

## Work in Progress

facilities, and these deprived material conditions give rise to health problems - typhoid, tuberculosis, etc.

Most work on the health problems of workers has concentrated on industrial workers at their places of work, and on the physical effects of their working conditions. Less research has been done on other categories of workers with respect to health considerations, and just about nothing has been done on the relationship between working class jobs and mental health. The relationship between working class conditions generally and mental health or psychological well-being has been almost totally ignored.

This article will therefore concentrate on the area of mental health in relation to the working class, both at their place of work and in the wider social context in which these jobs occur.

Thusfar, the only area which has relatively consistently been reported on in the commercial press in South Africa and internationally has been the issue of unemployment, and the negative psychological effects associated with it like depression and a sense of helplessness. In the hope of generating discussion and research in the area of the psychological effects of working class life, some other issues will be discussed. Some of the more important considerations in understanding the relationship between mental health and working class life are

- + the general problem of relating mental health and working class life;
- + working conditions in contemporary capitalist South Africa;
- + unemployment and mental health;
- + work and mental health in society.

### MENTAL HEALTH AND WORKING CLASS LIFE

It is often forgotten that our attitudes and 'treatments' of the mad<sup>\*</sup> are relatively recent. Up until the mid-18th century the mad were not treated in special institutions, and in fact were not treated at all. The mad along with other 'social deviants' and 'misfits' - the unemployed, petty criminals, and the 'lazy' - were confined in what were called 'houses of correction'. The intention of these early institutions was primarily to keep these groups out of society so

that they could not be a disruptive influence on the general functioning and law and order of the society. There was also an attempt on the part of the authorities to get these 'social deviants' to develop appropriate attitudes to work and the maintenance of social order. It was only towards the end of the 18th century that certain humanitarians within the medical profession made a case for separating the mad from others contained in these houses of correction. It was at this point that the mad were housed in separate institutions - asylums - and treated by medical doctors.

What is important about this is that prior to the medical involvement with the mad, they were seen as part of society. Unless they were violently disruptive, in which case they were chained up in the houses of correction, they were left to go their own way in society. This often involved travelling from one town to the next, living on the fringe of

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\* I have chosen the word 'mad' in this article as sometimes synonymous with mental health problems, but more often indicating more severe mental health or psychological problems. This word - madness - is very seldom used in modern psychiatric or psychological circles. It has been chosen here because the usage of the word relates to a period in the history of society when mad people were considered as part of society, and not as a separate group which needed the services of 'experts' - doctors and psychologists. Once the mad were socially separated, literally into asylums, a whole new language arose to describe their problems. They were seen as 'sick', with certain 'symptoms' which in turn were related to specifiable 'diseases'. And today we have a whole barrage of psycho-medical terms to describe mental health conditions, or madness - schizophrenia, psychosis, personality disorder, psychopath, autism, and so on into the hundreds. It is to avoid the association with this way of understanding people with psychological problems that I chose the word 'madness'; it is also the term used when madness still had a clear social connection.

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society. What is also significant for our purposes is that these mad people, as well as the other 'social deviants' mentioned earlier, were predominantly from the poorer classes.

Although arguments trying to understand the relationship between madness and working class conditions are complex and incomplete, we can at least be sure that the beginnings of the social separation of the mad into asylums had more to do with social and economic reasons, than with the medical treatment of 'sick' people. This is sometimes hard to accept these days because we too easily say that mad people have something wrong with themselves, either in their 'heads' or in their 'brains'. We have also come to accept that 'experts' can 'cure' these 'sick' people. The 'experts' are often medical doctors, psychiatrists and psychologists. We have come to see madness as something which mysteriously comes upon us, and about which we can do very little as common working people.

This is not to deny that people go mad for reasons that are difficult to explain. However, if madness cannot be related to the social context in which it occurs, it is difficult to make sense of it. But exactly how madness and mental health relate to the lives we live under capitalism and apartheid in South Africa is not clear. The history of madness at least reminds us that we need to re-locate the social context of madness in a much more thorough way than is sometimes suggested by mainstream psychiatry and psychology in South Africa. The next sections of this article will try to relate madness to the social context of racial capitalism in South Africa.

### WORKING CONDITIONS IN CAPITALIST SA

Marx argued that the capacity to create objects through work was a distinctly human activity. Blocking this (alienation and estrangement from this activity) results in people feeling divorced from themselves as happy and integrated human beings. This relates to the criticism that under capitalism our working lives have become increasingly controlled and managed/supervised. Workers in this country have clearly felt separated from the products of their labour, if

only at the level of being economically estranged from the commodities they produce. For example in a motor assembly factory in Durban there is a large sign at the end of one of the assembly lines which says: 'Be proud of the cars you produce'. In view of the wages paid in the motor industry, this relationship of 'pride' is about the only attachment that workers could have to these new cars and trucks! In terms of the division of labour in the factory the workers don't really produce any complete object; this sign reflects the irony of capitalist production and is an insult to the workers.

This example, in itself irrelevant, is an instance of a range of contradictions which confront workers at the factory and in the townships. The extent to which any one incident results in a particular response, or set of responses of a psychological nature, is very difficult to determine. What does seem clear however is that the totality of the work sphere has a detrimental effect on workers' mental health. As indicated earlier, working conditions also have a significant effect on the physical health of workers, but it is not intended to go into this here\*. For example, in conditions like hypertension (high blood pressure) and heart disease it becomes very difficult to separate what is a physical as opposed to a mental health problem.

There are no exact figures about the incidence rates of various psychological conditions suffered by the working class, but there are some general indications of what their mental health problems are. It seems that there is a high incidence of what could be called bodily related mental health problems. These are hypertension, heart disease, ulcers and alcoholism. The less bodily related mental health problems are depression, helplessness, anxiety and high suicide rates. All these conditions from hypertension through to unsuccessful suicide attempts are treated, if they are treated at all, in outpatient clinics of general

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\* See in this regard Critical Health number 8, 1982, entitled 'Work and Health'.

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hospitals and psychiatric outpatient clinics. Sometimes factories have their own outpatient clinics and hence workers get some treatment from these services. As health services in South Africa are grossly inadequate for black working class people, we could predict that many of these conditions are never treated until they are very far advanced. This seems to be validated by the relatively low life expectancy of black working class groups.

All the above suggests that working conditions, and working class life in general in South Africa, affects the mental health of workers in a serious way. What needs to be done is to draw more direct links between certain specific working conditions and the resultant mental health problems. This is important for understanding more fully the conditions under which workers live, and also to be able to develop appropriate responses in changing these conditions.

The above account of the mental health problems of workers in South Africa, together with the more detailed incidence rates from England and America, show that the working class experience more (quantity), and more severe (quality) mental health problems than any other social class. It is evident that more and more ordinary working people are finding it very difficult to cope in capitalist society.

