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Title: Economic Growth and Political Changes in South Africa: A Postscript.

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DR. N. BROMBERGER:

Economic Growth and Political Changes in South Africa: A Postscript.

I think I am required to summarize (at least some of) the arguments of my published paper on growth and political change (1) - and to add any comments that are suggested by a year's return to this country. I have found this assignment very difficult. I have put down some unevenly argued reflections; some I think are argued fully but others more sketchily. I hope both categories will be of some value.

l. I am glad we are looking at "social and political change" - and not just political change. There is a danger in focussing too heavily on the possibilities of reform of the central political institutions of the country. I think change in that area is probably a sufficient condition for change in many other areas (though precisely what kind and what degree of change is not clear); but I do not think it is a necessary condition for various sorts of desirable change. Given this, I think what might be useful is a listing - as concretely as possible of features of the South African scene which need "change", and a piecemeal enquiry into the possible effects of continued economic growth on them. I always find it extremely difficult to make a satisfactory listing of this kind - there seems no obviously correct way of doing it, The sort of thing I have in mind is: (i) poverty and unemployment; (ii) social welfare deficiencies - i.e. inadequate pensions, health, housing, urban amenities; (iii) inadequate schooling, skill-training and

general development of human potential; (iv) so-called "petty apartheid"; (v) economic discriminations and disabilities - relating to occupational and geographical mobility, trade union recognition, freedom of entrepreneurial initiative and asset acquisition; (vi) the denial or serious qualification of a range of civil liberties; (vii) the pervasive inequality of enjoyment of "the good life" - as between the averaged racial groups; (viii) the monopolisation - with the exception of recent Homeland experiments - by Whites of formal political power; (ix) the possibly thwarted "national" aspirations of Africans - or some Africans.

Of course there are interconnections between some of these: there are features which if changed would lead on to other changes (in the language of the Background Paper, p. 21). But I am inclined to doubt that social systems in general - and the South African system in particular have quite as much internal logic and coherence as is sometimes suggested. Hence the possible value of a piecemeal approach.

I shall not in this paper carry out my own programme of piecemeal enquiry - though I shall discuss parts of it. I list the inventory
of features primarily because I want to draw your attention to the possibility that growth may promote widely-approved changes under some
heads, but not others, and may indeed promote retrogression under some
heads - or that the political decision-makers may require (mistakenly
or correctly) retrogression under x as a precondition of non-interference with, or active encouragement of, progress under y. To be a little
less abstract: it is commonly said when some change (or promise of
change) is being evaluated - "but almost simultaneously raids, bans etc.
are being intensified", as though this is evidence that the S.A. Government
is not serious about its promises. We must think about the possibility

that the intensification of certain forms of "repression" is precisely evidence of the seriousness with which certain deracialising and material-welfare-improving changes are intended.

Much discussion of this topic in the past assumed that influences would run from the economic sphere (where growth was taking place) to other areas in this society. Growth was thus thought of as having some autonomy, some important degree of causal independence. I think this is the correct view to take - at least in our South African situation. [I make the point because H. Adam (2) has recently asserted that much of the argument about the effects of economic growth on the social and political structure is futile because it fails to recognize the common participation of both 'sectors' in the system of social controls that guarantee White domination . I suggest three points that are relevant here. (i) Economic decision-making is still largely decentralised i.e. is not originated at the centre but carried out by large numbers of economic agents with partial views and sectional interests. Moreover the long-run consequences of economic changes are ambiguous and uncertain and may well be ignored or heavily discounted. These facts are relevant since numerous features of our economic, social and political arrangements impose costs (of various sorts) on economic agents. It may be that viewed from the centre and within a sufficiently lengthy time-horizon those costs will appear to be more than offset by benefits flowing from the arrangements; but this will often not be apparent to individual employers and others - who will seek to circumvent or to have changed the offending features e.g. Physical Planning Act restrictions, rigidities in employment, the failure to recognize trade unions, inadequate social

amenities and so on. (3). (ii) It seems clear that at present "the centre" (viz. the National Party Government) puts a high priority on growth itself - for security reasons among others. (4) This means that they will not intervene to stop or redirect many decentralised economic decisions that have risky implications. (It is interesting to go back to a 1954 paper of Leo Kuper's (5) to see him speculating incorrectly that the National Party government would intervene to bias growth back towards mining and agriculture). (ii) Growth in S. Africa involves sustained and major interchange with the world economy (as it does not for the USSR and other continental economies). Amongst other things we import our technology from abroad. It is not designed by local Whites to meet the "socio-political requirements" of our system (perhaps in some ways it ought to be!). If modern technological developments demand a massive human transformation of the labour force or of part of the labour force, then that is what will materialse.

