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The Evolution and Fall of the South African Apartheid State: A Political Economy Perspective¹

John M. Luiz

Abstract: The article reviews the history of state intervention in South Africa's political economy. Both the political and economic evolution of the apartheid state are traced. More importantly, it appraises the erosion of the apartheid state from the 1970s onwards as a result of the growing costs of apartheid and the increasing challenges it faced as South African society became increasingly mobilized. This is evidenced in the rise of tax revolts, paramilitary forces, people's courts, crime rate, and the collapse of black local authorities. Finally, it evaluates the strength of the apartheid state and argues that it represents a strong state within a weak one. The state in effect had a schizoid existence possessing pockets of extraordinary strength but with its power being narrowly diffused. The result was the slow but steady collapse of the state that led to the negotiation of a new constitutional settlement from a position of weakness.

1. Introduction

The "grand plan" of apartheid required enormous supremacy by the central agent, the state. The state fashioned almost every facet of South African life. Its intervention in the economy determined the course of industrialization and the character of social relations. It co-opted white support through rewards and enforced black compliance through its security system. Its disintegration in the last decade is not surprising. However, it is remarkable that the state was able to manage this complex system whilst simultaneously directing the transformation of the South African economy. Thus, when looking at the potential role of the state in the post-apartheid era, it is useful to understand the nature and strength of the apartheid state. The paper starts off by briefly considering the history of South African state intervention and its role in promoting industrialization. It investigates whether the apartheid state can be regarded as a strong one, and looks at the gradual erosion of state power during the last two decades of apartheid.

2. A history of South African state intervention

The apartheid state engaged in a form of social engineering that was awesome in its scale and vision. It attempted to segregate its citizens according to race and "promote separate development,"² and this entailed the construction of a gargantuan state, which emerged as a leviathan dominating every facet of life. The state was able to maintain and perpetuate such a costly (both in financial and in human terms) and illegitimate order (with 15% of the population effectively subjugating the other 85%) for a surprisingly long time. Greenberg encapsulates this reality by contending that illegitimacy was a defining characteristic of the social order:

The state is formally and fully associated with the needs and dominance of a privileged racial minority; indeed, to all appearances, the state's racial character provides its *raison d'être*. The racial-state identity takes a legal and publicly sanctioned form that pervades the national symbols and government ideology, as well as the practical activity of state agencies (1987: 1).

Greenberg goes on to opine that although more repressive regimes existed, the South African state was unique in that few states

operate within a legal and ideological framework that appears to mandate dependence on direct coercion and to preclude the search for more consensual methods.... There is a completeness to a repressive order that, at the top, leaves the African majority without any legal political representation or national identity and, at the bottom, subjects them to "group areas," "removals," "tribal authorities," and police raids of various sorts (1).

This has been accompanied by an intricate set of racial legislation, and sprawling bureaucratic and security organs, which in the final analysis have been cemented by the courts and prison system. The perversity of the structure is demonstrated in its inexorable accompanying logistics: 3.5 million Africans forcibly cleared from "black spots" between 1960 and 1982, and "resettled" in designated African rural areas; between 250,000 and 650,000 Africans

prosecuted annually under the pass laws; and an African prison ratio of 1 out of every 44 persons in 1982/83, a ratio exceeded by almost no other country in the world (Greenberg 1987: 2).

2.1 Political evolution of the apartheid state: 1910-1970

The South African state emerged in 1910 when the Union of South Africa came into being, with blacks³ excluded from political participation (although a limited form of participation was enjoyed in the Cape until 1936, and colored participation was suspended until 1956). The enforced social segregation was secured and institutionalized by a series of statutory laws. The first major cornerstone of apartheid was the Native Land Act of 1913, which set aside about 7% (extended to 13% in 1936) of the country for African ownership, and precluded them from ownership in the remaining 93% of the land. The result was the increasing impoverishment of the African peasantry and their growing dependence on urban work. African farming gradually collapsed. The reserves thus became reservoirs of cheap, unskilled labor for the goldmines. The 1923 Urban Areas Act confined Africans to segregated townships, whilst the 1927 Immorality Act forbade extra-marital sex across racial frontiers. The Mines and Works Act of 1911 (amended in 1926) instituted a color bar in the mining industry, which entrenched job reservation. African miners' wages remained roughly the same in real terms between 1911 and 1972, whilst whites' real wages rose steadily from 1922 until the 1970s, when the pressure for African wage increases rose (Van der Berg 1989: 189).

The Pact government that came into power in 1924 set about implementing its "civilized labor policy." Under this policy the government enacted legislation that deliberately aimed at the removal of blacks from government jobs and their replacement by whites, the formation of closed shop unions to exclude blacks, the mandate of wage compensation that priced blacks out of the labor market, and generally rewarding enterprises that discriminated in this manner. The Fusion government, which emerged in 1934, after the 1933 coalition between Hertzog and Smuts, had economic rehabilitation as its primary aim (after the great depression between 1928 and 1932). World War II had a decisive impact on South Africa both politically and economically, and caused the collapse of the Fusion government after Smuts joined the war on Britain's side. The fragile white unity was shattered as a

result. The war led to increasing bottlenecks appearing in terms of skilled labor, and the government adopted a more liberal approach and allowed Africans to work in skilled positions. The election of the National Party (NP) in 1948 soon put an end to this liberalization, and shaped the course of South Africa's future.

