

## STATE AGAINST THE MARKET IN SOUTH AFRICA: PRELUDE TO CRISIS\*

by

Stanley B Greenberg

The state labour control framework in South Africa seems an Orwellian creation: laws that grant or deny residence "rights" in the white cities, that confine workers to a migrant status or that place workers in some intermediate limbo, as "frontier commuters"; laws that bar women from employment outside impoverished "bantustans"; and laws that make illegal the job search of millions who have not officially been requisitioned or whose contracts have not been approved by the state.

The African worker, pass in hand, stands before an elaborate bureaucratic apparatus: the local and district labour bureaux that sanction urban employment and approve requisitions to bring in migrant labourers; the various labour officials and commissioners that authorise employment and allocate job requisitions to the scattered African rural areas; the district and tribal labour bureaux in the black rural areas that fill "bulk requisitions" for labourers and that "legalise" entry into the white areas.

Behind every black worker stand the institutions of enforcement. The pass courts and "aid centres" annually jail or "endorse out" hundreds of thousands of Africans illegally present in the white areas. In advance of these institutions are the waves of enforcement officials: the South African police who clear the streets of illegal workers and the homes of illegal lodgers; the administration board inspectors who search out unregistered workers; and the bantustan security officials who police the black dormitory towns on the black periphery and who police the camps for displaced and redundant black labour.

For most observers of South Africa, the labour control framework is what it purports to be, an effective state abrogation of the labour market. The array of laws, bureaux, courts and police is evidence, in itself, of effective state control. The "effect" of the Bantu Labour Act of 1964, one critic observes, "is to provide the Executive with total control over where Africans may work, and what work they may do". (1) That emphasis on effective control recurs throughout the critical social commentary on South Africa. Ben Magubane depicts the state, poised behind its labour control console, directing labour to sectors as required:

Thus, various statutes regulating African life in the urban areas operate as nonmarket techniques for creating a vast floating labor pool from which the government can detach individual units as needed, much as in a slave-labor system ... If such labor proves not to be forthcoming, the police simply tighten the enforcement of the pass system; if this does not work, emergency labor for the farms and mines can be met from prison rosters. (2)

Stanley Greenberg, in an earlier work, depicts a smoothly functioning and effective labour control system. "The Native Laws Amendment Act of 1952 developed the sometimes haphazard barrier between country and town into a veritable Berlin Wall", Greenberg writes. "It provided for a system of labor bureaus that, in the absence of market mechanisms, allocated African labor in both urban and rural areas." (3)

The Nationalist government's own imagery has included a smoothly operating labour control system. With the passage of labour bureau legislation in 1952, the Department of Native Affairs looked forward to new allocative efficiencies: "It is now possible, thanks to the existence of a network of labour bureaux which have particulars regarding the demand for and supply of labour at any place in the Union readily available, to find immediate employment for workseekers who otherwise sometimes had to wander about looking for work for days on end." (4) Dr Eiselen, the secretary of the Department, while noting delays in implementation, observed that "with the efficient functioning of all sections of the system, there should be little difficulty in securing an equitable distribution of all the labour available in the Union ..." (5) In the texts of "native administration" courses, the system emerged as complete and balanced: "the control of labour is effected in very close cooperation with the tribal labour bureaux ..."; "the functions of efflux control from the homelands and influx control from the administration areas coincide and are co-ordinated." (6)

The labour control system has indeed had a profound impact on the lives of black South Africans and the privileged opportunities of white workers, industrialists, and farmers. African women have in fact been barred from factory employment in certain areas, particularly the Western Cape. (7) Commuter townships in the bantustans, such as Mdantsane and KwaMashu, are concrete expressions of state policies that have virtually stopped new housing construction for Africans in the white urban areas. And there is a bitter reality to the some 600,000 Africans who were forcibly removed from white areas during the 1970s and the some 4.5 million influx control prosecutions during the same period. (8)

But the dimensions of the system and its pernicious consequences should not detract from an enormously contradictory reality: this is a system that historically has repeatedly threatened to break down and that now, with the increasing scale of market processes and the increasing scope of control today, tends increasingly toward breakdown.

The labour control framework is incomplete; the laws and regulations are unevenly implemented, enforced and effective; the bureaucratic machinery is understaffed and sometimes overrun. The operation of the labour framework has proved internally contradictory: that is, its successes - the constraints on labour mobility, the bottling up of rural black populations and the stratification of the African working class - have only strengthened the forces threatening to undo the system of control. As we shall see, state efforts to control the labour market have constantly been challenged by black workers, requiring yet more elaborate forms of state control - only to set in motion yet more determined efforts by workers to circumvent the system.

At the same time, state officials and politicians have had to struggle with the spiralling costs that have accompanied the expanding system of control: the simple but real budgetary costs, the greatly expanded coterie of clerks, managers, magistrates, inspectors and police; the "market distortions" that favoured some sectors and some employers over others and that have set off struggles within the white community; the growing entanglement and illegitimacy of state and economy and the spectre of growing African disaffection and resistance on a large scale; and, finally, and perhaps most important, the evident prospect that new control measures will prove insufficient, indeed that they will create new pressures to circumvent the state apparatus, requiring yet more control measures and yet more costs.