actors" (p. 23). I believe it is appropriate to stress that fact because this debate only really makes sense when seen in the context of
political choices that have to be made about South Africa. In my own
experience in the past and present - and I think in that of others the choice-context within which these questions become urgent is that
in which we decide on our stance in relation to revolution and "armed
struggle". I am sure one does not have to consider the question in that
context, but I am equally sure that it is that context which has given
point (and heat) to much of the argument. We are arguing about the
possibility of "peaceful transition". (i) I take many (6) of the
Revisionists to be saying: "There are either no changes, or no significant

changes, or the changes taking place are in the wrong direction and this will continue to be the case so long as growth takes place within the current socio-political system. Significant change can only come (if at all) as a result of international pressures and/or 'armed struggle'". (ii) My position is - and there is no space to argue it fully - something like the following:-

- (a) within the foreseeable future the violent overthrow of the system is highly improbable;
- (b) if it were to be overthrown the human costs to all in South Africa would be staggering - and so would be the costs of serious but unsuccessful attempts at overthrow;
- of, and the opportunities created by, economic growth is creating material welfare for all and changing away from some forms of racialism to a surprising extent:
- (d) in South Africa there are probably severe limits to the extent to which society can be both non-racial and liberal-social-democratic (by the standards of the Western liberal democracies South Africa may have permanently to be satisfied with certain "second-best arrangements);
- (e) in consequence of (a) (d) we have no choice but to defend the system against confrontational attack (in full consciousness of its moral deficiencies and of the compromised nature of our stance) and to work within it, trying to allign ovrselves with those creative forces which are producing a massive human transformation in the society, and trying to do so with far greater imagination than we have employed in the past (see also section 7 below).

It seems to me that - perhaps because this context of violent struggle is not explicitly noted - the Background Paper lacks a dimension of (tragic) depth. Consider the three possible types of change listed on pp. 21-2. I suppose implicit in (2) and (3) - since they involve "radical restructuring" and "rapid restructuring" - is the notion of severe conflict, violence etc.; but the vision is not at all catastrophic - on the other side of conflict is black socialism or capitalism, somebody wins (the blacks). There appears no sense of a nobody-wins outcome (or, more exactly, of an everybody-loses result).

In my paper I attempted to criticize the work of some of the Revisionists. In general I have been confirmed in that critical stance since returning to this country. Perhaps the writer the criticism of whose work enables me most easily to present what I have to say is F.A. Johnstone. (8) (i) For Johnstone the fundamental discriminations in the economic system were three features of the labour market which he termed the "trade union, educational and income colour bars". The net effect of these was to exclude non-Whites from economic power. This exclusion was crucial to the system because its joint goals were White supremacy (a monopoly of power) and White prosperity (in substantial measure created by the appropriative and exclusionary uses of political power). As long as the system grows the exclusions/discriminations are maintained as an integral and functional part of the system (and in fact are reinforced by circular causation). The prospects for non-Whites are bleak - both in relation to power and to welfare (9) (considering income, wealth and education as means to welfare - as well as to power). By comparison with these "bars", job reservation and geographical segregation are not fundamental features of the S. African system: if economic growth causes their modification little is changed. (ii) I argued

at considerable length in my paper that some of these propositions are false. I am not at all sure that modifications in job reservation and geographical segregation can be easily dismissed as insignificant even within Johnstone's framework. There seems a possible link, for instance, between the macro-segregation pattern and White political security - though this is difficult to prove. Certainly relaxations in job reservation (legal and conventional) affect the alleged educational bar; and they almost certainly increase the probability that the tradeunion bar will eventually change or disappear. Moreover, writing after the Ovambo strike, I was able to point to the fact that a legal ban on strike action or the recognition of trade unions need not necessarily be taken at face value: de facto industrial power may be considerably greater than de jure. I denied that we can with accuracy talk of an "educational bar", suggesting that a "queue for admission to full education" might be a better image. I produced some figures relating to Bantu education which suggested (contrary to the notions fixed in my mind by the late 50's and early 60's) that expenditure per head was now rising and that the class-distribution of school-children was. slowly improving at the same time as the school-going total had expanded dramatically. As regards the "income and wealth bar" I took a more tentative position. I denied any deep structural property of the system which would guarantee that the majority of the population were always absolutely poor or that there would not be substantial numbers of Africans, Coloureds and Indians whose living standards would rise to average White levels It was difficult to make positive predictions about the trends in average real incomes or income inequality