The NP's manifesto was that of apartheid and Afrikaner empowerment, and it was the first cabinet to consist of Afrikaners only. Terreblanche and Natrass (1990: 12) indicate that soon after coming into power, the government put into operation a three-pronged strategy designed to further the interests of Afrikaner nationalism. New discriminatory laws were passed, the bureaucracy and parastatal sectors were enlarged in order to generate Afrikaner employment opportunities, and a variety of welfare programs were enacted to uplift the poor (mainly Afrikaner) white population.

Terreblanche and Natrass affirm that the government's policy of promoting Afrikaner interests was very successful (1990: 12). In 1946 the per capita income of Afrikaners was less than half that of English-speakers. By 1970, after many years of government "pampering and patronage," it had increased to 70%. The government set about Afrikanerising every state institution by appointing Afrikaners to every level of the civil service, state corporations, and security forces. Giliomee states that, by 1968, there were twice as many Afrikaners in government jobs as before the 1948 election (1979: 165). In fact, by 1976, Afrikaners made up 60% of the white labor force in the public and semi-public sectors. The NP quickly reversed the limited reforms of the early 1940s, and gave its vision of segregation an institutionalized framework (see Bromberger 1982).

The backbone for apartheid was laid in 1950 with the Population Registration Act, which categorized people according to race. A plethora of segregationist legislation was passed: the Prohibition of Mixed Marriages Act of 1949, the Immorality Act of 1950, the Group Areas Act of 1950, the Separate Representation of Voters Act of 1951, the 1953 Reservation of Separate Amenities Act, the 1953 Black Education Act, the 1954 Black Resettlement Act, and the 1957 Extension of University Education Act, amongst other laws. The Nationalists extended racial laws, and tightened up the administration and enforcement of those laws. It systematically eliminated every vestige of black participation in the national political system. In 1951 it abolished the only official national African political institution, the Natives Representative Council. The government then

undertook its most ambitious plan, by grouping the African reserves into eight (later ten) territories, which laid the basis for the homeland system. The idea was to grant these ethnic homelands independence, and thereby deprive their citizens of South African citizenship.

Transkei became a "self-governing" territory in 1963, and was granted "independence" in 1976; Bophutatswana followed in 1977, Venda in 1979, and Ciskei in 1981. The government tried to herd all Africans into the homelands. The intention was to ensure that whilst a cheap, steady source of labor was available to the mining industry and to the urban manufacturing centers, these workers were to be treated as migrants from the homelands where their families were to be based. It therefore attempted to limit the influx of rural Africans into urban areas by prohibiting them from visiting or working in an urban area without the necessary documents. Over 100,000 Africans were arrested annually under the pass laws between 1952 and 1978, peaking at over 380,000 in 1975/76 (Thompson 1990: 193). The government also began to eliminate "black spots"—land occupied by Africans in the white areas. The forced removal of coloreds, Asians, and Africans from their land into new segregated satellite townships became one of the most ruthless tactics employed by the state. Over 3.5 million were removed between 1960 and 1983 (Thompson 1990: 194). This resulted in the increasing over-population of the homelands. The homeland population increased by 69% between 1970 and 1980 (Thompson 1990: 195).

The increase in the controls over most spheres of African life met growing resistance. The African National Congress (ANC), which had essentially adopted a non-confrontational position for most of its history, became increasingly radicalized in the late 1940s via its Programme of Action (entailing the use of boycotts, strikes, and civil disobedience), which was endorsed at its annual conference in 1949. The state replied with a spurt of security legislation. The 1950 Suppression of Communism Act banned the Communist Party, and allowed the minister to ban a person without legal recourse. The repressive legislation escalated from the 1950s onward: the Riotous Assemblies Act (1956), the Unlawful Organisations Act (1960), the Sabotage Act (1962), the General Law Amendment Act (1966), the Terrorism Act (1967), and the Internal Security Act (1976). The mass of legislation gave the security forces expansive powers to arrest people without trial, and hold them in solitary confinement indefinitely without revealing their identities. The government could ban any

organization or person, prohibit any meetings, and prevent organizations from receiving funds from abroad (see Thompson 1990: chapter 6). The state thus extended its security apparatus prodigiously. African resistance in this period peaked in 1960 with the Sharpeville uprising, and a state of emergency was declared on 30 March.

By 1970 the Nationalist government had succeeded in entrenching apartheid with a myriad of laws, and had constructed a hugely complex program of social engineering.

2.2 Economic evolution of the apartheid state: 1910-1990

The first significant phase of economic development in South Africa came about with the exploitation of minerals in the last few decades of the nineteenth century, and the establishment of related industries. However, the manufacturing industry remained rather dormant until World War I forced South Africa into a phase of industrial growth. The election of the Pact government in 1924 brought with it the commencement of planned state industrialization through tariff protection. Its policy of import-substituting industrialization (ISI) stimulated an impressive phase of industrial development during the 1930s, when manufacturing centered upon the processing of primary products and the production of consumer goods for the local market. Jones and Muller prove this point by showing that in the broad metals and engineering fields (including machinery and transport equipment), South African producers, who were capable of providing only 27% of local requirements in 1929/30, produced 50% by 1940/41, and 75% by 1960/61 (1992: 177). World War II sponsored another remarkable spurt in industrial expansion, with the unprecedented growth of the international economy after 1945. This phase of high growth was characterized by increased sophistication, and the expansion of industry into the production of intermediate and capital goods.