This contradictory reality is at the centre of our understanding of state and market processes. The South African labour framework has been elaborated, we shall discover, as officials have tried to control increasingly unwieldy market and class processes. But the state has loomed larger and larger in the market, not because control measures have proved effective but because these measures have continually proved inadequate to the developing forces tending to circumvent them. The tendency toward breakdown has produced, paradoxically, a growing state presence, a further entangling of politics and markets, an elaboration of the racial state. (9)

At the same time, the insufficiency of state capacity and the rising costs of control have produced recurrent and growing political turmoil within the state. The elaboration of the state in this contradictory context has produced not unity but doubts and, increasingly, a struggle over the best means for preserving privilege and maintaining order. Some actors have responded to the insufficiency of repressive and racist methods with demands for more. Others, against the dominant presumptions favouring increased control, have given tentative voice to new policy directions: less evidently coercive ways for allocating labour, new mechanisms to reduce the costs of state regulation, and new approaches to inducing compliance and building broader support for the social order. These struggles have proved endemic since the late 1930s and now have become so intense and indeterminate that they threaten the coherence of the state response.

#### THE TENDENCY TOWARD BREAKDOWN

##### A. Illegals, Deserters and Workshy

The tendency toward breakdown is given, in the first instance, in the concept of control and the vagaries of the human spirit. Mineowners and farmers, politicians and state functionaries have demanded labour control measures because of an elementary reality: African peasants and workers have not chosen to live and work where these various European actors would choose to have them spend their time and labour-power. Had some natural or market process produced an acceptable distribution of African labourers, these state impositions would undoubtedly have proved superfluous and, in time, fallen away.

This tension is an intrinsic and ahistoric feature of labour control. The labour control officialdom must remain ever-vigilant lest the accumulated will and resistance of thousands of individual workers undo the system of control.

In the first quarter of this century, for example, the British administration in Rhodesia constructed a coercive labour environment - the conventional array of taxes, pass laws, and land restrictions - to facilitate the recruitment of African labourers. Yet the system was ever threatened by individual resistance. The Labour Board of Southern Rhodesia, Charles van Onselen writes, was undermined by the "almost universal tendency of its workers to desert". Much later, even after the system of administration had substantially been refined, African workers moved on to relatively higher wage areas in the South, ultimately the Witwatersrand, "through successive acts of desertion". (10) On the Witwatersrand, where the system of contracts, passes and compounds was better developed yet, mineowners complained that African mineworkers were overpaid and over-alert to other opportunities. The General Manager of the Crown Reef Gold Mine told the Industrial Commission of Inquiry at the turn of the century that "no fewer than 1,030 kaffirs deserted" the mine in the past year, leaving hardly a trace, as they took up other mine contracts or rejoined their families in the rural areas. (11)

A half-century later, after the state had turned to Draconian measures to gain control of the labour market, individual workers remained resilient, seeking to maximise their choices as officials tried to restrict them. In 1967, an inter-departmental committee lamented the continuing presence in the white urban areas of an "appreciable number of picky and workshy unemployed" - individuals who remained in the

urban areas despite government efforts to sweep out those not there "for the purpose of working" and those who refused the available work in favour of some better-paid alternative. The committee called for stronger action, as a floating army of black labour made a mockery of state intentions: "The success with which many Bantu are able to remain and work illegally in prescribed areas for months and even years undermines the efficiency of labour bureau and control arrangements and makes it imperative that methods be implemented to exercise orderly controls and authority over the illegal entry, residence and employment of Bantu in the prescribed areas."(12)

As we shall see later, the state has shaped the labour market in important ways, imposing severe restrictions on mobility and uprooting millions of "redundant" workers. Yet control measures, whenever applied, have had to cope with the human material that resists state intentions - individuals that risk illegality, that abrogate contracts and desert their work, that prove work-shy and recalcitrant before the constricted opportunities made available to them.

#### B. Changing Economy and the "Labour Surplus Problem"

If the nature of South Africa's economy remained unchanged in this century, we would none the less anticipate growing pressures to circumvent state control measures. In simple terms, the scale of this drama has changed: millions more workers have come to depend more fully on their participation in the wage economy; thousands more employers have turned to an expanding and more diverse labour market; and more industrial sectors now compete effectively for access to the African labour market. There are, in effect, more encounters between workers and capitalists, more transactions and more alternatives. For the state, ensuring a "proper distribution" of labour through regulation and coercion is, inevitably, an ever more demanding task.

But the character of the economy has not remained static, as the scale of market transactions has expanded. The developing economy, shaped by the state, has fostered growing labour surpluses - large concentrations of landless and destitute persons, desperate to find work in the cities. The political economy has created, in effect, growing pools of workers with powerful incentives to challenge and circumvent the state labour control framework.

