

Africa: Moving the Boundaries

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A Gramscian-Marxist Framework for the Study of African History: A Background Paper

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Abstract

This paper will lay out the structure of a Gramscian-Marxist framework for the analysis of modern African history. This framework is built around core Marxist understandings of capitalist processes and class relations, with emphasis on the specifically Gramscian developments around the nature of the state, and ideas of hegemony, common sense, and the role of organic intellectuals. This also incorporates developing ideas in the area of Uneven and Combined Development, and insights from World Systems Theory, on how relations between core and peripheral states also impact the underlying class dynamics. This framework creates a narrative of shifting power relations and ideological paradigms over the last century, which gives the necessary context for understanding recent events in African politics. Thus a broad narrative of global history over this period will be presented, with specific reference to the African situation. This paper is intended as a broad background paper to Benjamin Hale's paper, 'ANC and Capital: Aspirations to Hegemony'. The paper is published as part of the 39th Annual African Studies Association of Australasia and the Pacific (AFSAAP) Conference Proceedings 2017.

Introduction

Marxist theories of the international political system, and within it capitalist imperialism, attempt to elucidate the confluence of two patterns of social organisation and competition: economic and geopolitical. Economic structures and competition are characterised by class relations and transnational linkages, while geopolitical structures revolve around the political and military power of states, and their control of territory. Thus, the whole array of states, international organisations, corporations, non-state actors, and civil populations must be integrated into a coherent framework for a complete understanding. The Marxist political-economic premise that the actions of various actors are guided by the forces of the global capitalist economy, and the priorities of capital accumulation is foundational to this analysis. However, it has long been recognised that different players' interests differ, both domestically and externally. Notwithstanding this, states are generally held to serve the interests of their domestic capitalist class, which constitutes the primary source of taxation revenue and employment for the national population. Conversely, popular political support for a ruling regime suffers if there is a fall in economic prosperity. Therefore, there exists no general conspiracy of government and big business, but a commonality of interests (Callinicos 2009). The complexity of these sets of relationships is magnified when trying to determine how they interact in the definition of the 'national interest'. This complexity requires an examination of antagonistic relations between and within different sectors of society, the relations between businesses and workers, and the competing interests of different sections of the state.

The global balance of economic and military power has emerged from the historically

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conditioned material realities of different sections of the globe. Marxists have detailed the concept of “uneven and combined development” to describe the interconnected fabric of societies at varying levels of development and their economic and geopolitical relations. Imperialism refers to the imposition of control and unequal relations on other areas, for the profit of the imperial actors. The resultant developmental differences arise from uneven distributions of natural resources and localities’ particular histories. They are reproduced by the modern structures of international relations and the global economy (Arrighi 2007; Callinicos 2009; Harvey 2003). While Marxists see capitalist political-economic processes as transcending national boundaries, it is also recognised that the combination of the real legal authority of nation-states and the material reality of localised networks of resources, population, production and consumption, mean that coherent national economies do exist, and are heavily impacted by local histories, cultural values, and political beliefs. Furthermore, the natural interlinkages with neighbouring geographical entities mean that regional economies develop with their own characteristics, and consequently become features within the global dynamics of capitalism. This division of the world into regionally differentiated economic zones was particularly emphasised by Dependency and World-Systems Theorists, such as Immanuel Wallerstein. The more empowered regions of the global economy were dubbed as the “core”, and the disadvantaged areas as the “periphery”. The economic dominance of the core zones ensured a continuous influx of extracted value from the periphery. The super-exploitation of people in the periphery through artificially low wages, allowed a maximisation of profits in the core capitalist economies. Historically, the core dominated in manufacturing, and the periphery was consigned to the production of raw materials and agricultural outputs. However, in recent decades there have been important shifts in this distribution of labour as domination by the core capitalist powers is challenged (Harvey 2003).