Natrass argues that the success of the industrialization process in South Africa "owes a great deal to the rise of Afrikaner nationalism" and, in particular, to the strange political alliance of 1924 between white labor and white rural capital, personified by the Pact government (1981: 163). Through the economic policies of the Pact government, government intervention became an accepted feature of the South African economy, and its direct participation in manufacturing increased steadily, as the government sought to give South Africa economic independence. Two major policy instruments

were utilized in the interwar period: tariff protection, and the creation of a state sector around heavy industry to strengthen links between mining and manufacturing. In 1928, Parliament passed the bill that established the wholly state-owned Iron and Steel Corporation (ISCOR). ISCOR's capacity was expanded continuously, and by 1960 it was able to supply more than 75% of the steel required in the country (Jones and Muller 1992: 169). The government imposed price controls on iron and steel in an effort to keep prices low, and these were maintained until 1985. ISCOR was, however, fortunate to have a low cost structure, in that it had its own coalmines and electricity was provided at a low cost by ESCOM. Jones and Muller assert that the country's steel-users were saving substantially by using cheap locally produced steel (1992: 170).

The government increasingly became involved (although the level of involvement varied) in a host of goods and services: agriculture, airplane maintenance, ammunition, banking, coal, coach tours, coffee, crude oil, crude tar, data processing, diamonds, electric cables, engines, estate agents, explosives, fertilizer, forestry, foundries, gas, general dealers, insurance, medical aid, oil explorations, oil-from-coal, printing, radio, salvaging, smelters, steel, stone-crushing, tea, telecommunications, television, tourism, and wine, among others (see Caldwell 1989: 135). Caldwell goes on to list scores of government-controlled bodies, including African Metals, Atlantis Diesel Engines, Allied Tar Acid Refiners, Alusaf, Armscor, Atlantis Aluminium, Atlas Aircraft, Avon Wire, Cape Town Iron and Steel Works, Coastal Coal, Consolidated Wire Industries, Council for Scientific and Industrial Research, Dalestone, Development Bank of Southern Africa, Donkerhoek Quartzite, Dunswart Iron and Steel Works, Durnacoal Mine, Fortsif Sandworks, Glen Douglas Dolomite Mine, HWH Beleggings, Heckett SA, Infoplan, Inspan, Naschem, National Petroleum Refiners, Phosphate Development, Pretoria Metals Pressings, SASOL, Sishen Iron Ore Mine, Suprachem, Usco, and Vanderbijlpark Estate, among others.

The rapid progress of the manufacturing industry in the 1930s is illustrated by the fact that the real value of its output more than doubled in six years (1932/33 - 1938/39), and total employment in manufacturing rose by 77% (Jones and Muller 1992: 170). World War II meant that South Africans were denied access to customary imports and thus, in an effort to increase self-sufficiency, the Board of Trade and Industry began to give advance assurances that entrepreneurs would be granted protection for certain essential new industries. These

guarantees helped stimulate the local production of agricultural implements, electric motors, chemicals, pulp and paper, and textiles (Jones and Muller 1992: 171). The government also created the Industrial Development Corporation (IDC) in 1940 to facilitate in the establishment of new industries. Public corporations came to play an increasingly important role, providing products that were of strategic economic and political importance. By 1977 the output of public corporations contributed 11% to the country's total manufacturing production (Nattrass 1981: 163). The state also played an important role in stimulating the development of Afrikaner capital, which saw the rise of three major corporations, namely Volkskas, Sanlam, and Rembrandt.

The public sector grew consistently after 1946, with its contribution to GDP rising from 23.5% in 1946 to 30.7% by 1975. More importantly, government investment rose steadily from under 6% in 1946 to 11.5% of GDP by 1975; government investment as a percentage of total investment also rose and by 1978 it accounted for a massive 53% (including investment by public corporations) (Nattrass 1981: 232). Total employment in central government rose from 219,736 in 1960 to 431,932 in 1977 (Nattrass 1981: 245), that is, at an average of 5.4% per annum. Table 1 shows data relating to the public sector's share of total investment by sector for the period 1946-72.

Table 1 - Public sector share of fixed capital by sector, 1946-72 (as a percentage of total)

| Sector | 1946 | 1950 | 1960 | 1972 |
|---|------|------|------|------|
| Manufacturing | 8 | 16 | 20 | 25 |
| Electricity, Gas, and Water | 100 | 100 | 100 | 96 |
| Transport, Storage, and Communication | 99 | 99 | 98 | 97 |
| Finance, Assurance, Real Estate, and Business Service | 8 | 10 | 9 | 12 |
| Community, Social, and Personal Service | 95 | 93 | 93 | 95 |
| Other | 1 | 1 | 1 | 1 |

Source: Adapted from Nattrass, 1981: 234

From the table above, it is apparent how the public sector increasingly moved into the manufacturing sector over this period. The predominance of the government in the electricity, gas and water, and transport and storage sectors reflects its commitment to its perceived role as a major source of infrastructural investment.