### UNEMPLOYMENT AND MENTAL HEALTH

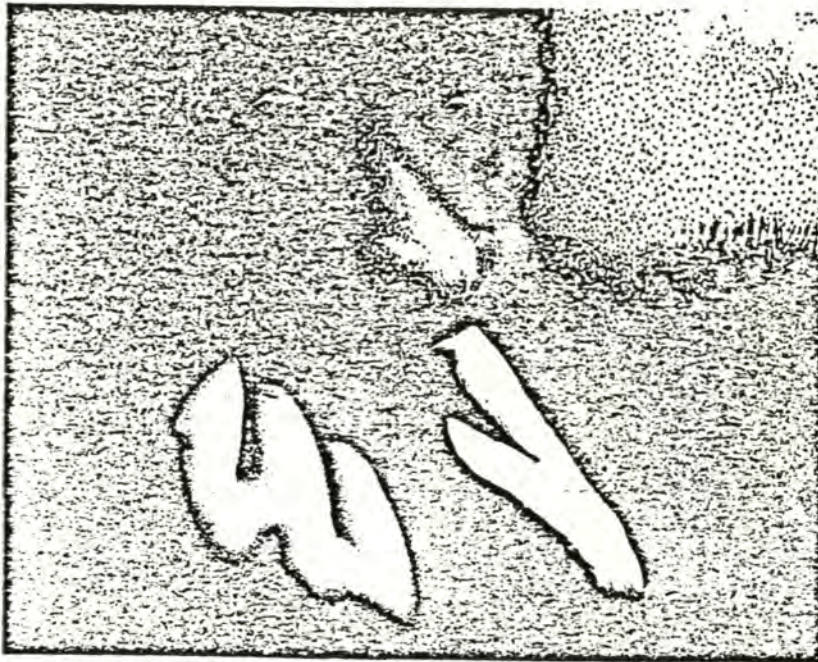
One of the most significant aspects of contemporary capitalist society is the very high rate of unemployment which seems to be built into the system (structural unemployment). Most research on work in our society has

tended to concentrate on people with jobs, although some of these jobs are not directly wage earning, for example housewives. With unemployment levels as high as they are at the moment it is important that we analyse what is happening to these people. The current USA unemployment figure is just above 10% - which means ten million people - and it is predicted to rise to about 11,5% before the end of the year. In South Africa it is very difficult to get accurate statistics for black working class groups, as a lot of unemployment is 'hidden' in the 'independent homelands' and reserves. Also, the unemployment figure increases

at a daily rate as more and more companies and factories close down, and/or retrench large sections of their work force. While the working class bears the brunt of these retrenchments, unemployment is starting to be felt in all social classes in South Africa. One study in a section of the Vulindlela area indicates an unemployment rate of 30%

and broken down further reveals a rate of 40% for women and 20% for men. The current figure quoted on unemployment in South Africa is most often in excess of 10%, with state statistics invariably lower than more independent sources. How are these millions of people coping with being unemployed and what are the mental health implications of having no job?

The commercial press has carried quite a few articles over the last few months on unemployment, and has often stressed how workers have changed during periods of unemployment. It has been said that unemployed workers become depressed, apathetic, frustrated and this has sometimes been translated into aggression and hostility, and that generally their mental health has deteriorated.



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What seems clear from some of the work I have done in and around the Pietermaritzburg area, is that while more specific mental health problems arise in work situations, the problems associated with unemployment are far less specific. Here people affected seem to be drawn into a process of madness. This madness often manifests itself as a 'general mental confusion' - those affected will be unclear about where they are and what they have been doing recently, and will give a poor account of themselves and their family and community relations. This mental confusion is also sometimes associated with feelings of depression.

It is important to bear in mind that a lot of these features of madness cannot be simply related to the experience of unemployment and its psychological implications. The material social conditions of unemployment are equally important in so far as they can also give rise to mental confusion, depression, etc. Because a person is out of work and hence not earning a wage they are often very undernourished, and this in itself can give rise to mental health problems like mental confusion, disorientation, depression, etc. A number of black working class people who end up in state psychiatric hospitals are picked up by police in a confused, unruly and toxic condition. The toxic condition is usually the result of excessive drinking coupled with poor nourishment, and sometimes made worse by excessive dagga smoking. From this it should be clear that mental health problems and madness in some of the unemployed working class is a combination of the psychological responses to being unemployed as well as the social context of this life of unemployment. This is especially so in black psychiatric units.

A further consideration which emerged from this research is that working class family/household units in the townships are finding it increasingly difficult to sustain themselves in relation to even a meagre standard of living. The increased strain of supporting unemployed family members and friends is not being withstood. If a worker is unemployed and mad, the chances of getting a job in that condition are very slight, and this person becomes increasingly dependent on hand-outs

from the family group. The difficulty of sustaining the mad unemployed worker is thus a very real problem, which the black working class family is finding more and more that it cannot deal with adequately and socially. This new 'intolerance' to the unemployed and mad is related more to economic and ideological factors than to the psychological effects which these people might show. What is being argued here is that the problem of madness and unemployment is primarily a social and economic problem before it is a problem of mental health or psychology. We must not confuse the effects which people show in this cycle of unemployment and madness with the social, economic and political determinants which give rise to certain mental health problems.

If a person is unemployed and mad, one way for the family to rationalise its 'intolerance' of the person's social situation is through saying that the problem is one of mental health and that this will be better dealt with and 'cured' by admitting the person to a psychiatric hospital. This is not a judgement on the family groups which do this, but rather shows that while previously the family and community may have more easily dealt with and tolerated mad and unemployed people this is becoming just about impossible.

This process of social intolerance and final admission to some psychiatric unit is consistent with the case records of a high proportion of the inmates in the black - especially african - wards of psychiatric hospitals in Pietermaritzburg. While some patients come from surrounding townships and communities there is also a large proportion from the rural areas. These people from the rural areas/reserves are sometimes referred directly from their homes via the local hospital services, but also are part of the massive numbers of people 'illegally' living in the townships and cities. They come to the cities in the hope of finding work, and to escape the appalling conditions of underdevelopment and poverty in the 'homelands'. They usually find it extremely hard to cope in the urban areas and hence are subject to massive personal and social stress which can result in mental

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health problems and madness, resulting in their being admitted to a psychiatric hospital.

So it is not only work which results in mental health problems in capitalist South Africa, but also and rather unexpectedly the lack of work which seems to give rise to some of the more serious mental health problems and madness.

### WORK AND MENTAL HEALTH IN SOCIETY

What has been said in this article might be unfamiliar to a number of people involved in the struggle against apartheid and capitalism, who are often engaged in areas which directly relate to production and its social conditions - for example trade union organising, the law and racist/unfair labour practices, housing, etc. The 'secondary' characteristics of capitalism and racism in this country which relate more indirectly to the work sphere are seldom discussed or written about, let alone seriously researched and debated. These secondary features refer to those aspects which stand once removed from the primary economic organisation of wages, working conditions, monopoly capitalism, etc, and have more to do with relations such as the mass media, culture and art, psychological life and leisure. The concerns of this article refer mostly to the secondary characteristics of capitalism in South Africa. These must not necessarily be seen as second in importance, but are second in that they cannot exist apart from the basic political and economic organisation of society.