#### The "Marginally Superfluous" (13)

Outside virtually all labour bureaux in the urban areas and outside tribal bureaux, magistrate's and mine-recruiting offices in the rural areas, stand clusters of idle work-seekers. At the Ngwelezana township, near the Richards Bay "growth point", up to 350 will wait outside the magistrate's office looking for work. Last year, an official recalls, "I had a thousand people at my gate every day". Such queues of work-seekers have led officials to extreme conclusions. The labour official for the Port Natal Administration Board observes, for example, that "at this point in time, there is an unlimited supply of labour". TEBA (mine-recruiting) officials in the Transkei, KwaZulu and Lebowa report that usually 300 to 500 workers stand at the door-step every morning, with perhaps only 50 mine jobs available. TEBA officials everywhere believe that, in the absence of quotas, they could readily double their "labour output" without considerable effort and without labour agents. Some, like those in the northern Transvaal, Bophuthatswana, and southern Natal, believe they could triple their output. (14)

For many Africans in the rural areas, there is no labour market. The Northern Transvaal Administration Board sends its mobile units into a portion of Lebowa but neglects most of it, while bypassing Gazankulu altogether. The board officer admits that "parts of Gazankulu are not being tapped". Large portions of the African rural areas receive virtually no requests for employment ("requisitions"). At Maluti in the Transkei, the tribal bureau receives no requisitions from Umtata for

months at a time - the waiting hall, with its rows of benches standing empty and silent, the columns for posting job notices unmarred by a single piece of paper. Other research has found a similar pattern at Sterkspruit and at tribal bureaux across all of the Transkei. (15) At Motetsi in Lebowa, only 25 km from Pietersburg, some months pass without a single requisition; other months are better, perhaps 200 jobs, though usually from a few bulk requisitions for construction labourers. An official of the Lebowa Department of Interior observes that "very few employers come this time of year".

Across KwaZulu, even in the immediate vicinity of industrial areas, there are widespread reports of an ever-closing labour market. In recent years, there has been virtually no labour recruiting in Umbumbulu south of Durban, Ingwavuma well north of Richard's Bay, Ongoye near Ladysmith, Okahlamba near Escourt, Inkanyesi near Eshowe, Mapumulo near Greytown, and Vulamehlo near Umzinto. (16)

The contraction of the labour market and growth of labour surpluses are evident in TEBA's abandonment of labour agents and runners. While previously TEBA relied upon them to seek out labour in the more remote rural areas, the ready supply of labour in recent years has made such a network superfluous: the demise of the agents, a Transvaal official observes, is "one of the penalties of the oversupply of labour". Officials of ACRO (the coal-mine recruiting organisation) near Pietersburg used to advertise vacancies, sending African runners on bicycles to advertise posts. Now, people come on their own, without notice, from as far away as Tzaneen. The TEBA networks have also been abandoned in KwaZulu and the Transkei. (17)

Since mines "open" and "close" within a matter of days, TEBA offices conventionally take whatever labour is available on their "doorsteps". "There are sufficient numbers calling at our doors to fill our needs", a Transvaal officer observes. "It is very easy to go outside the door and pick up the five that fill the bill. The actual recruiting of labour has actually stopped." In Durban, a TEBA official states that "they're stacked up at our door". An official in the Pietersburg area describes the new mood:

The TEBA recruiter has an easy time of it these days.  
He must just sit back and wait for them to come in.  
I remember when I had to address meetings, give all  
sorts of parties, drive all over. Those days are in  
the past.

Under conditions of labour surplus, announcements of work opportunities often produce quite startling results. At Maluti in the Transkei, the arrival of an ISCOR recruiter in 1982 with a requisition for 300 experienced workers brought out over a thousand former ISCOR employees; an open request for 300 workers in 1978 brought out 4,000 work-seekers. (18) At Motetsi in Lebowa, the labour bureau clerk rings a bell to announce the arrival of a new job requisition. When he rings the bell on a Monday, two or three hundred people line up. In January, one officer observes, "there is a hell of a rush ... if you ring that bell. They come out like moles out of their holes".

To protect against a rush of desperate job seekers, TEBA in Transkei has erected security fences around its offices - "not to guard against terrorism", an official notes, "but to keep the workers out, to keep them from tearing the place down". In King Williamstown, TEBA, which had for a number of years employed virtually no novice miners, received "a pretty considerable order" and announced it: "the blacks just flattened the fence".

South Africa's most prominent economists differ on the scale of South Africa's labour surplus problem. P J van der Merwe, an established economist and a high-level official in various state labour institutions, relies upon 1970 census data and unemployment increases in subsequent years to arrive at what he himself considers

a "minimum" estimate. Unemployment on white farms and in urban areas, he calculates, grew from 252,000 in 1969 to 528,000 in 1976, from 6.1 to 10.9 per cent of the labour force (though no doubt higher for the African labour force). (19) Unemployment and underemployment in the bantustans rose precipitously during the early 1970s, from 32,000 in 1970 to 396,000 in 1976. Van der Merwe's estimates suggest that well over half of the new African entrants to the labour market in the early 1970s could not be accommodated in employment. (20) The problem was no doubt compounded during the post-1976 recessionary period. By 1979, African unemployment in the metropolitan areas, according to one conservative estimate, rose to 16 percent, and in the "self-governing Black states" to 20 percent. (21)