After 1970 there was a gradual relaxation of government involvement in the economy. The Reynders Commission of 1972 found that the scope for further ISI had declined, and suggested a switch to export promotion. Thus, in 1972, a new export incentive scheme was introduced, and the authorities began to dismantle quantitative restrictions on imports. This process was accelerated after 1983 and was facilitated by the dramatic depreciation of the Rand. According to Bell (1993: 88), by 1985 the proportion of imports subject to import controls had fallen to 23%, and by 1991 this proportion was no more than 10%. In April 1990, the government introduced a powerful system of export subsidies, in the form of the General Export Incentive Scheme. The Nationalist government also adopted a policy of privatization in the late 1980s (most notably ISCOR), and announced major tariff reductions in line with its general aim of liberalization.

Another major theme of state involvement in the economy after World War II is that of industrial decentralization. Initially, South Africa's regional development program was a means whereby the NP government aimed to achieve its aspiration of racial segregation. South Africa's regional industrial policy began with the Border Industry Programme in 1960. This program encouraged development next to homelands, and involved promoting growth points in these border areas and later within the homelands themselves. In order to attract industry to these areas, incentives were offered. Such incentives, partly obtainable as a tax deduction, offered subsidies on transport, water, housing, and electricity, land, plants and buildings, and relocation expenses. The 1982 RIDP (Regional Industrial Development Programme) identified growth points for development. Although it was more market related, political motives still dominated as the growth points tended to be near homelands. In addition to decentralization, the 1982 program introduced the concept of deconcentration points, that is, points adjacent to metropolitan areas towards which growth could be channeled to lessen the pressure of overconcentration in the metropolitan areas. The RIDP provided for both short-term and long-term incentives, in addition to the provision of infrastructure. An unfavorable evaluation in 1989 led to a new RIDP

that was implemented in May 1991. This program moved away from identifying growth points. All regions except the major metropolitan areas received the same incentives. This, too, was done away with in 1996 and replaced with a supply-side package.

Overall, it can be concluded from the above that the process of industrial development in South Africa has been primarily state-led. The state played a leading role in reconstructing the nature of the South African economy and in making the economy less dependent on the primary sector. Table 2 illustrates the sectoral contributions to GDP between 1911 and 1996.

Table 2 - Sectoral contributions to GDP (%), 1911-1996

| | 1911 | 1936 | 1951 | 1960 | 1970 | 1980 ^a | 1996 |
|-------------------------------------|------|------|------|------|------|-------------------|------|
| Agriculture | 21 | 15 | 19 | 11 | 8 | 7 | 5 |
| Mining | 28 | 19 | 13 | 14 | 10 | 23 | 8 |
| Secondary Sector (Manufacturing) | 5 | 13 | 22 | 24 | 27 | 26 | 31 |
| Services | 46 | 53 | 46 | 51 | 55 | 44 | 56 |

^a 1980 figures tend to be atypical due to the gold boom.

Sources: Lipton, 1985: 402; South African Reserve Bank, 1997: S-101

Whereas the primary sector (agriculture and mining) contributed almost half of South Africa's GDP in 1911, this fell to 13% by 1996, whilst the secondary (mainly manufacturing) sector's share rose from 5% in 1911 to 31% by 1996. The economy was transformed through deliberate state action aimed at increasing South Africa's economic self-sufficiency, although the economy was held ransom to political motives.

3. The erosion of the apartheid state: 1970-1994

Lipton states that, by the early 1970s, there was a "growing convergence of views among capitalists about the rising costs and inconvenience of apartheid." (1985: 227) She speculates that the reason for this was the diversification of the interests of many capitalists, the increasing capital intensification of all sectors (with wages a lower proportion of costs), and the need for more skilled labor and larger markets. Large companies increasingly supported reforms to the labor

market. Lipton also examines the mounting political costs of apartheid with the radicalization of young blacks who were turning to Marxism and black consciousness (1985: 231-235). Big business became aware that if private enterprise did not address blacks' basic needs, then blacks would push for another system.

The increasing international hostility towards apartheid, especially from the 1970s onwards, posed a threat to the external economic interests of capitalists (both domestic and foreign), especially in Africa into which they hoped to expand. Large multinational corporations with subsidiaries in South Africa came under sustained international pressure to withdraw. Businesses were particularly worried about the shortage of investment capital as a constraint on growth, and realized that this must be attracted from overseas. Foreign capital became increasingly hard to come by as a result of the international condemnation of the South African government for human rights abuses. After the 1976 Soweto riots, foreign investors were scared off, and South Africa had to resort to foreign bank loans at high interest rates, partly so as to maintain a strong military and internal security force. All this led to business lobbying the state for far-reaching reforms.