- (iii) Since October 1972 (when I wrote) it seems to me that the case I argued then has been considerably strengthened by recent developments and by further information now available to me.
- (a) The strike and trade-union position is of course most startling. (I suggest you go back and read Johnstone to see what the position looked like in 1969). In 1973 despite the illegality of strikes some 70,000 Africans were involved in strikes or work-stoppages between mid-January and mid-October, there was little violence used against them and few prosecutions, many wage-increases were conceded, the Prime Minister accepted that wages and labour relations needed to be improved, Act 70 of 1973 at last formally conceded to Africans the right to strike under certain restricted conditions, and certain forms of plant-based (as distinct from industry-based) labour organisation are now being officially encouraged. Again in 1974 strike-activity emerged and there is a growing voice from prominent employers for the official recognition, and admission to collective bargaining, of African trade-unions. 1950 the non-Whites (mainly Coloureds and Asians) in registered trade unions were slightly over a quarter of the total of White trade unionists. In 1970 they were just under a half of the White total. (10) If all this does not add up to a classic case of the balance of social forces beginning to change I do not know what would.
- (b) In the area of education, skill-training and job-advancement (to group these together) there also seems to me to be evidence which more than confirms the impression that there is no educational 'bar' aimed at permanently excluding non-Whites from income, wealth and economic influence (or power). Rather we seem to be at a point in time where the accent is shifting to the need (for a series of overlapping reason:) (11)

to invest on a large scale in educating, training and "developing" those South Africans who have been behind (and partly kept behind) the Whites in the educational and occupational queue. I can only produce impressionistic evidence here. What I am interested in is the trend: my emphasis is not on how unequal things are today but on whether Africans, Coloureds and Indians are making progress. (12) Expenditure on African education which was effectively pegged at one stage roughly doubled in the 8 years from 1960/61 to 1968/69, and roughly trebled in the 5 years from 1968/69 to 1973/74. (13) The number of African children at school increased by 93% for 1950-60 and 82% for 1960-70. Over time the percentage of the African population at school has climbed from over 3% (1925) to 6,8% (1941) to 13,8% (1960) to 18,5% (1970). Of course these children are heavily concentrated in the lowest standards - but during a period of rapid growth in the total intake (1961 - 1971) the percentage in the kindergarten standards fell from 44,3% to 40,7%, that in Stds. I-VI rose from 52,8% to 54,6%, and that in the secondary school increased from 2,9% to 4,7%. (14) If we consider the picture for Coloured and Indian education there is also very clear-cut evidence of recent progress. The number of Coloured children at school increased in the 1960-70 decade by almost 70% (over 5% per annum) and climbed as a percentage of the population during that decade from 20,2% to 25,5%. The Asian percentage of population at school was roughly constant in the decade at the high level of between 26% and 27%. (The White percentage was 23,2% in 1970 - but they have a different age-structure). There was improvement in the class-distribution of the school-population in this period - most marked in the Asian case. Less than 8% of Coloured school-children were in secondary school in 1950-54;

in 1971 the figure was 11,6%. Already by 1961, 13,9% of Asian schoolchildren were in secondary standards; by 1970 the figure had risen to 24,3% - which is roughly what the White figure was only 15 years before. Over the 4 years (1968-71) Coloured J.C. candidates increased about 48% and passes by about 55%. Senior Certificate Coloured candidates also increased strongly over the 8 years, (1964-71) and there was a dramatic 140% increase in the number of S.C. passes - from an extremely low 595 to 1424 (with the pass-rate rising from 44% to 63%). (15) And so we could go on. As you know some free books for Africans made their appearance this year: the target is to have free textbooks (but not set-books) universally by 1976. (16) Each cohort of Coloured children commencing school must now proceed to Std. 6 - an historic breakthrough into compulsory education In the area of skilltraining and job-advancement there is a similar sort of picture. You will know of the major decisions late last year to train Africans also in urban areas - with Government assistance; and of recent taxincentives to encourage firms to spend funds in this way. You will know also of "artisan aids" in the mining, motor repair, electrical and other industries. The motor assembly firms in the Port Elizabeth -Uitenhage area are providing an extensive range of training facilities including the use of the company apprenticeship system and the 'adult artisan" provisions of the Apprenticeship Act to train individuals from all race-groups as toolmakers etc. (17) The data in the 1969 and 1971 Manpower Surveys provide evidence in this general field. At the artisan level I was interested to note that in 1971 Coloured artisans and apprentices dominated the furniture trades; that the "racial balance' was changing in the printing trades (artisan White: Coloured ratio = 10 : 1; apprentice White : Coloured ratio 5 : 1); and that in the building trades, whereas in 1967 there were more White apprenticeship

contracts registered than Coloured by 1972 Coloured contracts were double the White total. According to the Manpower Surveys Coloured and Indian apprentices increased as a percentage of total apprentices in employment from 12,5% in 1969 to 17,3% in 1971. (18)