Other observers have supplemented census figures with employment surveys and estimates of underemployment in the bantustans (based upon the numbers of workers who could be productively employed there). (22) These calculations, like van der Merwe's, suggest a rising tide of unemployment in the 1970s but, by contrast, place current unemployment levels at staggering heights and well above the census estimates. Lieb J Loots suggests tentatively that unemployment may have doubled between 1970 and 1977, with the urban figures rising from 9.5 to 23.1 percent. (23) Charles Simkins, incorporating measures of agricultural underemployment, places overall unemployment at 22.4 percent in 1977 - 2.3 million people, almost all of whom were black. Simkins, like Loots and van der Merwe, believes unemployment rose steadily throughout the 1970s. (24)

These quantitative studies and the personal impressions related earlier are apparently just snapshots of a gathering labour surplus problem. The numbers of unemployed likely doubled during the 1960s, a period of rapid economic growth, increased at a yet greater rate during the 1970s when the pace of economic growth was a respectable 3 percent, and seem almost certain to expand, perhaps even phenomenally, during the coming decades. (25) The Prime Minister's economic advisers project that, with an annual growth rate of 3.6 percent (the actual figure for 1970-77), unemployment would increase from 10.6 to 21.9 percent in 1987, from 903,000 to 2,406,000 persons. The African unemployment rate, even by these conservative government estimates, would likely exceed 26 percent. (26)

#### Labour Surplus as Structured Reality

The "marginally superfluous" are the product of three developments in South Africa's political economy. First, the bantustans, bereft of productive capacity, no longer support the subsistence of their inhabitants, who have turned increasingly to the wage economy for survival. Second, the increasing mechanisation of agriculture and the state-assisted consolidation of white farms have displaced large numbers of African labourers and tenants, with the great bulk forced back to the over-populated bantustans and overcrowded labour market. And, third, the growing capital intensity and rationalisation of manufacture in the urban areas has brought a declining growth in the demand for African labour. This triple combination - growing wage dependence, displacement from white agriculture and declining labour demand in white manufacture - has created growing pools of marginal African workers desperate for work and contemptuous of state obstacles to mobility.

There is widespread and corroborating evidence suggesting that the bantustans are now essentially repositories for African populations, surplus and otherwise, and not vehicles for productive agriculture. Simkins estimates that since 1918 the African reserves have never supported more than a third of their inhabitants, and by 1960 they were supporting fewer than 20 percent. Since then, the dependence on the wage economy has grown more stark, with the percentage of bantustan income derived from remittances and wages of migrants and commuters rising from 55 percent to 72 percent in 1976, with a corresponding drop in the percentage of income received from agriculture. (27)

Research in the Western Cape discovered that 40 percent of African migrant workers had no access to cultivatable land and 50 percent owned no cattle in the bantustans; three-quarters of migrant families received less than R24 per month in 1976 from agricultural work. (28) In KwaZulu, earnings from labour exports increased from 54.3 percent of bantustan GNP in 1960, to 70.4 percent in 1970, to 77.8 percent in 1976. By 1976, three-quarters of the income of Africans living in KwaZulu derived from remitted income of family members at work in the wage economy outside KwaZulu. (29)

The decline of subsistence production in the bantustans and the growing dependence on the wage economy are evident in the first-hand impressions of labour control and recruiting officials. In Maluti (Transkei), one officer observes, "only the old people, the children and the useless still stay on farms". In light of mine officials' experiences with rainfall and drought conditions and labour recruiting, the observation seems increasingly plausible. In the past, when Africans still depended on income and food from their own plots, bad rains brought increased interest in wage work on the mines. But in 1982 the widespread drought brought almost no increase in the labour available to the mines. "With the population explosion, virtually all the African labour has been forced into the labour market", a TEBA official observes. "That chap has got to work: before, he might have had a piece of land, a few cattle, but now he has no choice but work." In KwaZulu, a TEBA official remarks, "the question of seasonal rains and droughts has much less effect than it did 10 years ago". The TEBA officer for the Matatiele district also confirms the pattern: the rains no longer have an impact on labour supplies in the Transkei.

The massive retrenchment of African labour in the white farming areas has contributed further to the massive crowding in the bantustans and at the margins of the labour market. The numbers of Africans employed on white farms had increased in this century until the late sixties, when employment levelled off at 678,500 regular and 169,500 casual labourers; by the late seventies the numbers had begun dropping, to 565,000 regular and 112,000 casual workers in 1979. (30)

The reduction of the African labour force in white agriculture has been accompanied by the accelerated and forced removal of African tenants and squatters and the elimination of "black spots" in the white rural areas. Between 1960 and 1982, in the Transvaal alone, 400,000 Africans were evicted from farms and 400,000 relocated in the course of "consolidation" and "black spot" removals; 74,276 were relocated in 1980 alone. (31) This "modernisation" process in white agriculture has forcibly displaced millions of Africans nationally, to utterly impoverished "closer settlements" in the bantustans, to Kwaggafontein in an imaginary Ndebele "state", to a Winterveld in an "independent" Bophuthatswana.