For the most part, the stability of the global economic system and dominance of particular states are not maintained by open coercion, but through willing cooperation. The Marxist concept of “hegemony” captures this complexity. As noted by Arrighi (1999) –

Whereas domination rests primarily on coercion, the leadership that defines hegemony rests on the capacity of the dominant group to present itself, and be perceived, as the bearer of a general interest. ... Hegemony is ... the additional power that accrues to a dominant group by virtue of its capacity to lead society in a direction that not only serves the dominant group’s interests, but is also perceived by subordinate groups as serving a more general interest. (p. 26)

Hegemony, ‘depends on the capacity to articulate and orient common sense at the national and global levels through powerful international institutions and material capabilities...[and] relies both on coercion and consent’ (Dafour 2008, p. 456). From the 1970s onwards, neoliberal economic policies became increasingly important in structuring global common sense and guiding the aims and processes of international institutions and relations. Harvey (2005) argues that neo-liberalism, ‘proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade’ (p. 2). The state should establish the right conditions for security and the operation of the market, and beyond that have little involvement in the operations of society. Bond (2006, p. 11) records that internationally, a ‘Washington Consensus’ developed to emphasise the priorities of: ‘fiscal discipline’; ‘reordering public expenditure priorities’; ‘tax reform’; ‘liberalising interest

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rates'; 'a competitive exchange rate'; 'trade liberalisation'; 'liberalisation of inward foreign direct investment; privatisation'; 'deregulation', and; 'property rights'. According to Bond, 'African structural adjustment programmes followed this set of strictures quite loyally from the early 1980s, leading to systematic macroeconomic instability' (ibid.). Arguably, in the continuing global economic turbulence that began with the 2008 economic crisis, there is what Gramsci (1932) would call an "organic crisis" within global political institutions, shifts within the sediments of "common sense", and cracks in the structures of global hegemony.

The Rise of Capitalist Imperialism and Western Hegemony

Historically, capitalism as a system emerged through the processes of European imperial domination. Karl Marx argued that –

The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the turning of Africa into a commercial warren for the hunting of black skins signalled the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief momenta of primitive accumulation. On their heels treads the commercial war of the European nations, with the globe for a theatre. (in Bond 2006, p. III)

The processes of "capitalist imperialism" emerged during the mid-19th Century. Callinicos (2009) and Harvey (2003) argue that by the 1850s and 1860s a true global capitalist economy had taken shape, drawing the globe together through the new technologies of communication and transportation: the telegraph, the railway and the steamship. Across Europe the bourgeois class exerted increasing power over state apparatuses, and various revolutions, civil wars and state formations marked the overall transformation of global class configurations. By the 1870s, European states were driven by capitalist logic, dominated by the search for profit and the need to reinvest surplus capital. Failure to satisfy these conditions often resulted in economic crisis and stagnation. Investment and market development in Africa, Asia and Latin America thus expanded dramatically from the late 1800s, and inter-state rivalry for influence rapidly evolved into a grab for colonies – such as the Scramble for Africa from 1884 onwards – and eventually into the first World War. Consequently, Smith (2006) argues that –

No longer could geographical unevenness be passed off as an accident of historical geography, the result of being outside the project of civilisation... The dynamics of unevenness were now increasingly recognised as internal to the dynamics of capitalism itself... Whatever historical remnants of pre-capitalist societies... were now enveloped, appropriated and soldered into a larger global capitalism. Unevenness now primarily emanated from the laws of capital themselves rather than from the archaeology of past social and geographical difference. (p. 185-186)

This envelopment of the world involved the embedding of regional developmental differences between core and periphery, and the delineation of a fixed hierarchy of races to justify this – often supported by interpretations of newly emerging evolutionary theory. According to Wallerstein (1989), Africa's incorporation into the world-economy was a slow but steady process that had commenced by the late 1700s. Incorporation involved the mobilisation of significant local production processes as part of the global division of labour, and the formalisation of local political structures into nation-states bound by the practices of the global interstate system. However, by the beginning of the 19th Century, the continent had been affected, directly or indirectly, by the loss of population and lasting social and economic

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effects of war associated with the Transatlantic Slave Trade. This left a legacy of political fragility in many areas (Ajayi 1989). Given the European demand for cash crops such as palm oil, peanuts, sisal and rubber, Africa's internal network of trade routes increasingly became conduits of wealth and firepower, and channels of ideology distributing European religious and political ideas. For Berman (1998), the structure of the colonial state radically transformed the organisation of African societies and contributed to the formalisation of ethnic communities and modes of ethnic political mobilisation. By structuring the field of individuals' social, economic and political choices, the colonial state helped shape the scope of ethnic politics in various areas, and the despotic bureaucratic and coercive systems of managing national populations and production that would later be taken over by local post-colonial elites (ibid.).