According to Lipton, the rising costs of apartheid had an impact on the government as overseer/manager of the South African economy (1985: 235-247). The following reasons may be noted:

- a) Rising costs of the job bar in the state sector: the state was the largest employer in South Africa, and it came under increasing financial pressure to substitute white labor with cheap black labor. The acute skill shortage from the mid-1960s hit the state sector especially hard, as it had less scope for increasing wages compared to the private sector. For example, in 1974 it was revealed that the Post Office and Railways were each short of almost 30% of their skilled labor requirements, which could cripple vital services (Lipton, 1985: 236). The erosion of the color bar as a result of the adoption of the Wiehahn Commission's recommendations in 1979 gradually eased labor shortages and reduced costs.
- b) The national dimensions of the skills shortage: the government, as overseer of the whole South African economy, and with the responsibility for the growth rate, came to realize the extent of the problem of skill shortages. Even with the

relaxation of the color bar, shortages persisted. Fedderke et al outline the results of Bantu education and show that race was the primary determinant of educational opportunities. They provide evidence on the fundamentally dysfunctional and distorted schooling system as applied to blacks (2000).

- c) Manufacturing and protection: protection restricted competition and encouraged monopolistic firms. These monopolies needed larger markets for economies of scale to emerge. However, since wages were kept artificially low, the purchasing power of the domestic market was limited and hence, ISI was unsustainable.
- d) Apartheid complicated international economic relations: international hostility endangered South Africa's export markets and hindered South Africa's ability to attract foreign capital and technology. This contributed to the fall in the growth rate from the late 1960s. International hostility became more concrete with the sanctions and disinvestment campaigns of the 1980s (although the United Nations already imposed an arms embargo in 1977). In 1985 the Commonwealth banned the trading of arms, oil, computers, and Krugerrands, and trade missions. In 1986 the US Congress passed the comprehensive Anti-Apartheid Act that imposed more extensive sanctions. It prohibited new investment in South Africa and loans to the South African government, and limited trade. The disinvestment campaign saw major capital outflows and worsened balance of payments problems, which acted as a constraint on growth.
- e) Mechanization and unemployment: by making urban black labor scarce, apartheid encouraged mechanization. This was furthered by negative real interest rates and through capital subsidies. The result was the distortion of relative factor prices, which made capital artificially cheap and labor dear. The result was a growing unemployment problem that in turn exacerbated socio-political uprisings.
- f) Rising costs of decentralization: the decentralization policy, with its roots in the homeland vision, failed to stimulate industrial development in decentralized areas on a permanent basis (see Luiz and Van der Waal, 1997). It was estimated that it cost four to five times more to create jobs in the decentralized zones than in the metropolitan areas

- (cited in Lipton 1985: 245). By the 1990s, over R1 billion was being paid per annum by the state as decentralization incentives (Luiz and Van der Waal 1997).
- g) Rising political costs of apartheid to the state: the 1970s saw an increase in domestic uprisings and the growing militancy of the black population. This was reflected in increasing labor and student unrest. The "total onslaught" on the apartheid system both domestically and from the ANC's military wing in neighboring territories put enormous strain on the fiscus to finance security. Defense expenditure accounted for 4.5% of GDP in 1989/90 (RSA, 1997: 8.13). Security expenditure became unsustainable in the 1980s when the economy experienced zero growth, and yet the state was unable to cut this expenditure in the face of the state of emergency gripping the country.

The apartheid state faced increasing challenges in the 1980s, as South African society became increasingly mobilized. Du Toit asserts that the state's response to this defiance was initially to embark on "reform apartheid" in the 1970s and early 1980s, and later turn to the counter-revolutionary "total strategy" offensive (1995: 348-350). The constitutional reforms of the former strategy were visible in the Tricameral Parliament (1984) and the Regional Services Councils (1985). The intention was to co-opt sections of the population into the formal political process, but to do so in such a way that they would be unable to determine the course of decisions. The inclusion of Asians and coloreds was meant to give a measure of legitimacy to the system and to marginalize the black democratic movements. To placate civil bodies, various forms of petty apartheid were eased (for example, the deracialization of public facilities). However, the effect was quite the opposite, and mass mobilization under the umbrella of the United Democratic Front (UDF) was intensified. The counter-revolutionary 'total strategy' entailed the activation of the National Security Management System, the declaration of successive states of emergency from 1985 to 1989, the banning, deportation, and/or detention of persons, and the banning and/or restriction of the activities of organizations deemed to be a threat to the state. The armed struggle peaked in 1988 with 281 guerrilla attacks (cited in du Toit 1995: 348). The UDF attempted to make the country ungovernable through rent, school, and consumer boycotts, and by attacking Black Local Authorities.

Political violence escalated to the point where around 19,000 political fatalities occurred between 1984 and 1993 (SAIRR 1994: 27).

The South African state weakened from the early 1970s onwards, partly as a result of the economic slow-down. Du Toit (1995: 357-363) gives further evidence of this erosion of state capacity by the following:

- a) Growing corruption within the state (Information scandal of 1978, the misuse of funds by homelands, and so forth) led to disunity and internal fragmentation within the NP and civil service.
- b) Civil disobedience increased, making certain apartheid laws redundant (the 1989 Defiance Campaign successfully targeted segregated facilities such as hospitals, beaches, and buses).
- c) Tax revolts, in the form of rent and service boycotts, started in 1984 and escalated enormously.
- d) The rise of private armies and paramilitary forces (Azanian Peoples' Liberation Army, *Mkhonto we Sizwe*, YSTERGARDE), which challenged the claims to state sovereignty, also indicates a weakening of state power.
- e) The rise of "people's courts" as an alternative to the formal judicial system to enact informal justice in the black townships.
- f) The weakening of Black Local Authorities. The black counselors became prime targets of attack by the UDF, leading many to resign, and by the beginning of 1991 almost half of these Authorities had ceased to function.
- g) A final indicator of the decline of state control is shown in the rapid rise in the crime rate, which proves the deterioration of the most fundamental state function, namely law and order, as is illustrated in the table.

