

# Neoliberalism in the Post Apartheid Era: South African Public Sector Strike Highlights Society's Contradictions

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The two major civil service unions on strike against the South African (SA) government vow to intensify pressure in coming days, in a struggle pitting a million members of the middle and lower ranks of society against a confident government leadership fresh from hosting the FIFA World Cup.



Along with smaller public sector unions, teachers from the SA Democratic Teachers Union (SADTU) and nurses from the National Health and Allied Workers Union (NEHAWU) continued picketing at schools, clinics and hospitals, leading to widespread shutdowns starting on August 18. Skeleton teams of doctors and military personnel were compelled to send non-emergency cases home.

In several confrontations with police at town centres, clinics and schools late last week, workers were shot with rubber bullets and water cannons. On Saturday the courts enjoined workers to return to jobs considered to be emergency services. In dozens of hospitals and clinics, military healthworkers took over.

President Jacob Zuma threatened mass firings and attacked labour movement activists who successfully disrupted health and education facilities: "Even during the campaigns against the apartheid government we did not prevent nurses from going to work." The South African Communist Party (SACP) [issued a statement](#) defending the strikers but requesting the labour movement and ruling [African National Congress](#) (ANC) to desist "flinging irritable insults at each other, while the private sector and anti-worker elements sit back and laugh."

## Nepotism

Notwithstanding reasonably high popularity enjoyed by the affable Zuma, recent reports about vast profits in 'Black Economic Empowerment' deals for his son, nephew and inner-circle allies are raising anger. Moreover, NEHAWU's press statement lambasted Pretoria's hedonistic state managerial class: "We read on a daily basis government's wasteful expenditure on World Cup tickets, cars, hotels, parties and advertising."

Indeed, Pretoria subsidized the World Cup to the tune of \$5-billion, by most estimates, including more than \$3-billion on stadiums that are now widely recognized as 'white elephants,' unable to fill the stands and too expensive for the weakly-supported local soccer teams. (Even the cricket and rugby teams which attract more fans are hesitant to move

from their current world-class venues.) Corporations sponsoring the soccer tournament took home more than \$4-billion in profits, tax free without exchange controls.

During June-July, South Africa displayed to foreign visitors and television audiences an opulence that belied its increasingly stressed economy and extreme inequality. The recovery from a 2 per cent GDP decline in 2009 is faltering, with 3 per cent announced growth this year widely derided, as the first half of 2010 witnessed continuing job losses. More than one million of the 13 million workers in South Africa's formal economy have lost their jobs since 2008.

In spite of the pressure, workers have become surprisingly militant, winning above-inflation wage settlements from the transport and electricity parastatals in recent weeks, assisted by pressure they wielded before and during the World Cup. With inflation at 4.5 per cent, the government's latest offer of a 7 per cent annual increase plus a \$25 rise in the monthly housing allowance (to \$90) would ordinarily be a strong settlement.

Some unions would be happy with a 8.6 per cent raise and a rise to \$130/month for housing assistance, but NEHAWU demands are much higher, including an 11 per cent wage increase (backdated three months) and a \$195 housing allowance, as well equality in the state medical aid subsidy.

### Government Response

The Cabinet responded on August 18: "We had to make a choice between increasing the salary bill to unaffordable levels by meeting the union demands and cutting other urgently needed services. It's a choice between improving the wages of state employees and continuing to address the service delivery needs of poor communities and the unemployed."

In addition to higher taxes on business and the rich (which had fallen sharply from 1994 levels thanks to four neoliberal finance ministers), unions point out other places that state waste and corporate subsidies could be cut. Vast spending on infrastructure has come under strong criticism, especially given that the four major components - two new coal-fired power plants (\$35-billion) financed partly by the World Bank, a (\$3-billion) fast-train from the Johannesburg airport to the main financial district, a (\$1-billion) airport in Durban, and new (multibillion dollar) dams for big mining and agricultural interests - mainly benefit elites and come at the cost of infrastructure for poor people.

Public transport continues to decay and electricity prices are increasing by 25 per cent each year to pay for the new power plants. Yet two corporations, BHP Billiton and Anglo American, will continue receiving the world's cheapest electricity (one seventh of the price ordinary workers pay, thanks to 40-year apartheid-era deals). The two consume more than 10 per cent of the country's electricity, and environmentalists insist on phasing out energy-gorging smelters, foregoing the second power plant and instead investing in renewable energy.

But while the case for a redirection of state funds is strong, the question arises as to whether a potential 'labour aristocracy' will enjoy affluence at a time of ongoing job cuts and misery for the unskilled, unemployed masses. The union reply is typically that each worker in turn supports large extended families, insofar as apartheid-era migrancy relations still tie South Africans to kinship networks stretching hundreds of kilometers.