For South Africa, incorporation into the world economy accelerated due to the Napoleonic Wars as Britain hastened their delivery of new British colonists. Through the development of sheep-rearing in the Cape Colony and sugar production in Natal, Southern African colonies became part of the international division of labour. This also led to conflict with the pre-existing African and Afrikaner populations, and the expansion of European influence into the interior through the Great Trek. British governments originally declined to face the costly exercise of subduing the whole of Southern Africa, with its African states and Boer Republics. However, from the 1870s onwards, Europe's new internal drive to invest, and local discoveries of diamonds and gold, led to the British expeditions to conquer the region (Bhebe 1989). British economic interests also demanded the transformation of the region's African population in order to secure vast supplies of the labour they required. An economy based on mining and plantation crops required the creation of a local working class, and labour was eventually drawn from across Southern Africa. Politically, the British worked to ideologically mobilise the white settlers of the region, to articulate a story of unified white supremacy in order to guarantee the security of British interests in the region. As Rodney (1989) noted –

The combination of European capital with coerced African labour registered a sizeable surplus in products destined for European consumption and export. Crops and minerals were exported and the profits expatriated because of the non-resident nature of the capital in the mining and plantation companies and the import/export houses. However, some of the accumulation was reinvested. This allowed Southern African capital to grow to massive proportions... Mining dominated the post-war economies of Southern Africa, and came close to transforming the whole region into a single colonial economy. ... the process of monopolization and cartelization assured the hegemony of large-scale capital in the then Union of South Africa, South West Africa and the Rhodesias. (p. 339-340)

As the global hegemon, Britain had established an international network of pre-capitalist colonies and dependencies to which it marketed its industrial wares. The emerging hegemon, the United States, developed its power in competition against other advanced capitalist economies. Its negotiated hegemony amongst other industrial powers relied on the support for international institutions that managed inter-capitalist relations. America's vision was transnational, rather than focused on protected imperial networks, and its strength lay in an economy based on mass-production, organised by multi-branch private corporations, and supplying a continental domestic economy – isolated from threats and competitors by the Pacific and Atlantic oceans. However, while US capitalism would eventually establish global

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hegemony without formal territorial empire, it mobilised enormous military power and used it to intervene throughout the world. The US emerged from Second World War as an overwhelmingly dominant power. It developed its martial forces and a global network of military bases. Its industrial economy was rejuvenated, and its currency was supreme. In the face of the Soviet Communist enemy, the US presented itself as a global defender of freedom and private property, and American power as central to European collective security through the North Atlantic Treaty Organisation (NATO). As states across the world became independent through decolonisation, the US and Europe based their relations with them on privileged trade deals, patronage, corruption and covert subversion. Institutionally, an international framework would manage and stabilise trade and economic development through the World Bank, the International Monetary Fund (IMF), the International Bank of Settlements (IBS), and the General Agreement on Tariffs and Trade (GATT).

During this period, Western states did not engage in direct exploitation of Third World labour as First World investment increasingly avoided poorer countries. The main source of enrichment was the extraction of cheap raw materials, particularly minerals and oil. The workers, peasants and urban poor of the developing world were progressively marginalised from the global economy. Many developing states looked to import-substitution to assist industrialisation, generally requiring large loans to fund their huge investments in heavy industries. However, they would eventually find that industrialisation would not allow them to catch up with the income and wealth of the West, or the political power associated with it (Arrighi 2003). Indeed, World Bank President Robert McNamara acknowledged that high rates of growth in low-income countries had –

...left infant mortality 'high', life expectancy 'low', illiteracy 'widespread', unemployment 'endemic and growing' and the distribution of income and wealth 'severely skewed'. Although for most of the 1970s the income of many Third World nations increased in absolute and relative terms, the welfare of their populations continued to improve at a slow pace, if at all. (Arrighi 2003, p. 322)

Throughout this period, the US and key allies maintained their control over global resources through military intervention or the support of anti-democratic factions. A key trend-setting intervention was the 1953 British and American coup in Iran, which overthrew the democratically elected Prime Minister Muhammad Mosaddeq when he acted to nationalise Iranian oil resources and undo the exploitative relationship imposed on the country while under British domination. The instalment of the Shah of Iran as the unchallenged dictatorial authority secured new oil contracts for American companies and transformed Iran into a pillar of American influence in the Middle East for the next 25 years (Engerman 2009; Harvey 2005). This would soon be followed by the overthrow of the left-leaning government of Jacobo Arbenz in Guatemala, to protect the plantations of the United Fruit Company from nationalisation and the Americas from “communist influence”. By the early 1970s, the rising influence of radicalism in Chile, demonstrated in electoral support for the Marxist President Salvador Allende, led the Nixon administration to politically and economically undermine the country, before eventually supporting the military coup of General Pinochet in 1973. During his years as a US-supported dictator, the Pinochet regime murdered more than 3,200 people, imprisoned at least 80,000 people, and forced tens of thousands to flee the country to avoid political persecution (Weiner 2008; Klein 2007). However, escape to neighbouring countries often brought no solace, as more than 100,000 Latin Americans were affected by the US-