As was pointed out in the beginning of this article, the lack of sense of the history of madness has resulted in us seeing madness as some separate experience or condition which has little to do with the daily activities and struggles of our ordinary working lives. We have handed over our psychological life and/or mental health problems to a group of 'experts' - psychiatrists and psychologists - who on the whole, and especially in South Africa, believe and make us come to accept that our psychological problems are of our own personal making and don't have very much to do with the social and economic conditions of our

society.

If some of the arguments and connections about mental health and work are correct, and reflect with some accuracy the situation as experienced by the working class in South Africa today, then the traditional 'help' from psychiatrists and psychologists offered in hospitals, outpatient clinics and private practice is out of keeping with the problems that they are trying to 'treat and cure'. This is not to say that there is no mental health component to the problems which workers encounter, but rather to ensure that social problems are not reinterpreted as personal and individual problems to which we must adjust and cope. Mental health workers need to be educated about the social conditions which give rise to the problems of mental health and madness, and also be made aware of the limits of what can be achieved given the social context within which workers live and work.

A final point relates to the production/work sphere and its social organisation. If mad people are to be integrated into the labour process, and there is no reason why they should not be under different arrangements of working life, then the social organisation of work is going to have to change significantly. Mad people are not psychologically and socially disturbed or disabled all the time, and therefore have a role - albeit at times limited - to play as working members of their society. Given the present social arrangement of work, it is ludicrous to suggest the integration of mad people into the work sphere. It has so far been suggested that the present social arrangements of work tend to drive the working class mad, rather than being able to integrate mad workers.

Capitalism in South Africa is caught in a contradiction of continuously needing workers, but at the same time these workers are finding it difficult to survive the working conditions of capitalism. Furthermore, when individual workers are no longer able to cope with the conditions of their jobs they are often fired, and then become subject to the cycles of madness and labour that I have tried to outline.

The problem of work/labour and madness can be seen as the reverse

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side of the more dominant political and economic struggle in capitalist South Africa. Progressive movements and organisations are going to have to confront the issues posed by the relationship between madness and labour

in the creation of a more just and free society. It is hoped that the issues raised in this article have gone some way to addressing the relation between labour and madness.

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## SOUTH AFRICA

# DESTABILISED....

'Under no circumstances would the Government allow South Africa to be destabilised by hostile elements in the sub-continent, the Minister of Defence, General Magnus Malan said last night.

General Malan said certain states in Southern Africa were intent on destabilising the region - and wanted to drag South Africa into the same mess in which they now

found themselves.  
(Rand Daily Mail, 11.08.82).

Mr Malan denied that South Africa was pursuing a policy of destabilisation of its neighbours and said that, on the contrary, it was countries like Mozambique... that were bent on destabilising the Republic through acts of terror.  
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## Machel responds

Mozambican President SAMORA MACHEL responded to Malan's allegations in an August 1982 speech. He suggested that the only threat Mozambique poses to South Africa is as an example of an alternative form of society.

A few days ago, the South African regime alleged that Mozambique is threatening it by concentrating sophisticated weapons on its border. What are these sophisticated weapons that the regime is referring to?

We do not represent a threat to anyone, neither militarily nor economically. No sensible person could think that an underdeveloped and poor country like ours, with so many wounds of war still bleeding, could threaten the sovereignty, territorial integrity or stability of any state, especially a power like South Africa.

In fact the only thing the regime has to fear is our example. This, yes.

What is the sophisticated weapon

that the regime refers to? The answer is the work we are doing. What is this work?

Giving worth to women, as mothers, as wives, as educators, as companions and comrades, the example of protecting them and loving them as symbols of affection and peace, as the guarantors of future generations. This is what South Africa fears.

The sophisticated weapon is making the home the centre of fulfilment and not, as in South Africa, a prison and a guarded residence.

The sophisticated weapon is having children as the only privileged sector of our society, keeping the best for them, keeping the most beautiful for them. It is surrounding children with love and affection, innocence and happiness, and not, as in Soweto, making them targets for police brutality and murderous weapons.

The sophisticated weapon is guaranteeing all citizens the right to study, culture, health, justice, progress, to the benefits of society. The sophisticated weapon is putting our resources into carrying all this

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out and not into the manufacture of weapons, the production of death.

The sophisticated weapon is the people's right to create their own history, by directing their own destiny, by exercising their sovereign power.

In short, the sophisticated weapon that really threatens apartheid is the alternative of civilisation that our society now represents.

For this reason, the survivors of the Soweto massacres feel at home in Mozambique. For this reason, the intellectuals, the artists, the scientists, victims of South African racism and fascism, feel fulfilled working amongst us.

The sophisticated weapons are the UNESCO conference, the Dollar Brand and Myriam Makeba concerts. \* The sophisticated weapon is a woman, a scientist like Ruth First. They are men and women of all races who do not see colours, regions or tribes, and who identify with the same ideals of equality, fraternity, harmony and progress.

Because it is socialist, Mozambican society defines people and their fulfilment as its strength and reason for existence. On the African continent, and especially in southern Africa where the scars and wounds of slavery and colonialism, historically predominantly European and white, are still felt and present, we have built a Party, a nation, a way of life in which colour does not matter, race does not matter, region or tribe does not matter.

Everything that causes unnecessary division has begun to fade from people's consciousness. This is the sophisticated weapon that threatens apartheid.

Ours is not a society in which races and colours, tribes and regions coexist and live harmoniously side by side. We went beyond these ideas during a struggle in which we sometimes had to force people's consciousness in order for them to free themselves from complexes and prejudices so as

to become simply, we repeat, simply people.

For this reason, in the war against the colonial system we were able to distinguish between the Portuguese people and Portuguese colonialism. In the war against Rhodesia we were able to distinguish between what was the white community and the minority rebel racist regime.

We say in all sincerity that the white South Africans, the boers, are not our enemy. They are not foreigners in their country nor in our continent. They are African people, like us.

It was racism and fascism that deformed the mentality of South African whites, that led them to cast themselves in the role of 'the chosen people'.

It was racism that made them unable to regard themselves as normal South African citizens, equal to all other South Africans, equal to everyone else in the world.

For this reason, it is the South African whites themselves who are the victims of their complexes and prejudices. They are the very ones who cut themselves off from the community of all South Africans and set themselves apart as a privileged minority, as a superior race to be preserved.

This logic is what has led to the obsession of systematically dividing South African society up into races, colours, tribes and bantustans, into special and non-special foreigners, even to the ridiculous extent of having 'honorary whites'.

Within this logic, in order to define themselves as South Africans, they must defy the nationality and identity of all other South African people.

It is they who alienated themselves from their identity as African people.

Our enemy is apartheid. Our enemy is fascism. Our enemy is a small handful of interests hiding behind a barbaric ideology and philosophy in order to safeguard their privileges.

The destruction of the stronghold of apartheid will come from inside South African society. The destruction is spurred on by the blood of white martyrs like Neil Aggett and Ruth First.

We repeat what we have already said: apartheid will fall when children from the white suburbs join hands with black children from the bantustans and the Soweto

\* Translator's note: UNESCO-sponsored conference on social science held in Maputo in August 1982. Exiled South African musicians Dollar Brand and Myriam Makeba have both given concerts in Mozambique.



