

CAPITAL RESTRUCTURING AND THE MODIFICATION OF
THE RACIAL DIVISION OF LABOUR IN SOUTH AFRICA⁺

by

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Recent months* have seen a number of signs that a process of restructuring involving certain modifications to the racial division of labour and job colour bar regulations is currently underway in South Africa. In December 1977, for example, a number of statutory job reservation determinations were scrapped by the Minister of Labour. In June of this year an agreement between the Steel and Engineering Industries Federation (SEIFSA) and the white trade union bureaucracies abolished previous closed shop agreements which had the effect of barring Africans from certain grades of work; and similar agreements have also been entered into in other industries, notably furniture making. (1) But the most significant moves in this direction are expected to follow the publication of the report of the Wiehahn Commission of Inquiry into industrial legislation later this year.** "Informed guesses" suggest that the Commission will, in addition to recommending a strategy aiming at the incorporation of the African trade union movement into a bureaucratic and rigidly controlled "industrial relations" system, also recommend the repeal of all statutory "job reservation" legislation and the prohibition of closed shop agreements which have the effect of restricting certain places in the division of labour to members of particular racial groups. (2) Although these moves in no way foreshadow the final end of the job colour bar in South Africa (the alternative forms of "protection of minority rights" which the Commission will recommend will probably amount in practice to a more concealed and less comprehensive but none the less real job colour bar), they are important moves in the class struggle with potentially significant effects on the class structure and future trajectory of class struggle. Furthermore, it is quite clear that this particular aspect of the restructuring of capitalist social relations in South Africa will figure prominently in resurgent reformist ideologies directed both inside the country and abroad. The object of this paper is to analyse the factors underlying these particular moves at this time: to analyse and explain why the bourgeoisie should now be engaged in an offensive struggle to modify the racial division and job colour bar legislation, and to assess the likely effects of these moves on the class structure and future pattern of class relations.

I do not intend to digress into a lengthy account of the origins of the present racist hierarchical division of labour within the wage-earning classes of South Africa. It is sufficient for our present purposes merely to note (i) that a social division of labour in which the "most senior" mental, supervisory and skilled manual wage-earning places were occupied by whites (and in which whites were given preferential access to such places) was formed in the period circa 1850-1960, and that (ii) during this period the formation and reproduction of such a division of labour broadly accorded both with the value and technical requirements of capitalist production and with the political interests of the bourgeoisie and/or particular bourgeois fractions.

What is clear, and clearly behind current attempts at modification, however, is that the continued reproduction of such a racist hierarchical division of labour, at least in its present form, no longer accords with the interests of the bourgeoisie, or indeed of any significant fraction thereof. There are a number of aspects to this. Firstly, it is clear that it no longer accords with the economic imperatives of capital accumulation in the South African social formation. To begin to understand this, we first have to understand that the extended reproduction of monopoly capitalist relations of production, whilst involving the progressive deskilling and increasing subordination of manual labour, on the one hand, also involves the creation of a minority of specialized supervisory and mental wage-earning places, on the other. This has been extensively discussed in the theoretical literature (3) and space precludes any extended elaboration here. But the essential points for our purposes are that in the South African case, in the period since the mid-60s at least, the extended reproduction of monopoly capitalist relations of production has proceeded at a rate in excess of the rate of growth of the white population; and that under these conditions the totality of factors underlying the continued reproduction of the racist hierarchical social division of labour within the wage-earning classes (including, for example, such structural heritages from capital's past practices as the racist education system, as well as job colour bar regulations and current white trade union "pressures") have resulted in capitalists experiencing shortages of certain categories of mental, supervisory and skilled manual labour power.

These shortages have affected both the production and circulation processes. In production, they have appeared as shortages of technicians, supervisors and artisans (the latter now predominantly involved in maintenance work rather than in actual production). (4) In circulation, they have appeared as shortages of clerical, administrative, sales and other staff engaged in the unproductive but necessary task of realizing surplus value.

Recent years have seen a number of attempts from various bourgeois quarters to calculate the extent of these shortages. Generally these have fallen into one of three categories. First, there have been the assessments based on stated "vacancies". This has been the method adopted in official statistics and the latest known figures of this sort (covering April 1977) show shortages of 99,000 (1.9%) continuing to exist in the "professional, semi-professional and technical grades" despite the recession. (5) The second main method of calculating the extent of these shortages has been to compare the proportion of the "economically active" population of South Africa occupying places in the Professional and Technical, Administrative and Executive, Clerical and Sales categories (the International Standard Classification of Occupations categories 0, 1, 2 and 3) with that in other countries. Generally, the comparison has been made with the position in the metropolitan social formations of Western Europe and North America, thereby ignoring the place of the latter as the dominant social formations in the imperialist chain. (6) But, a similar, more valid comparison could also be made between the position in South Africa and that in a number of so-called middle level industrialized countries in the periphery. Such a comparison is attempted in Table 1, which shows that, whereas in 1960 South Africa was roughly on a par with the norms established in international capitalist competition for the so-called middle level industrialized countries, by 1970 it had come to diverge quite markedly (having only 16.5% of its "economically active" population in ISCO categories 0-3 compared to a norm of about 18-20%). Thirdly, there have been a number of attempts to estimate the future demand for various categories of "skilled" labour power assuming a certain rate of growth, and to compare this with the projected growth in the "economically active" white population. One calculation of this type (by J. A. Parsons, senior research officer of the Chamber of Mines [7]) has referred to a demand for 2,796,000 "white collar" employees by 1990 assuming a 5% rate of growth. Comparing this with an estimated 1,348,000 whites available to fill these places, this indicates a shortage of 1,448,000 unfilled "white collar" places unless they are turned over to persons of other races. Although all of these calculations do have defects, they do at least indicate in a general way: (a) that South African capitalism has been experiencing a shortage of certain categories of "skilled" labour power since at least the mid-60s; (b) that these shortages have persisted despite the current recession (which, according to official estimates, has seen the total number of employers declining from 41,000 to 39,000 [8]); and (c) that, given the continued reproduction of the racist hierarchical division of labour in its present form, they are likely to continue to persist into the foreseeable future.

