‘redeployed’ to other positions within government, few are finally convicted and many, either accused or convicted of corruption, continue to enjoy official positions within the ANC.

The ANC itself, as well as its alliance partners, has openly acknowledged and lamented the extent to which the drive for personal enrichment has invaded the party and diverted it from its proclaimed ideals and commitment to ‘transformation.’ However, while both party and state declare a high commitment to anti-corruption bodies and the pursuit of corruption, they are similarly deeply compromised by their pronounced ambivalence about both transparency regarding numerous dubious transactions involving ANC and state personnel, and their reluctance to prosecute highly placed individuals accused of wrongdoing in relation to such high-profile cases as the 1998 arms deal. The implication that can be drawn is that rent-seeking, cronyism and corruption have become central to the production and reproduction of the ANC’s party-state bourgeoisie.

CONCLUSION: THE ANC AND THE BLACK MIDDLE CLASS

Elsewhere, I have identified the black middle class in South Africa as consisting of four major segments. The first is constituted of an upper layer of ‘state managers,’ comprising the president, premiers, members of the Cabinet and provincial governments, senior civil servants and senior executives in parastatals and other public institutions (including the larger municipalities). State managers include the key political decision-makers, are relatively few in number (there were just 10,598 state employees in national and provincial governments classified as ‘senior management’ in 2010) and it can reasonably be assumed that the large majority of them are united by their loyalty to the ANC (even if they adhere to different factions of the ruling party).

Secondly, there is a ‘civil petty bourgeoisie,’ a much larger and more heterogeneous class element, which is composed of members of Parliament and provincial leg-
islatures, middle management within the public service (20 996 of them in national and provincial governments in 2010), along with a much larger mass of lower-level public employees in non-manual occupations, as well as black professionals and semi-professionals, both within the public service (notably teachers and nurses) and beyond it (for instance, accountants and lawyers). As with the ‘state managers,’ the large majority of this category may be deemed to be loyal to the ANC, having benefited variously from strategies of ‘demographic representivity’ and deployment.

Thirdly, a ‘corporate black bourgeoisie’ is composed of those who have significant shareholdings in major companies and/or who are employed at executive or managerial level in the large corporations which dominate South Africa’s private sector, significant numbers of them having previously served within government or parastatals. While the black managerial element may increasingly regard itself as autonomous (and hence critical of) the ANC, it remains the case that the rapid formation of the still-small black corporate elite has centred on the desire of large companies to recruit individuals with political connections to the ruling party and government and the corresponding ability and capacity of many such individuals to trade their political connections to personal advantage.

Fourthly, a black business and trading bourgeoisie combines a mix of owners and managers of medium and small businesses, the diversity of this grouping indicated by the fact that, at the lower levels, black operators merge into the lower regions of the informal sector of the economy, their activities often characterised by taking place outside the tax net and often spiced up by involvement in protectionism and criminality (the taxi industry being a particular example). Historically, this grouping was heavily constrained by apartheid limitations imposed upon black activity in business and even today, given the lack of capital, business skills and training, it continues at a major disadvantage relative to white capital. Since 1994, black business has become increasingly vocal and active in lobbying the ANC to promote its interests, while generally its competitive disadvantage appears to render it heavily dependent upon its relations with the party-state, notably in terms of its reliance upon concessions and contracts from government at all three levels, and from public sector entities more generally.

All four components of this black middle class have benefited substantially from ANC policies and performance in terms of access to position, power, privileges, incomes, opportunities and rents. Arguably, a party-state bourgeoisie composed principally of the leading state managers and members of the black corporate
bourgeoisie lies at the core of this class and plays a major role in influencing policies and positions adopted and pursued by government. Certainly, its influence and power is simultaneously buttressed, constrained and, at times, divided by factionalism and its diverse relations with non-elites within the ANC and the broader Alliance, this demonstrated above all by the manner in which former President Mbeki was removed from power by the ‘Zuma tsunami,’ an intra-party revolt whereby members of the ANC elite excluded from benefits or otherwise alienated by the former were propelled into office and political advantage by shock troops mobilised by Cosatu, the ANC Youth League and other formations.

All this does not mean that the party-state bourgeoisie has ‘captured’ the ANC and turned it into its unchallenged instrument. The ‘Zuma tsunami,’ the present struggles around whether Zuma will continue for a second term as president, and the factional battles between different tendencies within the ANC as well as within and between the SACP and Cosatu all highlight the enormous fluidity of the Alliance and the ever-changing power relations it contains. Even so, the evidence of rampant accumulation of wealth by significant elements of the party-state bourgeoisie; the manifest evidence of conspicuous consumption in terms, especially, of the acquisition of flashy cars, expensive mansions and fashionable clothing by the new political elite; and the steady entrenched of rent-seeking and corruption combine with the structural dimensions of policy underpinning black upward mobility (affirmative action and BEE) to confirm the earlier judgement that ‘a fairly rapidly growing black (new) middle class is the primary beneficiary of ANC rule.’ Finally, it may be noted that, whatever its virtues or otherwise in launching the economy upon a successfully rounded path, the pursuit of the goal and agenda of a ‘developmental state,’ as increasingly propounded by the ANC, will further consolidate the power of the party-state bourgeoisie and the wider class of which it forms the core.

**Endnotes**

12. ANC, 'Strategy and Tactics of the ANC.'
14. See, for example, C Molele and A Makinana, 'ANC sets its sights on judiciary,' *Mail & Guardian*, 17–23 February 2012.
15. Before 1994, South Africa was composed of the four provinces of the Cape, Free State, Natal and Transvaal, as well as the non-independent and independent homelands.
17. Ibid.
18. Ibid.
32. R Southall, 'Political Change and the Black Middle Class.'
34. R Southall, 'Political Change and the Black Middle Class,' 46.