Table 3 - Crimes reported to the police, 1974-95

| | Assault | Murder | Rape | Robbery | Vehicle theft | House-break |
|---------|---------|--------|--------|---------|---------------|-------------|
| 1974/75 | 138,586 | 8,662 | 14,815 | 37,896 | 26092 | n/a |
| 1979/80 | 134,682 | 8,356 | 16,149 | 45,442 | 39854 | n/a |
| 1984/85 | 123,001 | 8,959 | 16,085 | 39,302 | 48584 | 31,450 |
| 1990 | 124,030 | 15,109 | 20,321 | 61,132 | 68649 | 225,158 |
| 1995 | 171,656 | 18,983 | 36,888 | 102,809 | 97947 | 293,204 |

Source: SAIRR, 1997: 65-68.

Table 3 illustrates the rising long-term trend in crime. Between 1974 and 1995, reported cases of assault went up by 24%, murder by 119%, and rape by 149%. South Africa's reported murder rate of about 45 per 100,000 people in 1995 compared with an international average of 5.5 per 100,000. It has been shown that of every 1,000 crimes committed in South Africa, only 450 were reported, 230 were solved, and 100 brought to trial. Of those prosecuted, only 77 were convicted, of whom 33 were imprisoned, but only eight served sentences of two years or longer. Of the latter eight imprisoned, only one would be rehabilitated. An estimated 94% of all prisoners would immediately become involved in crime once they were released (cited in SAIRR 1997: 63). These statistics point to the disintegration of state power in the 1980s, and the state's inability to preserve the omnipotent position required to perpetuate the complex system of apartheid. Its resolve had weakened and resources had become scarce. In effect, the marginal costs of the apartheid system began to outweigh the perceived marginal benefits.

The weakening of the state led to negotiations on the transition to democracy. The critical breakthrough came with the un-banning of the ANC, PAC, SACP, and other organizations on February 2, 1990. Even during the protracted negotiations phase, it became increasingly apparent that the NP government was no longer driving the process. Giliomee (1997) asserts that the NP negotiated a weak deal for itself, and its rapid capitulation surprised even its opponents. The ANC/SACP/COSATU alliance was able to press for its demands, given the state's position of weakness and the alliance's moral high ground. In August 1992, the alliance showed its force by implementing a general strike in which between 2.5 million and 4 million people took part (SAIRR 1993:

315). The extent of the NP government's handicap became truly apparent in the first multi-racial elections on April 27, 1994, when the NP garnered only 20% of the total vote—a sure indication of its lack of support and its illegitimate status.

4. An evaluation of the strength of the apartheid state

The previous sections outlined the extraordinary extent of the social, political, and economic engineering engaged in by the apartheid state, and this seems to vindicate the position that it was indeed a strong state:

The apartheid project required a state of exceptional strength. The legal enactments of apartheid comprised an extraordinary wide set of prescriptions by the state as to how people should behave and where they should live and work; and it set out detailed rules concerning which survival strategies were to apply to whom—in short, an enormous project of social control was brought into effect. (Du Toit 1995: 317)

The state determined almost every facet of South African society, and its intervention in the economy was paramount in shaping future development. Yudelman (1984: 286) asserts that South Africa was a leader in the first half of the twentieth century in terms of the state fashioning the relationship between state, capital, and labor. The state went beyond basic Keynesian anti-cyclical stabilization—it determined the process of industrialization and the nature of social relations. Using Migdal's (1988) criteria of state capacity, the South African state qualifies as a strong, capable one at first glance:

- a) Penetration of society: the state effectively co-opted white support by rewarding them with socio-economic privilege. It failed to penetrate black society and as such remained illegitimate. It therefore had to enforce compliance through the use of statutory legislation and the mighty security forces. This it did fairly successfully.
- b) Regulation of social relationships: through a complex system of legislation, the state regulated who lived where, who associated with whom, who did what work and got paid what, who became educated, and so forth.

- c) Extraction of resources: this is normally the first function that states build up, because it determines the effectiveness of all their other functions. In effect the state's extractive capacity is also an indicator of its penetrative ability. The success of the state in this area is revealed in the growing proportion of tax revenue relative to GDP,⁴ reflected in the table below.

Table 4 - Tax revenue as a percentage of GDP, 1950-1996

| Year ended 31 March | Tax revenue as % of GDP | Year ended 31 March | Tax revenue as % of GDP |
|------------------------|----------------------------|------------------------|----------------------------|
| 1950 | 11.9 | 1975 | 18.9 |
| 1955 | 13.9 | 1980 | 17.1 |
| 1960 | 13.7 | 1985 | 20.6 |
| 1965 | 14.6 | 1990 | 25.0 |
| 1970 | 17.4 | 1996 | 29.3 |

Source: Calculated from South African Reserve Bank Quarterly Bulletins, various years.