However, to identify a shortage of particular categories of labour power is not necessarily to identify an imperative for a change in the social division of labour. It is class struggle and never the mere development of productive forces which brings about changes in the relations of production and social division of labour, and any class force seeking to effect a change in the social division of labour has therefore to weigh up the potential gains from (or necessity for) any such change against the risks inherent in the process of class struggle necessary to bring it about. What has to be explained, then, in the South African case is why the bourgeoisie should have found it necessary to mount an offensive struggle to modify the racist hierarchical division of labour now, and not in the late 60s and 70s when the shortages of the various categories of labour power arising from the reproduction of this division of labour were certainly clearly evident. What I want to argue here is that, under the conditions of overall expansion and increasing profitability which prevailed in the South African social formation during the 60s and early 70s, the potential adverse effects of these shortages on capital accumulation could in principle be, and were in actual practice being, sufficiently mitigated within the context of the continued reproduction of the racist hierarchical division of labour not to make it imperative for any major fraction of the bourgeoisie to risk embarking upon such a process of class struggle. In other words, what will be argued is that the pressures arising from the "normal" growth and development of the capitalist mode of production in South Africa could not be and were not on their own sufficient to produce a modification in the racist hierarchical character of the social division of labour, and that it was only under the pressures of the current economic crisis and the recent struggles of the popular masses that such a modification has become imperative from the bourgeois point of view.

Apart from white immigration which had a limited but real mitigating effect on the shortages arising both in production and in circulation, there were two major ways in which the potential adverse effects of these shortages on capital accumulation were mitigated during the expansionary period of the 60s and 70s: firstly, in respect of the shortages arising in production, by the process described as "floating the colour bar"; and, secondly, in respect of the shortages arising in the circulation process, by the availability of large amounts of foreign investment capital.

The process of "floating the colour bar" has often enough been described not to need any extensive elaboration here. Basically, it was a process which accorded with the overall trend towards "deskilling" and mechanizing skilled production tasks, and it involved "buying out" the acceptance of white wage earners for the "fragmentation", "dilution" or "reclassification" of artisanal tasks previously performed by whites. Low paid black workers would be brought in to perform newly mechanized manual functions in the labour process previously performed by whites. But at the same time previous white incumbents would be reassigned to other places "higher up" in the hierarchy and wage increases and other concessions would be made available to make the process acceptable to them and any other white wage earners potentially affected. Of course, it was not an ideal process from the standpoint of capital accumulation. It involved costs and delays. But, as a number of researchers have pointed out (9), under the conditions of "boom" prevailing in the 60s and early 70s, it was, despite certain frictions with the regime and white trade unions, a process basically tolerable and acceptable to most capitalist interests. Under conditions of expansion and increasing profitability, the costs of granting concessions to white wage earners were not a major burden on capital, and the process did allow at least the most pressing and immediate of the shortages of "skilled" labour power to be met. Indeed, it was a process which allowed a considerable degree of flexibility in respect of the rate and pace at which jobs were reclassified. For example, following a recommendation of the Reynders Commission in 1972, a number of supplementary measures were introduced by the state in order to accelerate the pace at which the "colour bar" was "floated" (including among other things a number of new retraining programmes for whites and other "incentives" designed to encourage white trade unions to agree to the reclassification of more "white" jobs at a faster rate). (10)

In the case of the circulation process, however, there was a very much less clearly evident process of "floating the colour bar". This can be explained to a large extent by the fact that the racial division of labour at this level was determined far less by the pressures of white trade unions or job colour bar

regulations and far more by factors like the structure of the educational system. What I want to suggest, however, is that at this level, too, the potential adverse effects on capital accumulation arising from shortages of certain categories of labour power were being mitigated under the conditions of "boom" - in this case though by the abundance of foreign investment capital available in the social formation at that time. To establish this point it is necessary to consider the role of the circulation process in the accumulation of capital. Very briefly, following Marx (11), the circulation process refers to two stages in the circuit movement of capital: to the first stage where money capital is exchanged for labour power and the means of production ($M - C_{MP}^L$); and to the third stage where the commodities produced in the production process are transformed into money capital ($C - M$). However, although these two stages are necessary to the process of capital accumulation, it is the second stage, the stage where labour power and the means of production are combined in the process of production, in which surplus value is produced and on which, therefore, the process of capital accumulation is ultimately dependent. The time in which capital is tied up in the process of circulation thus represents a time in which it is unproductively employed: a time in which it is not being expanded through the addition of new surplus value.