Compounding this marginality is the declining labour absorptive capacity of manufacture and the growing selectivity of the legal labour market. While manufacturing employment grew by 5 percent a year between 1958 and 1967, it dropped to 3.3 percent between 1968 and 1977. The Economic Development Programme projects only 2.3 percent annual employment growth rate for manufacturing between 1978 and 1987, below the projected 2.6 percent annual increase in the labour force. (32)

The declining labour-absorptive capacity of industry is apparently related to the rapid "capital deepening" of the economy, especially evident during the 1970s. The Economic Development Programme reports that "the average capital stock per employee in the economy increased 2.4 percent per annum over the period from 1960 to 1969, and by no less than 4.3 percent per annum from 1970 to 1977". (33) The average capital-output ratio also grew between mid-1971 and mid-1977, from 2.17 to 2.67. (34) "Except in a few sectors, where there were special circumstances", the Economic Development Programme reports, "the South African economy therefore experienced an accelerated trend towards greater capital deepening during the seventies. This trend was present in enterprises in both the private and the public sectors". (35)

In the black rural areas, where surplus labour conditions have grown increasingly acute, this tripartite "modernisation" process has been accompanied by the withering of the legal labour market. Large portions of the bantustans, we discussed earlier, have simply been left out of the institutional labour market, as there is no legal recruiting or requisitioning of labour. But, even where there is a formal labour market, job prospects in the "modern economy" have grown steadily bleaker: the manufacturing sector for the most part has stopped requisitioning labour from the rural areas; the mining sector, in an attempt to rationalise its labour situation, has concentrated on the re-engagement of experienced mine-workers at the expense of the unskilled novice miners.

The use of "valid re-engagement guarantees" (VRGs) has become so widespread that traditional mine recruiting areas are frequently "closed" to new applicants. In the northern Transvaal and KwaZulu, including Maputoland, there is some recruitment of novice miners: 27 percent of those engaged in 1981 in KwaZulu were novices. (In 1980, 42 percent were novices.) But in the Transkei, TEBA officials indicate that novice recruitment from January to October never rises above 10 percent. As a consequence, the "mines are virtually closed until October. The orders are very sparse. Only a VRG can be offered work." In Lesotho, the percentage of re-engaged experienced miners rose from 30 percent in 1976 to 60 percent in 1979; in the Transkei, the percentage of VRGs was already high in 1974, around 80 percent, but rose to nearly 90 percent by 1978. (36)

The manufacturing sector now shows little interest in the bantustans as a source of labour. The requisitioning of labour in the African rural areas is confined to unskilled jobs (temporary labourers, night watchmen, and night-soil removers), the "dirty" work (the foundries at ISCOR), "unpopular" firms. A labour official in Lebowa observes: "Most requisitions that come here people know are not good." In the Transkei, the recruiting of migrant workers for manufacturing has remained static since 1974, with virtually no increase since 1970. (37)

Only the state sector itself seems to value continued access to this impoverished labour pool. Requisitions for the most part originate with civil engineering firms constructing large state-supported projects; also, with the municipalities, the state railways and parastatals. ISCOR plants at Newcastle, van der Bijl Park and Pretoria were the most frequent recruiters of labour at Maluti (Transkei), Nongoma (KwaZulu), Modjadji (Lebowa) and in the eastern Transvaal. The South African Railways recruited large numbers of workers at Matatiele in the Transkei, and Modjadji in Lebowa. The municipalities, particularly Johannesburg and Pretoria, recruit generally in the Northern Transvaal and in the Mount Frere area (Transkei) for rubbish removal workers.

Finally, the legal labour market, already contracted geographically and sectorally, has been narrowed further by gender segmentations and exclusions. Because of government regulations, the requisitioning of labour for urban areas has been confined almost exclusively to men. The magistrate at Malumulele (Gazankulu) can recall no requisitions for women; the Interior Department official in Lebowa notes that "99.99 percent of requisitions are for men". The Port Natal Administration Board requisitions women only for nursing jobs and for domestic service but "only after local labour is exhausted and only in the immediate areas of KwaZulu". As a result, women seek employment in the least remunerative and stable areas - casual and daily farm work nearly everywhere, the sawmills in Lebowa, the roadworks in Maputoland and Vanda, the very small firms in Gazankulu, and seasonally on the sugar estates in Natal.

### C. Creating Incentives to "Shoot Straight"

The growing marginalisation of the African population and its isolation in the bantustans are compelling incentives to "shoot straight"; that is, to circumvent the system of labour regulation and go directly to Johannesburg, Durban or Cape Town.



These developing incentives are inherent in the stark contrast between rural impoverishment and urban opportunities and in the high cost of remaining in this rural hell. The system of labour control, by damming up the African labour surplus, only magnifies the inducements for millions of Africans to become "illegals" in the dark recesses of the urban labour market.