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ghetto, with Indian and coloured children, and all of them describe themselves simply as South African children in a country that is theirs equally.

Our nation is historically new. The awareness of being Mozambicans arose with the common repression suffered by all of us under colonialism from the Ruvuma to the Maputo.

FRELIMO, in its 20 years of existence and in this path of struggle, turned us progressively into Mozambicans, no longer Makonde and Shangaan, Nyanja and Ronga, Nyungwe and Bitonga, Chuabo and Ndau, Macua and Xitsua.

FRELIMO turned us into equal sons of the Mozambican nation, whether our skin was black, brown or white.

Our nation was not moulded and forged by feudal or bourgeois gentlemen. It arose from our armed struggle. It was carved out by our hard-working, calloused hands.

Thus during the national liberation war, the ideas of country and freedom were closely associated with victory of the working people. We fought to free the land and the people. This is the reason that those, who at the time wanted the land and the people in order to exploit them, left us to go and fight in the ranks of colonialism, their partner.

The unity of the Mozambican nation and Mozambican patriotism is found in the essential components of, and we emphasise, anti-racism, socialism, freedom and unity.

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# FORTHCOMING FROM SARS

## SOUTH AFRICAN REVIEW 1

In early February 1983 over 40 social analysts met in Johannesburg. Out of their weekend meeting, convened by SARS, a new book emerged - the South African Review.

Written around the theme of crisis and restructuring, the first edition of the Review covers six areas in which the restructuring of South African society is evident:

THE ECONOMY  
POLITICS  
WOMEN  
LABOUR  
REPRODUCTION (health, education, housing)  
SOUTH AFRICA'S RELATIONSHIP TO  
SOUTHERN AFRICA

Concentrating on the state's response to a generalised crisis in society, each section contains a number of articles analytically reviewing trends of 1982.

The SOUTH AFRICAN REVIEW is published jointly by SARS and Ravan Press.

Expected publication date is May 1983.

Enquire at your local bookshops, or contact SARS directly.



# LOOKING AT DEVELOPMENT PROJECTS

Many agricultural development projects can be found in South Africa's impoverished rural areas, but, as DAVID COOPER argues in this article, these projects differ widely in form, content and effect. In a survey of development projects, he suggests that the key issue involved is not production and employment, but democratic organisation for production.

## INTRODUCTION

In this paper we look specifically at agriculturally based projects. The most common issues which concern such projects are those of land and of production. In examining these issues we are specifically interested in the class relations associated with the land and its control, and the effect of class relations on production.

In discussing these development projects, we are specifying an intervention into a rural community. Although many (agricultural) development agencies would like to believe that such interventions are neutral, they are most decidedly not. In general, rural communities are divided by clashes between rural groups and/or classes. In South Africa's bantustans divisions exist over the control of the scarce land available for production.

The rural areas have been rendered backward through deliberate state policy. The level of response to any initiative indicates a general desire by the majority of the people to engage in production. It is structural conditions, a lack of resources and control over the land, and a lack of effective representation of rural residents which prevents production from taking place.

Although this paper deals only with development projects (ie intervention by an outside organisation) it is important to relate these projects, firstly, to the rural conditions in the bantustans, and, secondly, to forms of organisation which don't rely on outside

intervention.

In the first instance development projects are concerned with only a tiny part of the bantustans, and, secondly, cannot be looked at in isolation from these regions in general. Agriculture in the bantustans has been deliberately underdeveloped through the demands for labour of South African industry and agriculture in the twentieth century. Peasant production was smashed as control of developing urban markets fell into white hands. Reduced to a largely subsistence base, the land has become hopelessly overcrowded without any meaningful infrastructure to allow it to be maintained, let alone developed. Even the state's own recommendations for stabilising the bantustans (eg the Tomlinson Commission recommendations), have been largely ignored in all but form. The level of government spending in the bantustans has always been woefully inadequate to support their populations.

With structural changes in industry and agriculture, a growing surplus population exists in the bantustans. Having undermined the productive base to extract labour, it is now imperative for the state to recreate a productive base to absorb the surplus population. This ideological imperative gives great importance to agricultural projects - an importance beyond their real extent.

## THE ROLE OF TRIBAL AUTHORITIES

The assumption development agencies make is that the tribal authority is representative of the people. However, given the level of coercion that exists in rural areas, organising activity is more frequently a front for coercing people to support the bantustan authority or a party. In the case of the tribal authority the fact that they are paid government officials carrying out government decrees clearly indicates the antagonism that can exist between tribal authority and community (Daphne, 1982a).

All land in rural areas is controlled

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by tribal authorities, who are agents of the state, and as such responsible for local government. The tribal authority is in a position to exercise considerable control over the lives of rural people. Many of these controls are central in affecting agricultural production.

### PROJECTS, AUTHORITIES AND PARTIES

Some development projects are intentionally aligned with the tribal authority, especially those undertaken by state and quasi-state bodies. Many capitalist organisations also use this means of organisation. Other bodies unintentionally allow the tribal authorities to have control over rural projects, thus having the same effect of reinforcing the status quo. Only a small minority of development organisations attempt to generate alternative forms of organisation which can be truly representative of their members and which attempt to resist the domination of the tribal/business elite in rural areas.

The ideological component of rural agricultural projects is thus generated through the issues of control over production. This is the same as that promoted in education, in health, in business, and in small industry. In all these cases, the supremacy of the state as the provider/controller, and the promotion of a small class of privileged producers is the ideological cornerstone of state policy.

The alignment with the state is a major means of promoting class differentiation through the projects. The other is alignment with a political party. Development projects often seek the authority of local government, and frequently work through such government. In many of the 'homelands' local government is closely aligned with the party. Officials, like chiefs, are often party members, and in some cases, membership of the party is a requirement for belonging to a development project.

### PROBLEMS AND PRINCIPLES OF ORGANISATION

Development is, in the first instance, about organisation. It is about producing real changes in people's lives through their method of organisation. In rural bantustans many organisations exist - the church, school committees, gardening groups, farmers' associations.

Providing material resources like seed, tractors, is essential for production in rural areas. However, a careful balance must be maintained between the provision of these resources on the one hand, and resources like skills training and organisational input on the other. It is the way resources are used, rather than their absolute quantity that matters. At the same time all rural projects concerned with agriculture must participate in production, for this is a basic requirement for rural organisations to offer their membership. It is only through succeeding in production that local organisations can be truly strong and take meaningful control over their land.

What is important is that progressive organisations do not attempt to support projects in areas where these projects are likely to fall into the control of the tribal authority and state agencies. Progressive development agencies need to select the areas where rural people have demonstrated resistance to the state and where democratic local structures have been established. Local strength of organisation must be built upon, so that democratic organisation can lead to resistance to state control in other areas. The widespread resistance to betterment schemes in the 1950s and 1960s indicates the level of mass organisation that is possible in rural areas.

Development work is largely undertaken by state and quasi-state bodies. The areas where private organisations work is relatively small, and its impact on organisation is also limited. However, one must measure this impact qualitatively - ie the degree to which such organisation can be used as an example which can be replicated in many similar instances.