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sponsored Operation Condor, under which –

...the intelligence agencies of the Southern Cone shared information about ‘subversives’—aided by a state-of-the-art computer system provided by Washington—and then gave each other’s agents safe passage to carry out cross-border kidnappings and torture, a system eerily resembling the CIA’s ‘extraordinary rendition’ network today. (Klein 2007, p. 91)

In South-East Asia, in the decades after World War II, Britain and France fought to reconsolidate influence in their colonies and the United States worked to support its allies and to intervene in the functioning of governments across Indochina. From 1960, this included CIA assistance for Laotian General Vang Pao’s anti-communist guerrilla army, including the transportation of Pao’s opium to heroin-refineries in coastal regions by the CIA’s Air America. The resultant product was consumed in prodigious quantities during the Vietnam War by America’s own troops in the region (Weiner 2008). McCoy (2003) asserts that –

As our knowledge of the Cold War grows, the list of drug traffickers who served the CIA has lengthened to include Corsican criminals, Nationalist Chinese irregulars, Lao generals, Afghan guerrillas, Haitian colonels, Panamanian generals, Honduran smugglers, and Nicaraguan Contra commanders. (p. 44)

Despite Western rhetoric espousing democracy during World War II, in the 1950s and 1960s the European states fought to maintain as much colonial and neo-colonial control in Africa as possible. America’s African policy generally facilitated this, as transition to independence was thought to only aid the spread of Soviet influence. The US also supported the newly constructed system of Apartheid in South Africa, which laid significant foundations for the segregation of its people during this era (Dobson & Marsh 2001; Nicol 1978).

Postcoloniality or Imperialism by Another Name?

In supporting South Africa’s National Party government, the US and global allies were fully aware of the ANC’s growing struggle for justice around the Freedom Charter, and the impact of Apartheid legislation.¹ Southern Africa was already considered the most economically important sub-region of Africa for the West, and its strategic importance grew in the context of the Cold War. South Africa was, therefore, the key to maintaining influence throughout this region. Until the Kennedy administration took power in the US, Black Africa remained absent from American foreign policy thinking. It came to the administration’s attention in the form of 17 African states gaining independence and the Congo Crisis that emerged in Central Africa from 1960 onwards. While the US formally passed motions in the United Nations Security Council (UN) censuring Belgian imperialism in the Congo, they also intervened publicly and covertly to support anti-Soviet candidates (Chainawa 1993). The US also supported a UN vote in 1961 that advocated an end to Portuguese rule in Angola; however, NATO assistance to Portugal was crucial in the prosecution of Portugal’s colonial wars in

¹ These included: the Group Areas Act (1950), which classified and geographically segregated South Africans by race; the Suppression of Communism Act (1950), and; the Criminal Law Amendment Act (1953). The latter two were used to suppress opposition parties and political protests. The Native Labour (Settlement of Disputes) Act (1953) and the Mines and Works Act (1956), prevented African workers from industrial organisation, and proscribed them from working in skilled jobs. Additionally, the Bantu Self-government Act (1959) created self-governing ethnic Bantustans which the South African government hoped would further exclude Africans from national political influence (Chanaiwa 1993).

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Africa from 1961 to 1974. Davidson (1981) has noted that for Portuguese forces fighting in Guinea-Bissau –

All such *materiel* as jet bombers, helicopters, napalm, small naval vessels, and certain types of cannon and bazooka were and are provided by one or other of the NATO powers. Of the latter, the most important in a military sense have been Britain, France, the United States and West Germany... (p. 87)

Although Africa faded from US consciousness as the Vietnam War took centre stage, passive support for Apartheid South Africa would continue, with Nixon accepting the system's permanence in the December 1969 National Security Study Memorandum 39 (Dobson and Marsh 2001). US Option Two in that study would go on to guide US policy into the 1980s, with its assertion that –