The above table illustrates the state's growing extractiveness, with tax revenue as a percentage of GDP rising from 11.9% in 1950 to 29.3% in 1996. However, McGrath (1984) found that in 1975, whites contributed 77% of the tax burden (although comprising only 17% of the population); whilst Africans contributed 16% of the tax (although comprising 71% of the population). This is, of course, to be expected, given the highly skewed racial distribution of income and wealth in South Africa. Furthermore, the rising tax revenue ratio points to the growing costs and unsustainability of the apartheid system. The cost of suppressing continuous uprisings, waging war against the Frontline states, and the financing of the disintegrating homeland system all became exorbitant.

- d) Appropriation of resources: the state used its resources in a very determined manner, so as to finance its grand apartheid vision. This capacity became severely eroded

in the 1970s and 1980s, when one after the next corruption scandal was brought to light, the most infamous being the "Information Scandal"⁵ in the 1970s. Adam (1979: 61-82) provides an interesting account of the ethnic mobilization of the Afrikaner "volk," which he applies in explaining the increasing corruption levels, particularly during the course of the 1970s. He believes that the 'Information Scandal' was the first large-scale use of state patronage for personal enrichment, which tainted the trusted code of honor between the rank and file and the leadership. Had such codes of conduct not existed at early stages, the momentum of ethnic mobilization could not have been maintained, and cleavages would have arisen.

The apartheid state was most certainly strong in terms of its coercive function. A complex system of statutory laws gave the state unlimited power to ban persons and organizations, detain without trial, and prevent forms of association. To administer the laws of apartheid, the bureaucracy was expanded: by 1977 about 540,000 whites were employed in the public service, and Afrikaners occupied more than 90% of the top positions (Thompson 1990: 199). To enforce these laws, the government security forces were well resourced, especially when related to political crimes. In 1978 the South African Police had 35,000 members (55% of them white) and 31,000 reserves (Thompson 1990: 199). The security branch was responsible for interrogating and frequently torturing political suspects. However, it is the military expansion that is especially telling. In 1978, defense absorbed nearly 21% of the budget, two years military service was compulsory for young white males, and the active-duty defense force comprised 166,000 permanent members, 38,400 white conscripts, and 255,000 white citizen reserves (Thompson 1990: 200). In fact, when fully mobilized, its strength was estimated at just over 400,000 military personnel in the early 1980s, compared to 90,000 in Malaysia (with a total population of 18 million), 27,000 in Venezuela (population of 20 million), 130,000 in Argentina (population of 33 million), 182,000 in Brazil (population of 153 million), and 176,000 in the United Kingdom (population of 57 million) (Encyclopedia Britannica 1982: 282).

Du Toit declares that the extent of state strength is also visible in the state's attempts at social control through the pass laws: between

1916 and 1984 almost 18 million Africans were arrested under laws of influx control (1995: 318). Lipton, however, maintains that African movement into white areas was not halted, although their urban population growth rate slowed down from 6.4% between 1946 and 1950 to 3.9% in the 1960s (1985: 45). The size of the urban African population still increased from just over 500,000 in 1911 to almost 6.4 million in 1980 (cited in Du Toit 1995: 319). The state's effort at determining urbanization indicates that although the state was relatively strong, it was overly ambitious and overestimated its own strength.

Prior to World War II, the capacity of the state is most clearly illustrated in its efforts at regulating the labor market through the civilized labor policy that, in turn, shaped the future nature of South African society and economic development. This has already been alluded to above. The government's handling of the poor white problem in the 1930s indicates the zenith in state capacity in the period before 1939. Abedian and Standish estimate that the total number of poor whites supported directly or indirectly by the state between 1933 and 1940 was 234,000, with the lion's share of this falling to direct state expenditure (1986: 50). They show that government expenditure on unemployment relief measures rose from below 1% of the government budget in 1920 to a maximum of almost 16% by 1934. Government efforts at reducing poverty consisted of three elements: a legislative package in the labor market designed to favor whites at the expense of blacks; a sustained effort at increasing government services to whites (at the expense of blacks), especially in education, health, and housing; and, lastly, an ambitious public works program (Abedian and Standish 1986: 187). The government's successful handling of the poor white problem points to what can be done with concerted state effort (although this was to a large extent a zero-sum game).

After the advent of the NP in 1948, the strength of the state was further magnified. In general, it can be argued that war causes the capacity of states to expand exponentially (as it requires extreme mobilization), which would account for the world-wide success of Keynesian intervention in the decades following World War II. The NP inherited this highly mobilized state, and proceeded to accelerate this mobilization. It systematically weakened civil society through an abundance of legislation that restricted freedoms of association and speech, banned individuals and organizations, and generally made all modes of opposition to the apartheid system a form of treason. The

strength of the state reached its apex under Verwoerd with the spawning of the homeland system, which entailed his vision of the planning of the peripheries. Ironically, it is the homeland system that, to a large extent, caused the very downfall of the state later on, because of the exorbitant costs entailed and their maladministration. Paradoxically, it can be argued that the state never intended the homeland system to function successfully, as the ascendancy of the homelands would have entailed a future threat to the South African government, along Migdal's analysis (with power being diffused to the peripheries) (1988). However, the cost of their failures simply became unsustainable. Linked to this was the state's unsuccessful and expensive attempt at industrial decentralization using economic incentives to support an irrational political vision.