Now, if we assume that the existence of a shortfall of labour power in the circulation process of a particular capitalist social formation, compared to the norms established in international capitalist competition, means that the circulation process of the social formation concerned functions with less than average efficiency, then this would imply that capital in that social formation would tend to be tied up for a longer than average time in the circulation process. In other words, at any one time a larger than average proportion of total social capital in the social formation would tend to be tied up for a longer than average time in processes in which it was not being expanded through the addition of new surplus value. Again, following Marx (12), this would tend to have one of two possible effects on capitalist production in that social formation. Either it would require (i) the advance of larger than average amounts of money capital in order to maintain production on the same scale or, if larger than average amounts of advanced money capital were not available, (ii) there would have to be a curtailment of production. Either way there would be a tendency towards a reduction in the rate of profit on advanced capital, but in the first case (case i above) the levels of production, and hence the rate of capital accumulation, would be maintained.

What I want tentatively to suggest here is that this first case applied to the South African social formation during the "boom" periods of the 60s and early 70s. The large amounts of foreign capital available for investment in the South African social formation at the time enabled production levels to be maintained despite the fact that shortages of certain categories of labour power in the circulation process produced a tendency towards a longer than average time of circulation. In other words, what is being suggested is that the abundance of foreign investment capital seeking a share in the profits of the "super exploitation" of black labour acted as a counter tendency to potential restricting effects on capitalist production and hence capital accumulation inherent in the shortages of labour power in the circulation process.

To summarize: what has been argued so far is that as long as the conditions of overall expansion and increasing profitability which characterized the South African social formation in the 60s and early 70s persisted, sufficient mitigating factors existed in respect of the shortages of skilled manual and new petty bourgeois labour power not to make it imperative either for social capital as a whole or for any major fraction of capital to seek to effect a change in the racist hierarchical character of the social division of labour. Modifying the racial division of labour in a way which allowed more of the shortages of "skilled" labour power to be filled by blacks may have been a desirable "reform" from the standpoint of some bourgeois interests (particularly from the standpoint of those capitalist fractions which benefited least directly at the political level from the support of the white wage earning classes). But, under conditions where at least the most immediate and serious of the potential adverse effects on capital accumulation were being mitigated, it was scarcely worth the risks of engaging in class struggle to bring about a "comprehensive" solution to what was, under the circumstances, a fairly minor economic class problem. Certainly, it is clear that in the arena of actual class struggle even

the most "liberal" tendencies within the bourgeoisie sought little more during the "boom" of the 60s and early 70s than a more favourable adjustment within the framework of the racist hierarchical division of labour. For example, a process of floating the colour bar (albeit at a faster rate than under then existing conditions) is clearly what is envisaged in the following two quotations from Oppenheimer and Helen Suzman in 1970:

Nor should it be thought that better jobs and better pay for the African majority would be bought at the expense of the European workers. On the contrary African advancement could certainly make possible much more rapid advancement for the Europeans also ... We are in the position that we can maintain this system and allow the whole structure to float upwards so that everybody benefits. (13) (Oppenheimer)

What was needed was a massive re-education of white workers so that they would see that employment of non-whites would lead to a greater demand for their own services. (14) (Suzman)

From the mid-1970s onwards, however, it is clear that these conditions have changed abruptly. Unlike the 60s and early 70s the present period is no longer one of generally increasing profitability and relative "political stability" but, on the contrary, a period of generally declining profitability and "political unrest", and it is precisely these changes in conditions which have produced the imperatives for capital to seek a modification in the racial division of labour and the removal of job colour bar legislation. In the first place it is clear that the process of "floating the colour bar" is no longer the tolerable way of supplementing the shortages of "skilled" labour power in production as it was previously. On the contrary, under conditions of crisis and diminished profitability, the costs and delays inherent in the process have become a major burden which capital in its struggle to maintain and restore profitability is obliged to seek to reduce. As the vice-president of the FCI put it in 1976,

present policy was forcing employers to pay unrealistic and artificial premium wages, thereby increasing instead of reducing costs ...

and this, under conditions then prevailing, he went on:

was seriously affecting South Africa's capacity to compete on international markets. (15)

Furthermore, in addition to these direct effects of the decline in profitability, there are also the indirect effects arising from the diminished inflows of new foreign investment capital. South Africa no longer offers the premium rates of return on foreign capital of the 60s and early 70s (in 1976, for example, the return on US capital invested in countries like Nigeria and Libya exceeded that on US capital invested in South Africa (16), and this, coupled with the increasingly evident political risks attached to capital investment in South Africa, has led to a marked reduction in the volume of new foreign investment capital flowing to South Africa. Reserve Bank figures show a reduction in the inflow of long-term foreign investment from R1,561 million in 1975/6 to R452 million in 1976/7, which, together with an actual net "outflow of short term capital from the private sector" of some R767 million in the same year, gave a total net outflow of some R121 million compared to a net inflow of R1,635 million in 1974/5. (17) And under these conditions the mitigating effects in respect of the shortages of labour power in the circulation process previously provided by the availability of large amounts of foreign investment capital no longer apply. The shortages arising in this regard hitherto cushioned amidst an abundance of foreign investment capital have accordingly become an increasingly urgent and visible class problem for social capital, confronting it with the very real prospect of a curtailment of capitalist production. As E. Leistner of the Africa Institute put it at a "business man's conference" in 1976,