...[the] whites are here to stay and the only way that constructive change can come about is through them. There is no hope for the blacks to gain the political rights they seek through violence, which will only lead to chaos and increased opportunities for the communists. We can, by selective relaxation of our stance toward the white regimes, encourage some modification of their current racial and colonial policies... [Accordingly,] we would maintain public opposition to racial repression but relax political isolation and economic restrictions on the white states... At the same time we would take diplomatic steps to convince the black states of the area that ... their only hope for a peaceful and prosperous future lies in closer relations with white-dominated states. (in Fatton 1984, p. 61)

By the mid-1970s the fall of the Portuguese empire temporarily brought Africa to the fore in Cold War thinking. Communist governments and insurgencies gained influence throughout Southern and Central Africa – which the CIA attempted to roll back at first through its funding for anti-communist guerrillas in Angola (Weiner 2008). Although the Carter administration employed a more liberal rhetoric in foreign affairs, Carter saw South Africa as a stabilising force on the continent, and economic cooperation as key to the nation's eventual reform (Fatton 1984). While the Carter administration supported a 1977 UN Security Council resolution to impose a mandatory arms embargo on South Africa, the Apartheid government had already achieved virtual self-sufficiency in military production, and was still assisted by some other US allies. Israel, in particular, had a long-running relationship with the Apartheid regime, in part motivated by the similarities between their nationalist ideologies and the radical politics of their enemies. The two states cooperated in intelligence, training, and technological development, including the advancement of their nuclear programmes. It is also reported that Israel assisted South Africa in bypassing embargoes on commercial exports (Mazrui 1993; Chomsky 199; O'Brien 2011; Brenner 1984). In the 1980s, the Reagan administration reinvigorated American support for the Apartheid government to shield South Africa from global disinvestment campaigns. Reagan's "constructive engagement" with South Africa looked towards gradual reform of the South African political system, without disturbing the nation's structures of power and maintaining the nation firmly within the Western alliance. The geopolitical value of South Africa to the West had by this stage been clearly delineated as its strategic position overlooking the Cape shipping route around Southern Africa, its role as a local representative for Western states in African political and economic affairs, and its vast mineral resources.

Throughout this period, significant changes had begun to come about in the global economic order and the narratives of common sense that bolstered it. By the late 1960s the global

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Keynesianism of the Bretton Woods order that had underwritten the United States' institutionalised hegemony began to face growing crises. The US began to gradually falter under the economic costs of: maintaining their expanding consumerist order at home; competing with the revived industrial economies of Japan and West Germany, and; funding the deepening military conflict in Vietnam. The Nixon administration's response was the jettisoning of US-dollar convertibility to gold in 1971 (the Nixon Shock), and the printing of US dollars; the latter increased the money supply by 40% between 1970 and 1973. Inflationary pressures, industrial militancy, rising commodity prices – particularly oil prices after 1973 – and increasing financial speculation all fed into “stagflation” in Western economies during the 1970s. The lack of profitability in the real economy encouraged investors to look for profit through speculative activities, and with that the deregulation of financial markets and a move towards the financialisation of Western economic centres (McNally 2011). Ideologically, the principles that would become known as “neo-liberalism” would find a central place within the new global common sense, and support America's reasserted hegemony. This political-economic doctrine, with its focus on restricting government intervention beyond that which secures private property and market institutions, developed from the 1930s through the writing of thinkers such as Ludwig von Mises, Friedrich von Hayek, and Milton Friedman. Thus, from the late 1970s onwards, real wages in the United States and other Western states began to fall as, ‘governments and employers around the world launched a coordinated offensive to roll back union power, labor rights, and employees' wages, benefits, and conditions of work’ (ibid., p. 42).

While the West suffered economically during the 1970s, many developing nations were able to temporarily benefit from higher natural resource prices and the abundant supply of credit on offer. The rising economic and political influence of developing states led to the articulation of demands through the UN of a New International Economic Order (NIEO) to assist the developing world in closing the developmental gap with the First World. However, the response of the US was to reshape global economic conditions (Arrighi *et al* 2003; Mazrui 1993). In 1979, the chairman of the U.S. Federal Reserve, Paul Volcker, oversaw changes in US domestic economic policy that began the neoliberal offensive against work conditions and social spending in the US, and imposed a liberalising doctrine on nations across the globe. This induced the Third World debt crisis, ‘the lever for predatory invasions of economies in the Third World designed to pry open their markets, seize their assets on the cheap, and lock them into debt’ (McNally 2011, p. 25). By increasing US interest rates enormously during 1979 and 1980, Volker sparked a massive redirection of global capital flows into the United States. This quickly soaked up cheap investment capital from which the developing world had benefited, and produced interest rate rises around the world. The crises that these debt pressures began to cause throughout the developing world, drove many nations to seek assistance from the international financial institutions – which had by now themselves adopted the core principles of neoliberal economic doctrine.