The apartheid state was thus a fairly strong one capable of a complex system of social engineering. But it lacked legitimacy in the eyes of the majority of the population and, indeed, in the international community. As such, it was always a state struggling to exist. It successfully penetrated the white community and co-opted it in its vision. Johnston argues that the South African state possessed "a narrowly diffused but strong and durable sense of identity and purpose, and powerful, resilient institutions" (1991: 161). In effect, the state had a schizoid existence, and was perceived differently by different population groups.

Its strength also varied according to function. Johnston cites nine points which identify a weak state syndrome, at least half of which he applies to South Africa: high levels of political violence; a conspicuous role for political police in the everyday lives of its citizens; major political conflict over what ideology will be used to organize the state; lack of a coherent national identity; and a high degree of state control over the media (based on Bauzan 1988: 20-21).⁶ The point he makes is that weak states are distinguished by their failure to create a socio-political consensus strong enough to eradicate the use of epidemic force as a continuing feature of the domestic political environment. The lack of legitimacy meant that although it possessed pockets of extraordinary strength, these would always be temporary in nature, and proved to be unsustainable. Du Toit describes this in the following manner:

In sum, the overall strength of the apartheid state can therefore be measured in the currency of enforced compliance and of low levels of voluntary participation and legitimacy

amongst the subject populations. Only amongst the white electorate could its strength be measured in terms of legitimacy, voluntary support and unenforced compliance.... [O]ne is led to the proposition that South Africa in a sense represents a case where 'a strong state exists within a weak one' (1995: 325).

This dichotomous state, which favored and rewarded whites and imposed servitude and hardships on blacks through its costly system of social control, could only be sustained as long as the state remained solvent and retained its legitimacy in its white constituency (Du Toit 1995: 333). Directing the black population entailed escalating costs to the state, because it had to enforce compliance. However, by the 1980s, the apartheid state rapidly began to lose its capacity in the face of a stagnating economy. Resources became scarce and civil society, perceiving the weakening of the state, intensified defiance campaigns. The state was unable to retaliate as in the past, and hence entered the negotiations process in a position of weakness.

Shezi asserts that the collapse of the state was a gradual process that generated its own momentum as state control became increasingly elusive in the 1980s (1995: 191-193). The economy plummeted into crisis with huge capital flight, mass boycotts and escalated civil disobedience, the homeland system was progressively challenged, townships became ungovernable, and the war in Angola/Namibia aggravated the economic crisis of the state. The state, as a result, intensified its repression through the imposition of the state of emergency, mass detentions, and political assassinations. Increasingly, state control shifted to the securocrats, led by the top echelons of the South African Defence Force, the South African Police, and the National Intelligence Service, who assumed a significant political role, especially under P.W. Botha. This merely served to erode state legitimacy even further. Another dimension of the crisis is manifested in the search by members of the ruling elite for some means to facilitate a relatively smooth political transition, given the imminent collapse of the state.

5. Conclusion

This paper has illustrated the immense capacity of the apartheid state. It has outlined the complex program of social engineering orchestrated by the Nationalist government (and its predecessors) as well as its increasing involvement in economic planning. State strength reached its zenith under Verwoerd's extraordinary blueprint for separate development. The growing costs of apartheid finally made their impact felt in the 1970s, with the state relaxing its political vision as a consequence. Increasing challenges against the status quo came to the fore in the 1980s, which saw a rapid erosion of the strength of the state. This, in turn, facilitated the transition to democracy, with the apartheid regime in a position of weakness. It is important to understand the dynamics of the apartheid state, because this will promote a realistic appreciation of the potential of the post-apartheid state in fashioning a future socio-economic order.

Endnotes

¹The financial assistance of the Centre for Science Development (HSRC) towards this research is hereby acknowledged. The usual disclaimers apply.

²Despite this obvious rhetoric, apartheid was fundamentally about racial domination and prejudice. No effort was made at promoting meaningful and equal separate development.

³The paper uses the historical race classification under apartheid: white, colored, Asian, and African. The term 'black' is used as a collective term for coloreds, Asians, and Africans.

⁴Note that using tax revenue as an indicator of a state's extractive capacity is fraught with ambiguities. More is clearly not always better. However, extraction becomes more difficult as states weaken - see Zaire. States may be able to temporarily conceal their weakness by maintaining or even increasing their tax revenue (often with highly coercive instruments), but this cannot be sustained by a weak state, and it will sooner or later translate into declining revenue as a proportion of GDP.

⁵The Information Affair resulted from the illegal use of funds to secretly fund an English newspaper and the revelation of large-scale personal enrichment.

⁶The four remaining points which Johnson believes do not apply to South Africa are: major recent changes in the structure of political institutions; lack of a clear and observed hierarchy of political authority; conspicuous use of force by the state in domestic political life; and a proportionately small urban middle class. I would argue that the last two points could quite convincingly be applied to the apartheid state and its environment as well.

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