Development agencies or projects concerned with promoting democratic organisation stand the best chance of progress in areas where the tribal authority is weakest or most closely aligned with the interests of rural people.

Clearly, the tribal authority, the state, and the political party of the governing elite are not equally strong in all areas. Where they are weakest, effective democratic organisation can provide a base for people to take control over their production. Where the level of mass organisation is strongest, some government support may in fact be drawn;

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- rural people, although dominated by the state, exercise some control over government services if their level of organisation is good.

For agriculture, existing organisations are very important for development. They form the base from which development or underdevelopment takes place. Almost all productive rural organisations are small and weak. This is to be expected given the nature of agriculture in the bantustans. These organisations reproduce the class relations of rural society. For example, those organisations which draw on state support as a means of organising play a part in justifying the role of the state.

For instance, in the Transkei, an organisation of women's clubs called Zenzele exists. In order to obtain a piece of land for a communal garden, a group must belong to Zenzele. Zenzele claims to be a democratic, open organisation. In fact it is hierarchical in structure, and connected to both a political party, the Transkei National Independence Party, and the bantustan authority.

Gardeners must pay membership to Zenzele, and must in fact support its ideological position when its office bearers (usually wealthier, educated women) are sent to national meetings; or when party officials come and attend a celebration function. Frequently gardens collapse because of clashes between 'leaders' and members of Zenzele. Other gardens survive because the need for food is so great, while in a few cases real struggles for organisational control take place. A frequent tactic of groups involved in gardening who resist control is to organise gardening in individual homesteads. Thus, one must examine the content of organisation, not only its form.

## GENERAL TRENDS IN 1982

Progressive organisations involved in rural work in 1982 have seen that organisation with a view to the redistribution of power is the central issue of development work. The difficulty involved in redistributing power in rural areas has led to a clearer understanding of what is involved in the establishment of rural organisations to promote development. The provision of training to all members of organisations rather

than to committees only, is seen as one way of promoting democratic organisation.

1982 has seen a resurgence of interest in rural production projects. These projects have been carried out largely by four groups - state and quasi-state bodies; the private sector; universities; and private and church organisations (non-profit). There are many links between the first three groups, especially, but we can examine each sector separately, bearing in mind that we are attempting to analyse the consequence of development projects on social relations and class formation in rural areas.

## STATE, QUASI-STATE AND BANTUSTAN BODIES

The state operates in all the rural areas of the bantustans. Work is carried out through agricultural officers. Although individual officers may attempt to work through democratic means, officers are there to carry out state policy. This means they work through the tribal authority and advise 'full-time' farmers - often those who live on Trust land, or those closely associated with the tribal authority. The affect of extension work is usually to reinforce the position of the tribal authority by placing more organisational resources in their hands.

Extension officers do, however, make contact with a lot of small organisations and can promote the effectiveness of these if they are prepared to work democratically with these organisations.

In the Transkei, Ciskei and Lebowa, 1982 has seen the introduction of tractor services on a much larger scale.

In the Transkei a R20 per head tax was instituted to pay for these tractors. The tractors plough for those who can pay for them. However, in the region the tractors are ploughing on a block basis; in theory those who do not pay for the ploughing have the lands planted for them on a share-crop basis - the government taking 50% of the crop. Clearly, this form of production without organisation can only lead to a strengthening of the tribal authority in its control over land. In practice large land areas have been ploughed but not planted because of the inefficiency of the system. Residents are being asked to pay for ploughing they did not request.

The move is also sinister in that the bantustan authority has a policy of

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promoting full-time farmers. By introducing production in this way, it is easier to take land away from non-users, and to give it to those who are supporters of the bantustan.

There are also some projects where production is both successful and under government control. An example of this is the Mahlangu area of Lebowa, where a large maize and bean producers co-operative exists. Production is quite high, with individuals' land areas being ploughed, planted and harvested by the co-operative. The individual plot holder has no say at all over production and is allowed a few bags from his/her crop. In 1980/81 the individual plot holder got nine bags of maize, while the remainder - as much as 100 bags - went to pay co-op expenses and purchase new equipment which individuals see as belonging to the chief and the government. Control is so strong that individual growers are not allowed to harvest their own crop. Although many people wanted to harvest crops themselves, they had to wait for hired combine harvesters to do the job - at a cost of R40 000 because this was the 'modern' way to do it according to the government advisers to the co-operative.

Most quasi-state production projects are carried out by the Corporation for Economic Development or its bantustan equivalent. Mostly these have been registered as separate bodies - Agricor in Bophuthatswana, Lebowa Agricultural Company, Tracor in the Transkei, etc. The CED (and its agents) have three types of projects - commercial farms, service projects, and agency projects (providing finance). In total CED finance up to 31 March 1982 amounted to R82 766 000. Of this R31-m went to farmer aid - the rest was on state farms. This must be compared with investment in industry of R304-m in 1982.

Most of the CED projects are state farms. One of the more successful projects of a state corporation is the Agricor maize production project (Shiela, Mooifontein). The project operates in the western Transvaal. It extends the production of white-controlled maize farming to Trust land in Bophuthatswana. Agricor organises production through african contractors who are financed by Sentraal-Wes Ko-operasie, a white maize co-operative. The contractors get inputs from the co-op and plant individuals' land on a voluntary basis. Agricor then acts as a marketing board, to buy the maize. Agricor boasts that the projects have

made Bophuthatswana self-sufficient in maize.

The projects all operate on Trust land where land is allocated through the tribal authority. Most of the families have land, so there is less shortage than in most areas. The preconditions exist to establish a better off class of people, and Agricor has exploited this opportunity.

Contractors are selected and advised by Agricor and the co-operative, and are effectively under their control. No projects have been established on tribal land near the Trust areas, where people are involved in the projects only as seasonal labourers. The contractors are the main beneficiaries of the scheme.

Agricor is now planning rural service centres to extend organisation for production to other projects: health education, water supply, housing and co-operative vegetable production. This is a clear attempt to create a class of settled people on rural land. Agricor is involved in other development projects at Taung irrigation scheme and at Thaba Nchu. All these projects take place on bantustan controlled land, and Agricor selects the farmers who are to be involved.

A different type of government project operates in the Ciskei. While ideologically attempting to perform the same function as Agricor, that of creating an image of the self-sufficient state, the approach is different. The Ciskei government hired a firm of consultants - Loxton Venn and Associates - to manage an irrigation scheme in the Tyefu tribal area, along the Fish River. With virtually free access to development capital, the consultants planned a productive unit based around a core farm, for a number of selected full-time farmers. The farmers are selected by a planning committee, made up of the consultants and the tribal authorities, and are strongly controlled by the core farm which is run by the consultants. Profits from the core farm allegedly go to the tribal authorities and it is seen as the means of providing future development capital. The majority of the community are allocated 0,25ha plot for vegetable production.