The operation of the economy and labour control framework has created two crude strata of Africans - those with legal access to the urban labour market and urban residence rights, and those who stand outside with only qualified access to employment and urban areas. The former hold a "privileged" position in the labour market and, indeed, receive considerably higher wages than other Africans. The latter face stagnating or declining living standards, as the growing labour surplus conditions, the contraction of the labour market and the operation of influx control have all tended to suppress wages. In the period since 1970, African wages in the urban industrial sectors have increased fourfold, while rural incomes, excepting urban remittances, have stagnated. By the mid-1970s, the ratio of African urban to rural income - 8.3 to 1 among wage earners - was beginning to take on the appearance of European-African inequalities. (38)

That gap, in part the creation of the state, is a powerful inducement to overrun state controls. In 1960, before the surplus conditions and urban-rural inequalities were so glaring, the manager for non-European Affairs in Johannesburg observed that "native families" constitute a "favoured class who enjoy a standard of living superior to that enjoyed by their compatriots outside the city". Consequently, Johannesburg serves as "the Mecca of every workseeker in the country and this is doubtless too the reason why these men will resort to literally any means of gaining entry into the town ...".(39)

Today, the widening gap invites Africans to bypass their tribal labour bureaux and go directly to the urban areas without the proper authorisation and passes. "Most of those who don't get jobs" at TEBA or the labour bureau, a mine representative comments, "make their way South. They are not prepared to wait."

The conditions in the bantustans have become so desperate that it is difficult to imagine the level of repression that would be sufficient to forestall the pursuit of market alternatives. By one estimate, an African from Lebowa can take up work illegally in Johannesburg, spend three months out of the year in jail, and still improve his or her personal income by 255 percent; even if an individual rots in jail for nine months and works for only three, his or her income would still exceed by 85 percent his or her likely income trying to remain and work in Lebowa. (40)

The maintenance and elaboration of influx controls have operated to create labour surpluses and displace them to the rural bantustans. The massive state repression in the 1960s and 1970s, discussed in the next section, has held urbanisation constant over two decades, 1960 to 1980, despite quite a considerable advance of productive forces. Under normal circumstances, Simkins estimates, the percentage of the South African population urbanised would have increased from 49.6 percent in 1960 to 55.3 percent in 1970, to 56.7 percent in 1980, leaving South Africa underurbanised by 9.4 percent, or, more dramatically, 2.7 million people. (41)

But the displacement of the "marginally superfluous", the apparent goal of the state officialdom, only underlines the contradictions in state apartheid policies. The displacement of labour surpluses and the exacerbation of urban-rural inequalities is, simultaneously, an inducement to urban migration. As Simkins observes, at constant levels of state regulation there is a tendency for the unemployed and the poorer to seek out higher-employment and higher-income areas. Increased state enforcement to forestall that migration exacerbates urban-rural inequalities and enhances the attractiveness of migration to the cities. It requires, if the influx is to be slowed, yet further state intervention in the market. (42)

#### D. Withering Constituencies for Control

There are some enormous ironies in this process: control has made necessary more controls; the successful damming up of labour in the African rural areas has created inducements to burst the dams. Perhaps the most striking irony, however, is contained in the politics of labour control. As the costs of maintaining control have risen, as the system has become more unwieldy and contradictory, and as Africans have mobilised against it, the constituencies for control have withered. The organised class actors who in the past championed labour controls have pulled back, leaving the state officialdom exposed without concrete support in civil society.

Commercial farmers making the transition to capitalist agriculture prodded the state throughout this century to impose more effective controls on the movements of African labour. The South African Agricultural Union (SAAU) pressed for the removal of squatters and the intensification and, later, the elimination of labour tenancy, for the development of an effective pass system and the enforcement of labour contracts. On the eve of the National Party ascendancy after World War II, the SAAU demanded the expulsion of "redundant" Africans from the urban locations, central prison camps for farm labour, severe controls over the movements of African children on white farms, and, most important, the legal division of the African population into rural and urban sections. (43)

The SAAU continued to demand effective implementation of labour control measures until the early 1970s, when farm labour requirements began to change and the need for control measures lessened. The SAAU was more interested in land consolidation and the forced displacement of Africans to the bantustans. When the Riekert Commission took evidence in the late 1970s, the SAAU expressed only perfunctory support for the labour bureaux, the principal administrative mechanism of labour control: "the system is of little value to agriculture as it is administered at present". The SAAU was more concerned, not surprisingly, with the displacement of squatters, sharecroppers, tenants and independent African farmers and the "maximum consolidation" of black and white areas. (44)

The Chamber of Mines, too, played a central political role helping fashion South Africa's labour control framework. Throughout this century, it insisted that the state help construct, maintain and police a cheap labour system for the mines. On the one hand, the Chamber urged the state to preserve viable "native reserves" as a necessary backdrop to oscillating labour migration; on the other hand, it was a pre-eminent supporter of the pass laws, influx control, contract and compound labour and criminal penalties for breach of contract.