- (c) I have done a good deal of work on African, Coloured and Indian standards-of-living (or real incomes) since coming back and am convinced that for the post-1960 period there is good evidence for believing that on average these groups have experienced a rising standard-of-living. (The Personal Income per capita figures for 1960-70 given in McGrath's paper to this Workshop are consistent with this impression). I still have little notion of the determinants of this process and so cannot predict future trends either of level of real income or of inequality in relation to Whites but at least in recent times it seems to me that the system must be cleared of the charge that it is unable to generate real income growth for non-Whites. (19)
- (iv) In summary, it seems to me quite clear that Johnstone was wrong about South Africa in a number of important ways. His paper was an interesting attempt at modelling the situation here. As I wrote in my paper (pp.75-6) the underlying approach he used with its emphasis on groups, their interests and goals, and their strategic and tactical choices in pursuit of their goals is promising and should be reworked and developed not rejected. But Johnstone's particular model (as distinct from the underlying approach) predicted that there were no endogenous tendencies to "progressive" modification of the South African system: our society was entirely locked in to a vicious circle of causation from which we were apparently not able (at least on our own) to

break out. The process of economic growth benefits Whites because they effectively monopolise the economic (and other) means to power and the economic means to welfare.

The main thrust of my argument has been that economic growth (as experienced currently in South Africa) is not compatible with the discriminatory "colour-bars" that Johnstone puts at the centre of the system as guarantees of White monopoly. In the field of labour organisation and trade union affairs, in formal education and industrial training, and in the sphere of income and wealth distribution the means to welfare and the means to power are being multiplied rapidly and distributed sufficiently beyond the White boundaries to justify our speaking of the presence of endogenous tendencies to "progressive" modification.

There are other changes that might be listed - which don't fit into the Johnstone framework, but which do I think have some relation to growth. From late last year the Government began to talk of the need to do something about African and Coloured urban conditions - housing, recreational and other amenities, street-lighting, sewerage, general environment. (20) There is some tendency here to rope in the private sector i.e. large companies - and they often subsidise sporting and similar amenities; but General Motors in Port Elizabeth, for instance, is certainly involved in housing subsidisation (or loan provisions) as well. (21) Note the inter-connection between the workers' willingness and ability to work night-shifts and the availability (or not) of adequate policing, street-lighting and efficient transport systems. (22) There second little

doubt to me that the Theron Commission will have a lot to say about all these issues as they affect urban Coloured people - and my guess is that the Government will seize the opportunity provided by the Report (when it is made) to engage in further substantial expenditures on Coloured "socio-economic upliftment". (23) I am not willing to predict that migratory labour will diminish or disappear (though it may): but I do think that despite evidence presented last night about intensifications of the system and about technical devices to perpetuate, while reducing the costs to employers, of the system (24) - despite all that, there are senses in which the human sufferings and costs (to workers) of the system may have lessened. I appeal here to Albie Sachs's (as yet) unpublished work on "race law" prosecutions. (25) I think that growth rationalisation has something to do with these changes - though it is unlikely that it is the only factor involved. We know that prosecutions under "the pass-laws" were down in 1972 (as compared with 1968) - after many years (including recent years) in which there was a very strong rising trend in prosecutions. The introduction of advice centres and the switch of controls from administration by municipalities to that by Bantu Affairs Administration Boards (with wider boundaries) may over time be leading to fewer prosecutions, at least to fewer prosecutions per head of population. (26) In the same way 1974 saw the scrapping of the "masters and servants" acts which imposed penal sanctions in the area of labour contracts. Interestingly, and not surprisingly, they were falling into disuse before being removed from the statute-book. (27)

6. Let me stop at this point - although there is a lot more detail we might survey. What about political power? Can we discern anything that might be called "political change" and which deserves to be noticed? I find

the discussion of these questions difficult - but something must be attempted.