Under the close supervision of management, these schemes have been quite productive. They also place power in the hands of the Tribal Authority. It seems that this model is one favoured in the Ciskei and in the Transkei, where

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a large irrigation scheme at Ncora exists on similar lines. The nature of the control is such that the consultants 'would envisage a long-term role here in the form of overall managing agents. It takes a long time to train people and training is an important aspect ... The manager of the scheme at Ncora then went on to outline the aims of the scheme: '... upliftment of people in the area; training Transkei middle class and subsistence farmers in modern farming methods; to provide employment; etc' (Daily Dispatch, 13.08.82).

One of the basic elements of this and other schemes is to provide a total package of services and then to control their use. The independence of the people is thoroughly discouraged in the interests of planned

production and national growth. Similar schemes are springing up in all the bantustans. It is important to understand the effect of such schemes on class relations and the ideological role they play. Sebe, of the Ciskei emphasises that rural development is a priority:

'More courses for headmen on rural development would be arranged. Together with extension officers they must become fearless teams of developers' (DD, 12.05.82).

All development projects would see the provision of credit, inputs and marketing as necessary. The degree of centralisation of this planning suggests that people in the bantustans are to be involved only in the carrying out of plans drawn up through the state. It is a form of production which suits the interests of the central state and of capitalists particularly well. It does little to extend the control that people have over production, and will lead to the long-term failure of such schemes.

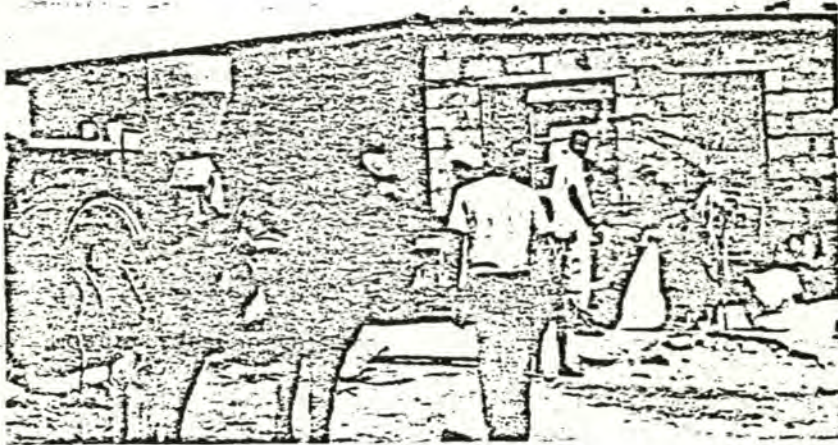
## PRIVATE SECTOR INVOLVEMENT

Private sector involvement has been mostly through tri-partite agreements between bantustans, the CED and the company. Tea growing in Venda, coffee production in Gazankulu, and sugar in Kwazulu are three such examples. Mostly, land is taken over by the company, which draws labour from the displaced residents of the area.

Sugar in Kwazulu is different. The South African Sugar Association (SASA) has played an important part, making up to R10-m available to 7 819 small growers without insisting on prior changes in land allocation. This scheme has proved very popular - firstly, because there has been

no insistence on minimal land sizes; and secondly, because cane growing is easily incorporated into the system of migrant labour (labour demands are very seasonal and time of cutting is flexible).

SASA emphasises that it is a development agency. It sees the main aim as being 'the creation of



The farm centre at Kerschel, Transkei

employment and...maximisation of production'.

Although wider problems, such as land tenure, education, health, and nutrition must be tackled, the SASA Fund says it is making a meaningful contribution to development in Kwazulu and Natal (in 1981 the Fund acted as co-ordinator of water supplies in drought struck Kwazulu).

The fund also provides an extension service, and has built training centres for assisting cane growers, other producers, and wider educational programmes.

In all instances the development of cane has been administered through the sugar mills. The mills work through the Tribal Authority. In some areas cane growing has spread to a lot of people, in others it has been limited to a tribal

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elite. There has been a conscious effort to cater for as many people as possible, but no limit on land size has been set. Thus an induna with 10ha of land stands to benefit far more than an individual with 0,5ha. The major impact of the SASA involvement has been to reinforce the position of the tribal elite.

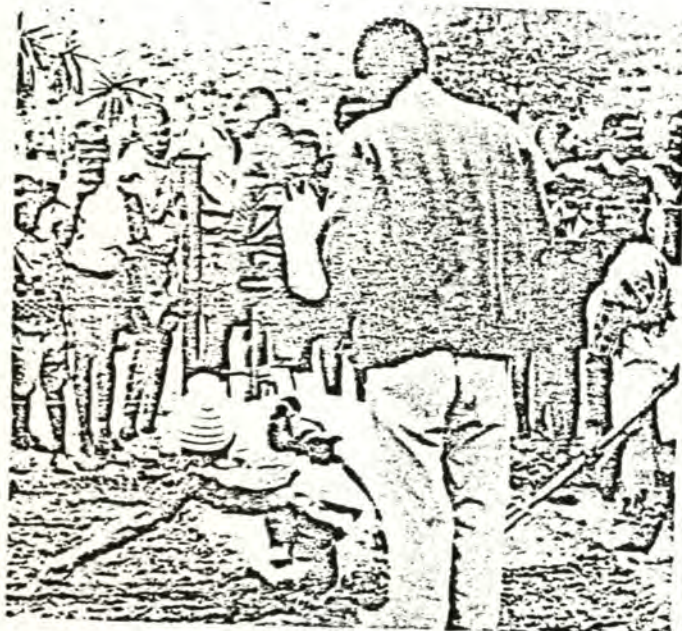
Given that capitalist businesses have been involved, it has probably been the most successful development programme in any bantustan. The major beneficiaries have no doubt been the sugar companies, but a large change in the rural economy has taken place.

In one Kwazulu area, Ndwedwe, development has been very vigorously pursued by Tongaat sugar mill. Every available piece of land has been planted, mostly at high cost and with little benefit to the grower. The average income from cane growing has been virtually static (at 15% inflation) since 1977. It stood at R460 per grower per annum in 1981/82.

Tongaat sees that 'successful reform of land tenure is the most important element in bringing about meaningful improvement in production'. In other words, that successful farmers can take over the land of less successful ones. The Ndwedwe district has been chosen for trial changes in introducing a new form of lease or freehold tenure (Natal Mercury, 02.11.82).

At present Tongaat plants, sometimes weeds, and harvests the cane. Most smallholders see their cane as belonging

Agricultural officer in Sekhukhuneland



to Tongaat, and attempt to use their land in the production of food crops as well.

One of the major benefits of cane development has been the provision of infrastructure by the state. The major reason for development does seem to be benefit to the sugar companies. In all areas where the cane is grown many high value food crops could also be grown, if the same investment in infrastructure and providing resources was made.

However, the extension of capitalism into rural areas is the major prospect for rural landholders, and one that greatly affects power relations in rural areas. In the case of Ndwedwe, it seems that co-operation with the Tribal Authority has been less vigorous than in other areas, and the more likely change will be to produce a growing class of independent middle class producers, traders and contractors. In other areas, as in Reserve 9, the SASA has worked through the Tribal Authorities.

All costs should have been recovered in the first year, but in fact a loss of R3-m was shown because of the drought.