Yet, today, the mines are attempting to rationalise their labour situation, selectively stabilising in areas proximate to townships, such as in Kimberley, and systematically seeking the re-engagement of experienced miners. With staggering overcrowding, destitution and labour over-supply in the bantustans, the Chamber has been able to dismantle TEBA's traditional system of depots, labour agents and runners.

The Chamber has also been able to abandon its traditional defence of the labour control framework. TEBA officials now emphasise the role of markets and the organisation's attention to service, testing and communication. "The migratory labour system is a bad system any place in the world", a TEBA official concludes. "But in a necessary environment, we do a wonderful job. We keep a good contact system with the man at work and his people at home." TEBA officials now see themselves as "progressive" competitors for labour in a market environment. The old days, with the "big buana types, sitting back in their offices", are gone.

When black opposition to apartheid, and the pass system in particular, erupted in violence, boycotts and state repression in 1960, businessmen from all sectors raised questions about the viability of the labour control framework. Five

organisations, led by the Association of Chambers of Commerce and including the Federated Chamber of Industries, besought the government to reconsider the "undue restriction of freedom of movement of the Bantu" and to decriminalise the pass system. When violence and black protests became endemic after the 1973 general strikes and 1976 civil disorders, businessmen again urged "reform" of the labour control framework, with an emphasis on opening up urban residence rights and creating opportunities for a "black middle class". (45)

In 1982, the government, after long internal consideration of the Riekert Commission recommendations on labour regulation, introduced new labour legislation - the Orderly Movement and Settlement of Black Persons Bill - that would further have tightened controls over the influx of African workers. Major business organisations in manufacture, however, publicly attacked the bill: "From [our organisation's] analysis it will be seen that there are serious anomalies and shortcomings in the draft Bill and at the outset [this organisation] must EXPRESS DEEP CONCERN over the apparent disregard for the views and feelings of the Black community evident in the draft legislation." (46)

The irony is now complete. State officials, it seems, must now face the growing contradictions in labour control, but without the direct support and guidance of labour control's traditional proponents. The mining houses, capitalist farmers, and manufacturers have put distance between themselves and the state labour framework, as labour requirements have changed and as the state role in the market has become more problematic. There is, consequently, no longer the self-evident direction and sense of purpose that follows from a coherent political base. The growing chaos in the market has been paralleled by a growing incoherence within the state.

-----oOo-----

This paper is part of a chapter on the "State Against the Market" in Stanley B Greenberg's Legitimizing the Illegitimate. State, markets and resistance in South Africa (Berkeley, 1987).

#### Notes

\*This was written before the abolition of the pass laws in 1985; it is a vivid demonstration of why their abolition was rendered necessary.

- (1) G M Budlender, "Administrative Rule of African Workers", Responosa Meridiana, 1978, p 249.
- (2) Bernard Makhosezwe Magubane, The Political Economy of Race and Class in South Africa (New York: Monthly Review Press, 1979), pp 134-35. In fairness to Magubane, he later emphasises the contradictions in the system as expressed through class and political action.
- (3) Stanley B Greenberg, Race and State in Capitalist Development: comparative perspectives (New Haven: Yale University Press, 1980), p 85. This argument is generally consistent with the one advanced by M L Morris, "The Development of Capitalism in South African Agriculture: class struggle in the countryside", Economy and Society 5 (August 1976).
- (4) Union of South Africa, Report of the Department of Native Affairs 1952-53, p 23.
- (5) Dr W W M Eiselen, speech before the Johannesburg Chamber of Commerce, reproduced in Bantu (May 1958), p 8.