... a white monopoly of highly skilled and responsible posts in business administration ... was no longer tenable. Members of other racial groups would have to move up into such positions if economic growth rates were not to fall to ever lower levels. Research has shown that within 15 years at least 500,000 white clerical jobs would be vacant unless other races were trained to fill work gaps vital for industrial expansion. (18)

But, more than that, the crisis of profitability has forced the capitalist class in South Africa to attempt to restructure capitalist production at a higher organic composition of capital. Alternative methods of increasing the exploitation of the working class - such as increasing the length of the working day, increasing the intensity of labour, or reducing the absolute level of wages - have in practice been ruled out as the major means of raising profitability under the conditions existing in South Africa today. Quite simply, the greater degree of organization and militancy displayed by the black working class in recent years has made any such direct assaults too risky for the dominant classes. If profitability is to be raised there is only one possible solution - to raise the productivity of social labour by raising the organic composition of capital, and this must necessarily involve the inescapable combination of further structural unemployment and the further deskilling and subordination of manual labour, on the one hand, and the creation of an increased number of specialized supervisory and mental places, on the other. In short, under the conditions of economic crisis and diminished profitability of the mid and late 70s, not only have the effects of existing shortages of mental and supervisory labour power become a much more serious problem for social capital but the only solution available to its profitability problems must necessarily involve an increased demand for these categories of labour power. Modifying the racial division of labour in a way which allows more blacks to be drawn into such places has, accordingly, become for the capitalist class no longer merely a "desirable reform if only the risks of class struggle did not exist" but rather a major imperative in the struggle to maintain and restore profitability.

However, although the effects of the economic crisis provide the general context within which the current attempts to modify the racial division of labour have to be seen, they cannot on their own explain the specific measures now being proposed. As we indicated earlier, the crisis in the South African social formation is not just an economic crisis (a crisis of profitability for social capital). It is also quite critically a political and ideological crisis, and these aspects of the crisis have also been crucial determinants of the form being assumed by current proposals: more specifically of the fact that they involve the formal repeal of job colour bar legislation and the removal of overtly racist barriers to "upward social mobility" rather than, say, an attempt merely to undermine their effects in actual practice.

The political and ideological dimensions of the current crisis are, of course, well known. The popular mass uprisings beginning in June 1976, although brutally suppressed, provided a particularly vivid indication of the inherent instability of political class relations in the South African social formation. Among other things the risings demonstrated the evident failure of the existing institutions of "separate development" to produce a sufficiently sizeable and influential black supportive class for the bourgeoisie. They indicated clearly that the existing polarization of all major class forces among the black population, including the most significant fractions of the black petty bourgeoisie, was towards the proletariat, and that this polarization of class determination had become matched by the adoption of class positions antagonistic not just to the regime and specific policies but to the bourgeoisie as a whole and the capitalist mode of production. As one somewhat bemused bourgeois class warrior observed in 1976: "There is a general tendency for young Africans to be anti-free enterprise." (19) Indeed, although there are important disagreements within the bourgeoisie about a number of aspects relating to the restructuring of political and class relations (and, in my view, severe limitations on the capacity of the power bloc as currently organized to produce political solutions capable of stabilizing political class relations under bourgeois hegemony), there is none the less widespread agreement within the bourgeoisie that one crucial priority in the struggle for "the maintenance of the free enterprise system" and "the survival

of everything [they] hold dear" must be some form of restructuring which would allow the emergence of a significant "black middle class" committed to "free enterprise values". (20) In this context, removing some of the more obvious at least of the various forms of discrimination and oppression affecting the black petty bourgeoisie (including critically "job reservation" and overtly racist barriers to "upward social mobility") has become a major political imperative for the bourgeoisie.

Furthermore, removing such overtly racist "barriers" has become a major element in the struggle by capital in South Africa to restore the level of foreign capital inflows. The reduced inflows of foreign investment capital to which we referred earlier are quite clearly having increasingly severe repercussions on capitalist production in South Africa. South Africa, as a subordinate social formation in the imperialist chain, is of course "normally" highly dependent on foreign investment to finance capitalist production. (One recent estimate concluded that local sources of investment capital - including reinvestments by foreign owned subsidiaries - could at most fund a 3-4% growth rate.) (21) But in the current period, when capital in South Africa is attempting to restructure production on a more productive and profitable basis, new foreign investment has become even more critical. With South Africa unable to offer premium rates of return in the short run at least, attracting new foreign investment capital has become crucially dependent on persuading potential foreign investors that some of the more obvious at least of the factors underlying South Africa's political instability (including among other things "racial discrimination in employment") are being modified. Indeed, creating conditions which will make South Africa "more attractive" to potential foreign capitalist investors has become one of the themes most often emphasized in the frequent demands by various bourgeois spokesmen for the repeal of "job reservation" legislation and the like. For example, in December 1976 Oppenheimer concluded a call for various "reforms" along these lines as follows:

Many overseas investors now had the attitude that it (investment in South Africa - RD) was risky. This could be changed by making full use of the material and human resources of South Africa and creating a society fairer to all. (22)

In November 1977 the President of the South African Foundation specified

Employment policies incorporating broadly equal opportunities, equal pay for equal work [and] proper training to raise productivity ...

as changes necessary in order to attract "foreign investors who were holding back for fear of black unrest". (23)

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Having analysed the major factors underlying the current moves to modify the racial division of labour in South Africa, we now have to turn to the second part of our analysis - to an assessment of the likely effects of these moves on future class relations in the social formation. There are two main aspects which will be considered here: firstly, the likely effects on the relationship between capital and the white wage earning classes, and, secondly, the likely effects on the class structure and on the African dominated classes.