Africa's share of direct investment from major developed states declined dramatically during the 1980s. Meanwhile, trade liberalisation policies have been estimated to have cost Africa hundreds of billions of dollars since the early 1980s, and the continent has concurrently paid back more than four times the original value of its loans since 1980. Thus, the average African country's GNP per capita shrank between 1970 and 1998 (Bracking 2009; Henwood 1998). The new neoliberal doctrine would guide international thinking on African development, with the World Bank “Berg Report” of 1981 specifically claiming that the

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causes of the African economic crisis were internal and related to government over-regulation of their economies (Arrighi 2002). Thus, the World Bank and IMF used the desperation of developing states to impose harsh conditionalities through Structural Adjustment Programmes, in exchange for loans and debt relief. Consequently, African nations reduced the power of the developmental state, implemented massive social service cutbacks, withdrew government guidance from the economy, and removed protective barriers such as exchange controls, tariffs and public food subsidies (Saul & Collins 1999). According to Budhoo, ‘everything we did from 1983 onward was based on our new sense of mission to have the south ‘privatised’ or die; towards this end we ignominiously created economic bedlam in Latin America and Africa in 1983-88’ (in Klein 2007, p. 10). Thus, by the mid-1980s, the “Washington Consensus” of neo-liberal principles was embedded in the common sense of Western political elites and the global political and economic institutions which formed the foundation of the international order.

Conclusion: South Africa, the ANC and Capital

In South Africa, massive internal resistance, international support, and the end of the Cold War all created the conditions in which the transition to majority rule became inevitable. The 1990s were a period of deep economic turmoil for the country. By 1992, social conditions in South Africa were “near-revolutionary”; however, the National Party government was increasingly implementing neoliberal policies (Bond 2010). During the negotiations towards majority rule, Nelson Mandela and the African National Congress (ANC) successfully moderated popular anger and engaged in detailed discussions for a hand-over of power. In January 1990, Nelson Mandela wrote to his supporters to confirm that –

The nationalisation of the mines, banks and monopoly industries is the policy of the ANC, and the change or modification of our views in this regard is inconceivable. Black economic empowerment is a goal we fully support and encourage, but in our situation state control of certain sectors of the economy is unavoidable. (Klein 2007, p. 194-195)

However, these plans were all to be dropped as the transition process progressed. In negotiations, Prime Minister F.W. De Klerk attempted to preserve as much power as possible for the white minority, and to protect them from the possibility of land expropriations and nationalisation of corporations. While Mandela and his negotiating team did well in refuting a number of proposed political schemes towards this end, in economic negotiations the ANC gave in to the idea that the ascendant Washington Consensus was now the only way an economy could be run. Centres of economic power would be handed over to supposedly impartial experts, under the guidance of IMF and World Bank economists. Amongst other concessions, the ANC agreed to an independent Reserve Bank in South Africa, constitutional guarantees against land expropriation, the repayment of \$25 billion of Apartheid-era foreign debt, and signed on for an \$850 million IMF loan whose conditionalities severely limited the ANC’s policy options. With its economy opened to the world, investors could easily punish any movements away from neoliberal policies through currency shocks and capital flight, further disciplining the ANC government. Thus, the ANC oversaw the implementation of neoliberal principles of privatisation, relaxed exchange controls, free movement of investor capital, and high interest rates to control inflation. The coming decade would see the number of impoverished South Africans rise, along with the rates of eviction and the cutting of essential services. Unemployment skyrocketed to a peak of over 40% over the next decade.

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These economic impacts were racially stratified, with black households losing 1.8 percent of their income from 1995 to 2005 in comparison to white households, who gained 40.5 percent (Bond 2010).

The ANC did not achieve this transition alone – the other members of the Tripartite Alliance, the Congress of South African Trade Unions (COSATU) and the South African Communist Party (SACP), were also responsible for overseeing these changes and influencing persuasion over the South African populace. This is one of the reasons why the key centres of opposition to the neoliberal project in South Africa have emerged outside of these groups, or have defected from it (Desai 2003). New political parties, shack-dwellers' movements, service delivery protests, and the renewed militancy of trade unions who have broken away from COSATU, promise to challenge the ideological hegemony of the ANC and neoliberalism in the years to come.

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