To make matters worse, until the mid-1980s, women were compelled through 'Pass Laws' to remain in rural 'bantustan' homelands, while their fathers, husbands and sons laboured in the cities, and the more rapid spread of AIDS in formerly settler-colonial and plantation economies suffering such migrancy is just one lasting inheritance. Once liberation was won, an 'insider' status for the urban workers emerged, including perks for housing, healthcare and pensions.

In turn, trade union leaders point out that no other social force in South Africa campaigns so actively for broader socio-economic rights that benefit the unemployed, such as a proposed National Health Insurance and Basic Income Grant (\$15/person/month) that would reach the most marginalized communities. But the unions are mainly losing these social-wage battles.

The unions' greatest disappointments with Zuma's government are its amplification of neoliberal economic policies such as exchange control liberalization and monetarism (high interest rates), and its failure to ban labour brokers which supply hundreds of thousands of cheap, casualized 'outsourced' workers at far lower wages.

In reply, government leaders typically point to a variety of state social grants (pensions, disability and child-care) that have indeed achieved a slightly greater flow of funds to the rural poor. But the most recent authoritative study of poverty, by University of Cape Town researchers in January 2010, showed an absolute increase in urban poverty.

## Dissatisfaction

Also reflecting the widening social divides are the several thousand protests that police record each year. Many have flared up spontaneously as localized 'service delivery' riots, with results that include vandalism of municipal offices and even xenophobic outbreaks. Unfortunately, no major urban social movement has emerged to capture and channel the frustrations into a sustained, democratic force.

This is mainly due to the residual township loyalty to the ruling African National Congress (ANC) even in these protest-rich communities, and a decade-old split between the (now fading) radical 'new social movements' in SA's cities and the ANC. The new movements had hoped the most left-leaning forces in the SACP and [Congress of SA Trade Unions](#) (COSATU) would break away from the ANC, but instead they attacked not the ruling party but its leader, former President Thabo Mbeki. Having thrown him out of power in September 2008, labour and the communists expected more than the handful of marginalized seats they received in the cabinet.

The feeling of betrayal was made explicit in the widely circulated 'Ruth First Memorial Lecture' [delivered last Tuesday](#) by COSATU general secretary Zwelinzima Vavi, one of the most radical voices in contemporary South Africa. In 1982, First was assassinated by an apartheid letter bomb while in exile in Maputo.

Vavi paid tribute to First's politics and prolific campaigning, research and writing:

"Her contempt for private ownership of the means of production, for exploitation and for all forms of oppression is evident in all of Ruth First's undertakings, from her journalistic writings to her scholastic works. National liberation and the defeat of class exploitation were for her two sides of the same coin."



Ruth First, 1961.

Then Vavi turned to an unusual narrative: deploying a past hero against present liberation movement leaders:

“Ruth First would be shocked to learn that 16 years after our emancipation we have not moved decisively away from an economic system she died fighting against. She will seriously ask whether it was worth all the sacrifices she made when she learns that ... South Africa (is) now the country with the biggest inequalities in the world.”

Vavi has been hitting raw nerves in the Cabinet by regularly scolding Zuma’s closest political allies for corruption of both a personal and political nature:

“What will annoy Ruth First most is that despite this mounting and unfolding catastrophe, she would have heard some of the leaders who were at some point serving with her in the SACP Central Committee, assuring private capital, locally and abroad during their endless trips, that the economic fundamentals are in place and the country will stay the course despite mounting evidence that this market fundamentalism is dismally failing humanity.”

[Ruth First](#) was married to SACP leader [Joe Slovo](#), who by the time of his 1995 death had begun endorsing the neoliberal project, especially in the housing ministry he ran. Said Vavi of First,

“She would ask where her SACP is, and why it has not led a united working class in a struggle to change the direction we seem to be taking. She would ask where all other democrats have gone to after reading about the proposed Protection of Information Bill that, if it goes through in its current form, will make a mockery of her work as a journalist committed to fighting injustice.”

The top two SACP leaders, Blade Nzimande and Jeremy Cronin, have defended Zuma’s current attacks on the media and access to information, including legislation that would chill South Africa’s scandal-sheet press as well as more serious investigative journalists.

Zuma has long taken a beating in the media because of numerous personal, financial, sexual and political scandals. His lawyers have filed defamation lawsuits against Jonathan Shapiro, whose brilliant ‘Zapiro’ cartoons depict the president with a showerhead attached to his head, reminding readers of his sex – and alleged rape – with an HIV+ daughter of a family friend.

While a settlement favourable to labour is expected within coming days, given how tough the unions are fighting, the pressures in the economy and society will keep growing. And the wedges now being driven between the ruling partner and its labour and communist allies will not be easily healed. •

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