It is the first aspect, the relationship between capital and the white wage earning classes, which is likely to be most immediately affected. After all, "job reservation" determinations and more particularly racially exclusive closed shop agreements have been an important means of protecting the relatively privileged position of at least some strata of the white wage earning classes, and their removal can therefore be expected to lead to some heightening of the struggle between capital and white wage earners. This is unlikely, however, to arise from the publication of Commission reports or the passage of legislation per se. The repeal of "job reservation" legislation is not something which the state is suddenly imposing out

of the blue. On the contrary, it has been preceded by a lengthy process of ideological class struggle during which the bourgeoisie has sought to win at least the passive acceptance of the "white labour movement" for such a move. This has been taking place in earnest at least since the latter half of 1976 (from which time virtually all the major organizations representing bourgeois fractional class interests - including, for example, the Afrikanerhandelsinstituut - have been committed to a policy of actively seeking to end "job reservation". (24) It is clear that this ideological struggle has had a fair measure of success at least among the bureaucracies of the white trade unions, including those in unions whose memberships are likely to be most directly affected by moves of this sort. For example, although the Confederation of Labour dissociated itself from the conditional recommendation to scrap "job reservation" made to Wiehahn by the other trade union federations (25), bureaucrats in some of its affiliated unions have, in more recent months, reportedly become "resigned to seeing formal colour bar clauses go". (26) Indeed, partly reflecting the continued importance of the alliance between the bourgeois class forces represented by the governing party and certain sections of the white wage-earning classes, and partly reflecting the fact that the bourgeois state exists as the factor of cohesion and locus of class struggle of a capitalist social formation and not as the mere instrument of the dominant classes, government ministers and other state officials have moved towards explicitly endorsing demands for the repeal of "job reservation" legislation only when it has become clear that this process of ideological class struggle has advanced sufficiently. For example, it was only in December 1977, after securing the acceptance of white trade unions for the withdrawal of 18 "job reservation" determinations, that the Minister of Labour first publicly "question[ed] ... whether statutory job reservation was still the right mechanism for the protection of minority groups". (27) Prior to the appointment of the Wiehahn Commission in July 1977 at least, departmental officials continued to argue in such terms as: "The abolition of job reservation was unacceptable to whites and would lead to serious labour unrest." (28)

Rather than resulting from the publication of Commission reports or the passage of legislation *per se*, the heightening of the struggle between capital and white wage earners is likely to result from the attempt to implement changes in actual practice, and the precise degree to which this struggle will be heightened will thus depend on the precise degree to which changes are implemented and the precise extent to which the position of white wage earners is affected. All that can be said at this stage is that, since it is certain that at least some attempts will be made to bring about real modifications to the racial division of labour, there are likely to be struggles in at least some industries. Certainly it is clear that there are a number of "disputes" concerning the racial allocation of particular places which have in effect been postponed until "after Wiehahn". For example, unions in industries where the five remaining job reservation determinations are in force (notably the Mine Workers Union and the Building Workers Union) have thus far steadfastly refused to agree to the employment of blacks in places covered by the determinations. (29)

It is extremely unlikely, however, that the heightening of these or any other specific economic struggles between capital and white wage earners (e.g. over wages) will produce any major changes in the fundamental political polarization of the white wage-earning classes towards the bourgeoisie. There are a number of factors underlying this polarization - including the new petty bourgeois class determination of most white wage earners, their incorporation into the representative structures of the bourgeois state, and the effects of the ideology of racism or "Afrikanerdom" - and, to imagine that the removal of specific economic concessions will automatically produce changes in political polarization, would be crude economism. What may happen, though, is that they might produce a strain in political alliances and relations of support which may be of significance in future political class struggles.

Turning now to the second aspect of our assessment - the likely effects of the repeal of "job reservation" on the class structure and on the African dominated classes, again these will depend more on the outcome of struggles taking place after the passage of legislation than on the passage of legislation *per se*. What clearly will not be affected, at least directly, however, are the fundamental relations of capitalist exploitation to which the mass of the African working class is subjected. Neither, it is clear, will there be anything like an "Africanization" policy giving