- (i) As I suggested above (in section 1) a change in the distribution of political power (certainly of formal political power) is not a necessary condition for changes in the distribution of those 'goods' the allocation of which the struggle for political power is often thought ultimately to be about. I have tried to show in sections 4 and 5 above that the recent history of South Africa bears this out.
- (ii) I think we need to distinguish between formal political, economic and other kinds of power - and the actual, de facto power situation. I am not enough of a political philosopher to develop a full analysis of the concept "power" (which is what we need at this point). However I can suggest some ways (using an economist's tools) in which a divergence between the de jure and de facto power-situations may emerge. First, if A and B are in conflict and A monopolises formal (legal) power then to concentrate on that power monopoly in your analysis of the situation may be misleading if over time A and B develop certain common interests and their conflict is moderated. Secondly, the costs for the exerciser of the use of formal power may change (rise) - so that formal power is not used although available, or not used to the same extent or as effectively as formerly. Then again, certain options - the availability of which was part of the definition of the extent of power - may disappear (although it may be possible to interpret most cases of this sort as involving changes in costs). I suggest that the mild response to African illegal strike-activity in 1973 and 1974 is partly accounted for by the first two cases I have listed. I am not claiming originality or intellectual credit for these sketchy remarks - but I am surprised at the omission of such considerations in much of our academic discussion (whereas in fact they figure quite commonly in everyday comment on public matters).

(iii) I am frankly astonished at the failure of anybody thus far at the Workshop to take seriously the possibility that the institutions of "separate development" will turn out to be instruments through which political power is significantly redistributed - or through which real political change materialises. I can understand the view that change of this sort - or through such channels - is not desirable, or not as desirable as certain alternative political changes; but I do not understand how one can fail to discuss the possibility that this is how change will happen. Take the Coloured case: why must the only significant political advance be in common franchise terms? I do not see why it is not possible to give powers to the Coloured Persona! Representative Council (or to a joint committee of it and the Cabinet) to propose, negotiate about and refer legislation - or (if we become very daring) to veto legislation. And if so, is there no redistribution of political power? Will the imposition of new discriminations and the intensification of old ones not have become less probable? Will pressures in fact not build up for "socio-economic uplift" and the scrapping of discriminations? How else after all does the National Party enable its client-party to fight an election on the basis of a universal franchise with any reasonable chance of success? And if its clients do not succeed it will be faced by a majority in the CPRC threatening the continued operation of separate representative institutions altogether. Of course if that happens it will not be the end of the road for the National Party - they will not fall from power! - but I do not think it will be a no-cost (or even low-cost) outcome for them. In which case they will be ready to pay some price to avoid it. (28)

(iv) I could at some length develop a similar sort of case in relation to the Homelands policy. I shall not do so here. (29) I shall limit myself to reiterating the point that "separate" politics have already made some

difference to the odds attaching to various possible political outcomes and (which is rather more what I wish to stress here) must be considered as a possible direction of change in response to the pressures that growth (and the other forces at work on, and in, South Africa) are creating. Michael O'Dowd says that his overall predictions will have been falsified if by 1980 (or thereabouts) no substantial political changes - involving an extension of political participation or power-sharing - have occurred; I certainly would be prepared to count certain kinds of conceivable developments within the "separate development" framework as evidence favourable to O'Dowd's position. (30)

- 7. I want to say something more about this issue of "separate development" (or "macro-segregation" as van den Berghe called it) and its connection with our discussion of the effects of economic growth.
 - (i) As I suggested earlier the "common society" framework has simply been taken for granted in the discussion (not just here at the Workshop but in general). I think this is unfortunate and a mistake though it is historically intelligible. (31) It is perhaps worth reminding ourselves that the most eminent academic economist South Africa has produced spent time in the 1960's saying in public that South Africa's economic growth would make her wealthy enough to be able to afford partition at some stage in the future. (32)
 - (ii) There are a number of reasons why despite the heavy integrationist bias of the usual growth argument it seems sensible to think here about political proposals (and possible political outcomes) involving racial and ethnic separation or differentiation of some sort. First, the "Homelands" policy is as much a fact as is economic growth and I doubt that it is going to wither away and die. Secondly there has been a shift among many overseas observers towards recognition of the legitimacy of athnic aspirations and of the frequent long-run intractability of ethnic group conflicts. (33)

Thirdly, there is some evidence of an altering attitude to ethnic group-identities among English-speaking intellectuals in this country. (34)

The most interesting example of this for our particular discussions is the assertion by Michael O'Dowd at the recent 1820 Conference that