## UNIVERSITIES

University institutes have become involved in implementing development projects in 1982. ADRI (the Agricultural Development and Research Institute) at Fort Hare and INR (the Institute for Natural Resources) at Natal University, are two such instances. Both these institutes have drawn funds from the private sector.

The INR scheme is more interesting. Being based at an English-language university one would expect INR to have liberal intentions in development. Their strategy has been to use a firm of consultants - Loxton Venn and Associates - as experts in setting up the project. All the initial reports place great emphasis on communication, consulting the people, and participation. So far two phases of the scheme - locating a broad project area, and beginning precursor trials - have been undertaken at a cost of about R90 000. Loxton see the scheme as of great importance to the problems of Kwazulu and southern Africa, and offer their services willingly - at a rate of R245 per field day for a senior consultant, or a mere R23 per office hour.

In their planning great emphasis is

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placed on studying soil and other natural resources. They pay little attention to the aspect of how the communication is to be carried out.

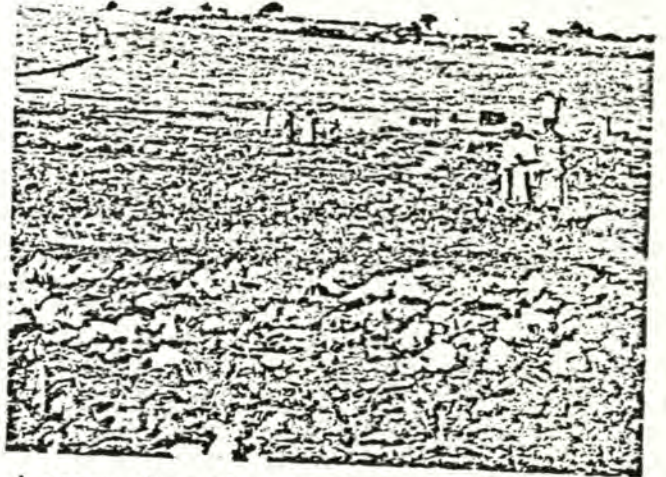
The plan emphasises that their role is research and planning - implementation is up to the Kwazulu government. Seven precursor trials have been started - two on communal land, four on chief or induna land, and one on a 'commoner's' land. The trials involve introducing commercial forestry and intensive cattle farming as a way of dealing with overstocking and overuse of trees. The project is managed by Loxton.

The scheme is implemented through three committees - two made up entirely of INR and Kwazulu government officials, and the third involving the local Tribal Authority (members of this committee were elected at a tribal meeting). It is clear that so far the scheme's major beneficiaries are the tribal elite. Women wanted to start a communal garden adjoining one of the irrigation schemes on the chief's land. They were allowed to do this provided they paid for diesel for the irrigation pump and offered to work free on the project on the chief's land.

The most significant point about this project is that, rhetorically, it sets out to solve real development problems; yet the approaches that it follows lead to a strong reinforcement of the power relations in the community. Technology and capital are placed in the hands of the elite.

The ADRI project at Fort Hare similarly involves working through the Tribal Authority. It attempts to encourage development through available official channels. A river basin is regarded as the basic unit for analysis and planning. The project places emphasis on research and planning, but little attention is paid to the way in which the scheme is to involve the participants.

A project which takes a different approach is the Mpukunyoni project in Natal, which has close links with the University of Zululand's Centre for Research and Documentation. Although the links are supposedly to do with 'action research', the ideas for the project largely originate with the Centre. Another interesting aspect of the project is its close links with the Anglo American Corporation, which is launching a cassava for starch programme in the area. The project began with an offer from AAC, and is funded by the



A communal garden, Lusikisiki, Transkei

Corporation's Chairman's Fund.

The project strongly emphasises 'community organisation through physical programmes'. It has taken place in four phases - initiation; physical expansion, research (cassava planting) and survey of needs; organisation; and broadening development programmes. The main emphasis is on creating a physical basis for organisation to take place around, and then building organisation to take physical development further.

The tribal authority is seen as antagonistic to the needs of farmers' groups:

'At the outset of a development project or at the initiation of an association it is essential to have the permission, but not the involvement, of the chief and indunas. Without authority, activities and meetings can be prohibited and organisations will be unable to get going. With over-involvement of the tribal authority on the other hand, the project or association will be hijacked and dominated by the chief and indunas. Very few of the ruling hierarchy are prepared to participate in groups such as farmers' associations unless they can control them. Once the induna of a ward becomes the chairman of an association, people will be unwilling to fully voice their opinions. During meetings they will be unable to see him as the elected chairman of their association, and will continue to view him as an administrator with very real powers over their daily lives. It will be impossible for a majority of people to



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vote in an alternative chairman and the democratic process will stagnate' (Daphne, 1982:12-3).

The project sees the creation of long-term alternative organisation as its major priority. Thus, development is not seen in terms of production or employment, but of who controls development. This concern is expressed in practice. The project takes the side of its participants. It sees itself 'initiating self sustaining processes and structures which can become independent of the development agents ... democratically run farmers associations have the potential for this handing over of responsibilities'. The associations are to come together in a union.

It is aware of the challenges this presents to the Tribal Authority and sees it as essential to be prepared to meet these challenges. So far, the Mpukunyoni project has achieved little in terms of production compared with the Agricolor or SASA projects, but it has achieved a fundamental structural change in the relations of production in an area with strong tribal allegiances.

In conclusion to this section, an important reason why universities are getting involved in development projects is funding. Companies can get tax exemptions for university grants.

## INDEPENDENT AND CHURCH ORGANISATIONS

Few other projects share this concern with organisation as a central issue. The Environmental and Development Agency (EDA) project in Herschel spells out an equally strong stand in the formation of independent associations. The project provides for scarce resources to be shared equally by members. The centre provides all the usual inputs of agriculture through a Farm Centre, selling services like tractor work and seed on a non-profit basis to members.

In this project membership is open to all, provided they belong to organised farmers' groups. The project operates from one village, but has member groups in five other villages.

More important is the impact the project has on organisation in the district. Because of its clear support for democratic organisation it serves as a stimulus to this form of organisation. The project is run by a committee made up of representatives of the member associations. The committees meet

regularly and play an important part in the organisation of activities. The project is entirely locally run, with a lot of support from EDA staff.

The project has made a significant impact on food production in Sunduza and other villages, especially since all land use is equally distributed among participants. Research has been kept to a minimum, and much of the initiative for programmes comes from local people, rather than from planners. The project has many problems, but it makes a real attempt to create an alternative form of democratic organisation; it largely by-passes government channels. In 1982, skills training became a major concern of the project, and the project now aims to train committee and other members to take complete control of the centre. The project has operated on a relatively small budget (about R120 000 over four years, including all capital equipment and salaries).

It must be borne in mind that the project is tiny compared with those mentioned above, and that its organisational approach is certainly unknown to people involved in sugar growing in Kwazulu, or maize growing in Bophuthatswana.

There are other small, independent projects like Mpukunyoni and EDA operating in different parts of South Africa's bantustans. Most of them are localised projects. Examples are Isinamva in the Transkei, Driefontein and Helwel in Kwazulu. Few take a strong line on organisation, concentrating rather on the provision of resources or on production.