particular competitive advantages to blacks. What is being sought is to bring about an adjustment in the racial division of labour at a particular level more favourable to the requirements of capital accumulation, and the most likely outcome is therefore that there will, to some extent or other, be some blurring of the racist hierarchy at the skilled manual working class and lower mental/supervisory levels. Put another way (in the terminology of liberal ideology of the 1930s), this aspect of the restructuring of South African capitalism will probably lead to a situation in which the "vanguard" of the black population "overtakes" the "rearguard" of the white population. Of course, it can be expected that any such changes in the class structure will be hailed as opening major new opportunities for Africans to "progress" through "upward social mobility". But what proportions of the African population are actually likely to benefit economically from changes of this sort? An attempt at a calculation is made in Tables 2A and B, which show the numbers of Africans likely to occupy certain places in the wage earning new petty bourgeoisie in 1990 on different assumptions. The tables assume that the total number of places in the ISCO categories 0, 1, 2 and 3 will grow to a figure equivalent to 20% of the total projected "economically active" population by 1990. Although this is a figure which would only put South Africa roughly in line with the position of a number of "middle level" industrialized capitalist countries in the mid-70s, it would represent a much more rapid rate of growth in respect of these places than that achieved between 1960 and 1970, and it is furthermore the kind of projection being made by various bourgeois economists (such as Parsons) on the assumption of a 5% rate of "economic growth". It can therefore be regarded as a fairly "realistic" (even, since it assumes a fair measure of "economic growth", a fairly "optimistic") projection.

Turning to the allocation of agents of different racial groups to these places, in Table 2A it is assumed that these places are first filled by 80% of the projected white "economically active" population and 30% of the projected Coloured and Asian "economically active" population before the residue are "made available" to Africans. The figure for whites in this table can be regarded as reasonably high. The proportion of the white "economically active" population employed in these categories in 1974 was 60%, and, given that a proportion of whites would certainly continue to fill some artisanal, technical and supervisory places in production, a figure of 80% would represent a situation in which the capacity of white wage earners to ensure priority for themselves remained relatively strong. The figure for Coloureds and Asians, however, is selected arbitrarily. The proportion of the Coloured and Asian "economically active" population occupying places in these categories was approximately 21% in 1974 and a reasonably plausible figure (30% by 1990) is simply selected for convenience and kept constant in both tables. On these assumptions, Table 2A shows that the numbers of Africans occupying places in these new petty bourgeois categories would by 1990 be 396,774 (3.89% of the projected "economically active" African population); this compared to some 195,366 (3.06% of the "economically active" African population) in 1974.

Table 2B, on the other hand, assumes that the number of whites occupying these places in 1990 would be equivalent to 60% of the white "economically active" population. This is the same proportion as in 1974, and since, as we have indicated above, no fraction of capital is seriously proposing an Africanization policy, this would represent (given the educational advantages, etc., of whites) a situation in which the influence of white wage earners was relatively weak. On these assumptions (and assuming that the proportion of Coloureds and Asians remains constant at 30%), the number of Africans occupying places in categories 0-3 would rise to 896,027 (8.7% of the total "economically active" African population).

What these tables clearly demonstrate is the bankruptcy of the ideology of "African advancement" through upward social mobility. "Upward social mobility" is, of course, a myth of bourgeois ideology in any capitalist social formation. A minority of relatively privileged categories of mental/supervisory wage earning employment can exist only if the large majority of the wage earning population produces surplus value at a high enough rate, and there exist in all capitalist social formations a number of barriers (both visible and invisible) which restrict the capacity of agents with origins in one class to enter another. (30) But, applied to Africans in the South African social formation, the ideology is plainly absurd. Even if we add a projection of the number of Africans likely to occupy "skilled and semi-

skilled" places in production (and we know that today a number of Africans perform highly skilled work in production under extreme coercive and exploitative relations of production), and if we assume further that the "elevation" to these places means an economic gain for all the agents concerned (by no means necessarily the case [31]), the tables show that the potential gains from any such process of restructuring would be limited even on the most "optimistic" assumptions to less than one-sixth of the total "economically active" African population of 1990. What is more, the very process by which the number of mental/supervisory places was increased through a rise in the average organic composition of capital would necessarily imply, as indicated earlier, the further deskilling and subordination of manual labour and a further increase in structural unemployment (already running at an estimated 22.4%). (32) Thus, even if the process produced economic gains for some strata of the African wage earning population, it would necessarily imply further losses for others.

On the other hand, though, it is necessary to note that this aspect of the restructuring of capitalist social relations in South Africa could result in a substantial increase in the size of the African new petty bourgeoisie (a two and a half fold increase in the proportion of "economically active" Africans occupying places in certain categories by 1990 on our second set of assumptions). What effect this might have on the future course of the class struggle cannot be predicted with any certainty. There is no inevitability about the political polarization of the petty bourgeoisie. The petty bourgeoisie, as a non-fundamental class in a capitalist social formation, may, depending on a number of factors and most particularly on the rhythm of the struggle between fundamental class forces, be polarized either towards the bourgeoisie or towards the proletariat, or more usually some fractions may be polarized one way and others the other. It may be then that an enlargement of the black petty bourgeoisie has little or no real effect on the class struggle in practice. But it may also be (and this is all that can be said at this stage) that it lays a firmer material base for certain bourgeois class forces (particularly those not directly represented by the present governing party) to pursue strategies aimed at forming alliances with, and detaching from the popular masses, key sections of the African petty bourgeoisie. (33)