- (6) University of South Africa, Native Administration II, Study Guide 6, 1973, p 11.
- (7) S Bekker and S P Cilliers, Die Arbeidsituasie van die Swaptman in die Wes-Kaap (University of Stellenbosch, 1980)
- (8) Charles Simkins, "The Demographic Demand for Labour and Institutional Context of African Unemployment in South Africa: 1960-80", Working Paper No 39. Southern Africa Labour and Development Research Unit, University of Cape Town, Cape Town, August 1981, p 27. The influx control arrest and prosecution data were developed by Professor Michael Savage and generously made available for use in this research project.
- (9) This tension between control and markets should not be treated as a reformulated "growth hypothesis" - the theory that market and racial measures are in conflict and, therefore, a force for moderating racial domination. Indeed, in most periods, the opposite is the case: the tension produces renewed and more frenzied efforts to elaborate the system of racial domination.
- (10) Charles van Onselen, Chibaro. African Mine Labour in Southern Rhodesia 1900-1933 (Johannesburg: Ravan Press, 1980), pp 78, 229.
- (11) Testimony before the Industrial Commission of Inquiry. Witwatersrand Chamber of Mines, The Mining Industry. Evidence and Report (Johannesburg: Time Printing and Publishing Works, 1897), p 44.
- (12) Republic of South Africa, Report of the Inter-Departmental Committee on Control Measures (van Rensburg), 1967, pp 19, 77. (Translation by Neil Lazarus.)
- (13) The term was first offered by David Apter, Choice and the Politics of Allocation (New Haven: Yale University Press, 1971).
- (14) These impressions are based largely on interviews conducted with labour bureau and TEBA officials in Lebowa, Gazankulu, KwaZulu and Transkei in April 1982. See Stanley Greenberg and Hermann Giliomee, "Labour Bureaucracies and the African Reserves", South African Labour Bulletin 8 (February 1983).
- (15) See interview documents, Sterkspruit Tribal Labour Bureau, Student Rural Labour Control Project, University of the Witwatersrand; also Gavin Maasdoorp and Andrew Gordon, "Unemployment in the Transkei", Department of Economics, University of Natal, Durban, November 1978, p 13.
- (16) See Aninka Claasen, Field Research Report, and interview documents, Mapumulo offices, Student Labour Control Project.
- (17) See Greenberg and Giliomee, "Labour Bureaucracies", loc.cit., pp 43-44; and interview document, ACRO official, Student Rural Labour Control Project.
- (18) Greenberg and Giliomee, "Labour Bureaucracies", loc. cit., p 46; Claasen, Field Research Report, p 5 3.
- (19) P J van der Merwe, "Black Employment Problems in South Africa, 1960-1977", unpublished paper, p 20.
- (20) Charles Simkins, "Measuring and Predicting Unemployment in South Africa, 1960-1977", in Simkins and Duncan Clarke, Structural Unemployment in South Africa (Pietermaritzburg, 1978), p 5.
- (21) Republic of South Africa, Economic Development Programme, p 107.
- (22) See the discussion by Norman Bromberger, "Unemployment in South Africa: a survey of research", Social Dynamics 4 (June 1978), pp 18-20.
- (23) Lieb J Loots, "A Profile of Black Unemployment", Southern Africa Labour and Development Research Unit, University of Cape Town, April 1978, p 12.
- (24) Simkins, "Measuring and Predicting Unemployment", in Simkins and Clarke, Structural Unemployment, pp 34-35.
- (25) Ibid., p 33.
- (26) Republic of South Africa, Economic Development Programme, p 27. Only with a projected real growth rate of 5 percent, which the Economic Development Programme itself sees as problematic, is the rate of unemployment held reasonably constant at 11.5 percent. But even in this optimistic scenario, the absolute number of unemployed persons rises from 903,000 in 1977 to 1,262,000 in 1987 (p 123).
- (27) Simkins, "The Demographic Demand for Labour", p 9.

- (28) Johann Maree and Janet Graaff, "Men Without Choice: a sample survey of African workers in Cape Town 1975-76", Social Dynamics 4 (1978), p 5.
- (29) The Buthelezi Commission. The Requirements for Stability and Development in KwaZulu and Natal, Vol II (Durban, 1982), pp 155-61. A similar pattern can be found in rural Lesotho. There, income from migrant remittances rose from 43 percent in 1970 to 59 percent in 1974, to 71 percent in 1976. (Colin Murray, Families Divided. The impact of migrant labour in Lesotho [Johannesburg: Ravan Press, 1981], p 95.)
- (30) Simkins, "The Demographic Demand for Labour", p 9.
- (31) Surplus Peoples Project, Forced Removals in South Africa. The Transvaal, Vol 5 (Cape Town, 1983), pp 114-21, 125-27.
- (32) Republic of South Africa, Economic Development Programme, pp 47-48.
- (33) Ibid., p 17.
- (34) Presented in Bromberger, "Unemployment in South Africa", loc. cit., p 23.
- (35) Republic of South Africa, Economic Development Programme, p 79.
- (36) Murray, Families Divided, p 46; Maasdoorp and Gordon, "Unemployment in the Transkei", p 4.
- (37) Ibid., p 16.
- (38) Jill Natrass, "Towards Racial Justice - What can the private sector do?", South African Institute of Race Relations, 50th Anniversary Conference, University of the Witwatersrand, July 1979, pp 9-10, 18.
- (39) W J P Carr, "Influx Control As Seen By An Administrator of Non-European Affairs", South African Institute of Race Relations, Cape Town, June 17-20, 1961.
- (40) J Lange, Financial Mail, October 12 1979, quoted in Michael Savage, "Pass Laws and the Disorganization and Reorganization of the African Population in South Africa", Paper presented to Southern African Research Program, Yale University, Fall 1983, p 51.
- (41) C E W Simkins, "The Economic Implications of African Resettlement", in South African Institute of Race Relations, "Race Relations", Johannesburg, June 26-26 1981, p 26.
- (42) Simkins, "Demographic Demand for Labour", p 52.
- (43) Minutes of the Conference, SAAU and Minister of Native Affairs, Pretoria, September 15 1944, Annexures A and B. D L Smit Papers, Albany Museum, 1920 Settlers' Memorial Museum.
- (44) SAAU, written evidence presented to the Republic of South Africa, Commission of Enquiry into Legislation Affecting the Utilization of Manpower (made available to author); also see SAAU, Report of the General Council 1973-74, pp 39-41.
- (45) See Greenberg, Race and State, pp 202-07.
- (46) A confidential memorandum presented to the government in 1982 and made available to the author. The organisation name is excluded to maintain confidentiality.