One of the more interesting projects is the Church Agricultural Project (CAP), which operates adjoining the Msinga district of Kwazulu. CAP operates from a white-owned farm, and has had a difficult relationship with ex-labour tenants from Weenen who now live an overcrowded and impoverished life in Kwazulu. The tenants regularly graze their cattle on CAP's farms. CAP has also been involved in starting small, organic gardens on the Kwazulu side of the Tugela river. The project is very complex, not least because of the personalities involved and the fact that it operates in one of the most difficult districts of South Africa. The project became involved in 'food for work' programmes, and many of its difficulties are associated with attempting to deal with the severe economic plight of the

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communities where it works.

Another project in Kwazulu which operates over a wide area is the Africa Co-operative Action Trust (ACAT). This is a Christian based organisation which supports saving clubs in Kwazulu, the Transkei and the Ciskei. Its work is both missionary and productive. ACAT works through chiefs and extension officers to establish some 600 clubs in Kwazulu with membership of 20 000. People save to buy inputs for package programmes which ACAT has formulated. Inputs are supplied through commercial organisations which profit from sales. It would also be interesting to know who benefits from the interest earned in savings and whether this is discussed with clubs. ACAT, in its annual report, notes that a number of savings clubs are dormant. The fault, they claim, lies with insufficient staff. ACAT also works closely with the Kwazulu Development Corporation (KDC) which it sees as having close links with meeting the real needs of Kwazulu's people.

To conclude, it seems as though development projects can be usefully considered in terms of their association with the state and its bantustan branches, and with the organisations they work through. Development of agriculture is not only a matter of production and employment, but more especially a matter of organisation for production.

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# CRITICISING CONVENTIONAL ECONOMICS

Since the coming to power of the PW Botha administration, more and more has been heard about 'free enterprise', a 'free market' and 'market forces'. Indeed, one is asked to believe that if only capitalism was not so constrained by government and legislation, poverty and racism would disappear.

FUAD CASSIEM examines the economic theory which lies behind this kind of thinking. Conventional economics is one of the most mystified and jargonised of social theories, and Cassiem has attempted to present it simply and with a minimum of technical jargon.

Through a critique of orthodox economic thought, Cassiem is able to show that the policies which it puts forward can neither eradicate racism in society, nor alter the grossly unequal distribution of income which is part of South Africa's class and racial structure.

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'Free enterprise and a free market benefit all that is best in capitalism. They especially benefit the consumer. We, therefore, welcome the government's moves towards these freedoms'.  
-Chairman of a large industrial group.

'The shifting of a significantly larger proportion of the country's resources into defence....can be regarded....above all as a guarantee of the system of free enterprise'.  
-Paratus, magazine of the Defence Force.

The aim of this article is to attempt a critique of conventional economic thought in a society where strong racial divisions exist. It is not a vulgar or crude attempt at dismissing orthodox economics altogether. To assume that orthodox economic theory only attempts to justify and mystify capitalist relations would lessen our under-

standing of the capitalist economy itself.

In recent years, state economic policy has witnessed a shift towards the principles of the free market. This is evident in official statements, government commissions, and the growing partnership between government and the private sector (as shown in the Carlton Centre and Good Hope conferences).

The free market is an economic system which bases itself on the belief that free choice exists, and that individuals act in their own self-interest. The allocation and distribution of resources is therefore decided through the operation of the market. Proponents of the free market system argue that the role of government intervention in the economy should be kept to a minimum.

The recent shift in state economic policy towards a free market perspective raises a number of questions for the path of South Africa's economic development.

To understand the implications of current economic policy, it is necessary to know something about the background from which such policy measures come. Broadly, current economic thinking takes its cue from neoclassical or orthodox theory which bases itself on the ideology of a free, fluid and competitive market.

This is the basis for the emerging alliance between big business and the state. This alliance is based on the hope that free enterprise will generate growth and thus contain the pressures and contradictions which show themselves in the form of strikes, education boycotts, etc. At the same time, the emergence of a black middle class is seen as essential to give legitimacy to South Africa's racially engulfed capitalism.

It is therefore important to trace the origins of this orthodox or neoclassical ideology and evaluate what it has to say. Its implications

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for the mass of society, in particular regarding the distribution of income, is the major concern of this article.

### NEOCLASSICAL (ORTHODOX) ECONOMICS

Modern neoclassical theory dates from the 1870s. It takes as its starting point the individual unit. The individual is seen as the key decision-making unit.

The theory suggests that individuals acting through markets make decisions rationally, that is, they maximise their own self-interest. It is assumed that since human wants or desires are unlimited, and resources are limited, people will attempt to maximise their interests. Orthodox economics is therefore defined as the study of scarce resources to meet unlimited ends.

Individual units or agents refer to firms or consumers, and are assumed to behave in response to the market mechanism. So within the terminology of neoclassical economics, 'Rockefellers and share-croppers are both households, GM and the corner grocery are both firms'.

Rational decision-making means that consumers maximise utility (satisfaction), and firms maximise profits subject to certain constraints.

Utility is simply another word for usefulness and expresses the desire of consumers who buy commodities. Since each person's utility differs, that is to say it varies with the amount of satisfaction gained from a commodity, it is a subjective concept. Orthodoxy assumes that the maximisation of utility is the ultimate good, and the way to achieve this is through a competitive market economy.

The essence of rational behaviour, according to orthodox economics, is the maximisation of either utility or profits by units or agents.

This theory can be traced back to Adam Smith's notion of the 'invisible hand', which refers to the free-play of market forces. According to Smith, every person is naturally self-interested. This means that if each individual works towards his own self-interest, it will be to the interest and betterment of society. The welfare of society is

therefore seen as bound up with that of the individual. The 'invisible hand' (ie the market) thus promotes the maximum growth and welfare for society as a whole.

How, according to this theory, does the market or free enterprise operate? The market is set to operate if buyers and sellers are able to establish a market and trade profitably with each other. One of the necessary conditions is that buyers and sellers must be able to agree on a price for a given commodity. A second condition of free enterprise is that prices should respond to and be determined by the forces of supply and demand.

Now the idea of the invisible hand should be more apparent. The price system is the arena of self-interest, and sellers and buyers interact through the market, by responding to price signals. Sellers whose aim is to maximise profits will increase the output of their product when prices rise. On the other hand, buyers who attempt to maximise satisfaction will purchase more as prices decrease. Thus supply and demand pull in opposite directions. If supply exceeds demand prices fall, and vice versa. Prices, in other words, act as signals or pieces of information to buyers (consumers) and sellers (firms). They then adjust their actions in relation to changing prices.

What follows from this is that the price system decentralises economic decision making, since buyers and sellers acting as atomised or isolated individuals respond to prices.

It is argued that a market system works because it provides signals (prices) and if people are rational, they act on these signals. This is the essence of the market or decentralised decision-making, which was earlier referred to as the 'invisible hand'.

If the market is allowed to operate in a free and competitive manner through the forces of supply and demand (which determine prices), resources will be allocated efficiently and the economy will reach 'equilibrium'. Equilibrium is reached when supply balances with demand, the notion of equilibrium suggesting a

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