Conclusions

The proposals emanating from Commissions like Wiehahn represent an attempt by the bourgeois state in South Africa to restructure capitalist social relations in order to make more effective and more secure capitalist domination and capitalist exploitation under the changed material conditions of production and vastly altered conditions of class struggle now characterizing the South African social formation. This is most clearly evident in the case of the proposals concerning African trades unions where recognition within an apparently "non racial" industrial relations system will quite clearly mask new and more subtle means of exerting official control and repression over organizations of the African working class. (34) But it is also true, as the present paper has tried to show, of the proposals relating to the repeal of "job reservation" legislation. Of course, in so far as "job reservation" legislation does represent a real aspect of the oppression of the masses of South Africa and in so far as mass popular struggles have been decisive in creating the conditions making its repeal necessary, it does represent a limited but real victory for the popular masses. But it is a victory which it is quite certain the bourgeoisie will attempt to turn to its advantage. In the short run "the removal of the colour bar in industry" will form part of a campaign aimed at restoring the level of foreign capital inflows, and in the longer run, as we indicated above, it may give rise to potentially more effective than hitherto "third force" type strategies. What is certain is that this will call for new counter-strategies and tactics, both on the part of the popular class forces engaged in the struggle in South Africa and on the part of their supporters abroad. It is as a background to a discussion of such questions that the present paper is offered.

Notes

- (1) See Financial Mail, 2.6.78, pp. 697/8; 28.7.78, pp. 315/6.
- (2) See Financial Mail, 14.4.78, pp. 114/5.
- (3) See, inter alia, Brighton Labour Process Group: "The Capitalist Labour Process", Capital and Class, No. 1, 1977; N. Poulantzas, Classes in Contemporary Capitalism (New Left Books, 1975); G. Carchedi, On the Economic Identification of Social Classes (Routledge, 1977)
- (4) On this, see J. A. Vermaak et al.: "The Demand and Supply of Manpower, Part 1 ..."; South African Human Sciences Research Council Report No. 70 (Pretoria, 1977), p. 12.
- (5) Figures given in speech by Minister of Labour, S. P. Botha, reported in Rand Daily Mail, 21.2.78.
- (6) See, for example, W. F. J. Steenkamp, "Labour and Management in Manufacturing Development", South African Journal of Economics, Vol. 61, 1973.
- (7) J. A. Parsons, "Manpower Needs for the Future", unpublished paper, quoted in SA Institute of Race Relations, A Survey of Race Relations in South Africa 1977, pp. 229/30.
- (8) Figures quoted by Minister of Labour, Rand Daily Mail, 21.2.78.
- (9) See R. First et al., The South African Connection (Penguin, 1973), Chapter 4; F. A. Johnstone, "White Prosperity and White Supremacy in South Africa Today", African Affairs, Vol. 69, No. 2, 1970.
- (10) See Report of the Commission of Inquiry into the Export Trade of the Republic of South Africa, Vol. II (RP 69/72), pp. 397/8. See also: Steenkamp, op. cit., & P. J. van der Merwe, "Manpower Policy in South Africa", Volkskas Finance and Trade Review, Vol. 3, No. 2 and 3, 1972 and 1973, for details of state interventions to meet shortages of "skilled labour" in the early 1970s.
- (11) Capital, Vol. II, Chapter 1.
- (12) Capital, Vol. III, Chapter XVII, p. 291 (Lawrence and Wishart 1974 edition).
- (13) Quoted First et al., op. cit., p. 66.
- (14) Rand Daily Mail, 5.8.70.
- (15) Rand Daily Mail, 7.10.76. See also SAIRR, Survey of Race Relations 1976, pp. 291/2, for a summary of a memorandum submitted by the Transvaal Chamber of Industries to the Prime Minister making a similar point and also claiming that the rate at which Africans could be moved "up the occupational ladder" was, under current policies, "pathetically slow".
- (16) According to the Report to the Committee on Foreign Relations, United States Senate, on US Corporate Interests in Africa by Senator Dick Clark, Iowa (Washington, 1978), p. 8.
- (17) South African Reserve Bank: Annual Economic Report, 1977, pp. 20/1.
- (18) Quoted in SAIRR, Survey of Race Relations, 1976, p. 291.
- (19) Dr S. P. du Toit Viljoen, interim council member of the "Free Market Foundation", a body formed to "spread the message of free enterprise to young Africans", quoted in Financial Mail, 11.2.77, p. 376.
- (20) Phrases from interview with Justice Steyn, executive director of the "Urban Foundation", Financial Mail, 11.3.77, and Anton Rupert, Financial Mail, 2.12.76, p. 889.
- (21) Estimate by Basil Hersov, president of South African Foundation, reported Rand Daily Mail, 16.11.77.
- (22) Rand Daily Mail, 7.12.76.
- (23) Rand Daily Mail, 16.11.77.
- (24) In the six months after the initial Soweto uprising of June 1976, the following organizations, among others, issued specific demands calling for the abolition

of "job reservation": the Transvaal Chamber of Industries (in a memorandum to the Prime Minister); the National Conference of the Federated Chambers of Industries (an amendment deleted the word "gradual" from the original motion); the Chamber of Mines; the Associated Chambers of Commerce; the Afrikanerhandelsinstituut; the "Urban Foundation" (an organization established and supported by many of the leading monopoly capitalist elements); and the "Free Market Foundation". The Afrikanerhandelsinstituut's position was put forward in an editorial in the July 1976 edition of its journal, Volkshandel, which called for "More skilled and responsible jobs ... to be given to our Black and Brown partners in the economy". For reports, see Financial Mail, 20.8.76, pp. 633/4; Rand Daily Mail, 7.10.76; SAIRR, Survey of Race Relations 1976, pp. 290/92; Financial Mail, 3.12.76, p. 889, 11.2.77, p. 376, and 11.3.77, p. 718.

- (25) See Rand Daily Mail, 13.12.77.
- (26) See Financial Mail, 14.4.78, p. 115.
- (27) Reported Rand Daily Mail, 15.12.77.
- (28) Secretary of Labour to Cillie Commission of Inquiry (into 1976 Soweto uprising), quoted in Rand Daily Mail, 18.3.77.
- (29) See Financial Mail, 28.4.78, pp. 290/1.
- (30) See Poulantzas (1975), op. cit., pp. 282/84.
- (31) Wage rates for employees in the subaltern levels of the mental/supervisory new petty bourgeoisie are, as we know, often below those paid to certain categories of the manual working class, and this would seem to be true also in the case of Africans in South Africa. For example, although the average wage paid in 1976 to Africans employed in banking, building societies and insurance companies exceeded the average African industrial wage, that paid in the retail trade was (at R82 per month compared to R126 per month) considerably below. (See SAIRR, Survey of Race Relations 1977, pp. 234, 269/70.)
- (32) C. Simkins and D. Clarke, Structural Unemployment in Southern Africa (Natal University Press, 1978), Table 20.
- (33) For a further discussion of the African petty bourgeoisie, see H. Wolpe, The Changing Class Structure of South Africa: the African Petit Bourgeoisie (mimeo, 1976).
- (34) On this, see Warwick University South Africa Project: "Crisis, the State and Working Class Strategies in South Africa" (paper presented to Conference of Socialist Economists, Bradford, July 1978).

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*** Written before P. W. Botha replaced J. Vorster as Prime Minister.

Table 1: Proportion of the total 'economically active' population in 'International Standard Classification of Occupations' Categories 0, 1, 2 and 3 (Professional and Technical, Administrative and Executive, Clerical, and Sales): South Africa and selected "middle level" industrialised countries

	Early 1960s Proportion of 'economically active' population in ISCO categories 0 - 3	Per capita income (US \$)	Population (000)
South Africa (1960)	14.0 %	493	15 983
Chile (1960)	20.6 %	398	7 374
Egypt (1960)	15.7	146	25 841
Brazil (1960)	15.1		70 967
Greece (1961)	14.2	297	8 389
South Korea (1960)	13.7	110	24 989
Portugal (1960)	13.6	271	8 889
Philippines (1960)	11.1	113	27 006
Iran (1956)	10.3	160	18 955
Pakistan (1961)	7.9	64	90 283
<u>Early 1970s</u>			
South Africa (1970)	16.5 %		21 794
Chile (1970)	26.7 %		8 884
Greece (1971)	21.0		8 768
South Korea (1970)	19.6		34 688
(1975)	21.9		92 341
Brazil (1970)	19.2		8 568
Portugal (1970)	18.7		30 075
Egypt (1966)	16.8		
Philippines (1970)	16.1		
(1975)	19.7		41 831
Pakistan (1974)	17.0		64 979 (1972)
Iran (1972)	16.2		33 019 (1975)



Sources: International Labour Office: 'The Occupational Structure of Employment 1960 - 1980' in Sectoral Aspects of Employment Projections for the World Economy: First Interregional Seminar on Long Term Economic Projections Vol III (United Nations, 1966) pp 87/8; International Labour Office: Yearbooks of Labour Statistics.

Table 2: Numbers of Africans occupying places in ISCO categories 0 - 3 by 1990 on different assumptions

A: First Possibility 'Minimum'

Assumptions: Number of places in categories grows to 20% of total projected 'economically active' population by 1990. These are first filled by 80% of the projected white 'economically active' population and 30% of the projected Coloured and Asian 'economically active' population before the remainder are assigned to Africans.

I: Places in 0 - 3 Categories (20% of total projected 'economically active' population)	2 886 979
II: Filled by 80% of projected white e.a.p.	1 997 013
30% of Coloured and Asian projected e.a.p.	493 192
Remainder 'available' to Africans	396 774 (3.85% of projected African e.a.p.)
(comparison: 1974 figure for Africans: 195 366 out of 6 389 000 = 3.06%)	

B: Second Possibility 'Maximum'

Assumptions: Number of places in ISCO categories 0 - 3 grows as in A above. These are first filled by 60% of white projected e.a.p. and 30% of Coloured and Asian projected e.a.p.

I: Places in 0 - 3 Categories (as in A above)	2 886 979
II: Filled by 60% of white projected e.a.p.	1 497 760
30% of Coloured and Asian projected e.a.p.	493 192
Remainder 'available' to Africans	896 027 (8.7% of projected African e.a.p.)

C: Total 'Skilled' African jobs: A and B above plus 780 000 in "skilled and semi skilled" production jobs (Parsons' estimate).

I: First possibility: 396 774 + 780 000 = 1 176 774 (11.43% of projected African e.a.p.)
II: Second possibility: 896 027 + 780 000 = 1 676 027 (16.28% of projected African e.a.p.)

Note: These tables are based on the projections for the annual rate of growth of the 'economically active' population given in the 'Economic Development Programme of the Republic of South Africa 1976 - 1981' pp 91/2.