"...it [S. Africa] is a society which, though not unique in the diversity of its population is far more diverse than the countries which we tend to regard as models, so that even when we do reach the level of an affluent society...we will require a form of social and political organisation significantly different from what we tend to regard as the standard pattern." (my emphasis). (35)

(iii) I have no detailed views about what this form of organization will or should - be. I assume it will involve more ethnic-community-based,
"separate" institutions than is "standard" - though that is not incompatible
with a lot more cross-cutting participation in voluntary associations and
social/cultural organizations than exists at present. Within some such
mixed framework there will take place institutionalised and legitimated
inter-group conflict over "group shares" of political, social and economic
resources (including the crucial "resource" of the central political and
administrative apparatus). The point I wish to emphasise is not the
separateness (the elements of "segregation", if you like) - I am really
taking that for granted - but the fact that if such conflict is to be
contained at a level where "bargaining costs" are tolerable (for all) then
we shall all have to be imaginative and innovative in our forward thinking
and planning.

I am emphasising imagination and innovation for two reasons. First, the O'Dowd thesis can seem to imply that there is an inevitability about social and political progress - so long as economic growth takes place the rest will follow. (36) Nowawer, even if we could predict with certainty a satisfactory outcome in this country, people would still have to invent the new institutions, secure acceptance for them and find ways of defusing

and moderating the social and economic inequality we are heirs to.

Secondly, we need to be able to give people rational grounds for

hope - by sketching in creative possibilities.

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There are a number of directions it seems to me worth exploring. First, it ought to be possible to devise a series of ways in which "marginal redistribution" between Whites and others is built into the system - both at private and public initiative. The global objective might be the transference of x% of the annual increase of the GNP to non-whites. (37) Secondly, I see no reason why there should not be an expansion of the network of welfare provisions for the mass of the population (or the "progressive" sections of the masses) before a political "settlement" is reached. Thirdly, I am convinced that one of our urgent requirements is going to be a set of plausible rationalisations for these redistributions. In particular I suggest that the notion of historical compensation (although potentially explosive and destabilising) ought to be developed. Fourthly, I incline to the view that Government, and the authorities in general, will need to become more interventionist and propagandist in promoting "better race relations". This will involve pressure on the media and will be controversial - but there may be no alternative.

(iv) Language is a focus around which problems cluster endemically—and we shall have to approach them also with imagination, daring and will. The current political balance (or imbalance) has kept some of these problems relatively, though not completely, in the background—but the shifting balance I have tried to describe will bring them into prominence. What I want to say about language is as follows: a) The existence of different mother-tongues in a single political state contributes an obstacle of the most serious kind to the easy functioning of common institutions at the mass level. b) Language differences tend to act as a perennial source of discontent, sense of grievance and political

instability because in a multi-lingual environment the distribution of job-opportunities and career-rewards will be biased in favour of those (in the main) who belong to the dominant language group. (38) c) Precisely for these reasons the cluster of questions centred on language-policy will need very close attention. I think we shall also need to think hard about the possibility of resource-allocation on a quite unprecedented scale towards language-education and adult-instruction (for black and white), drawing business firms into the instructional network - indeed even the domestic-service relationship.

(v) This section was intended as a discussion of economic growth and "separate development". In fact it has been focussed on some necessary policies if we are to confine within reasonable limits the group-conflicts that already exist but which will become institutionalised within a system containing a substantial political component of ethnic and racial separatism. Within such a system economic growth seems to me to hold out a somewhat ambiguous promise. On the one hand growth makes feasible the inter-racial transfer of resources and the moderation of inequality: given the social and political will and the perception that such policies are prudent or just (or both) whites "can afford" action of this kind less painfully than before. (In addition of course - as I have argued above - economic growth creates certain new overlaps of interests and relations of interdependence, at a certain stage it produces incentives for investing in the poor and unskilled, and it begins to shift the balance of social forces). But on the other hand economic growth may tend to create an illusion - that a common society and common political institutions can be built as easily as the common economy that already exists - and may tend to make men careless of (among other things) the need to accommodate "diversity". (39)

This suggests to me that there is a fundamental distinction between (a) changes which represent the beginning of a shift in the balance of social power in favour of blacks (and higher levels of material welfare for substantial numbers of them) and (b) changes which both represent power and welfare shifts to blacks and in addition improve the prospects for a desirable long-run outcome in the country (however that outcome is characterised). To assert that (a)-type changes are occurring is not necessarily to assert that they are also (b)-type changes. It is my impression that O'Dowd does assert this and that his long-run desirable outcome to which change is leading is characterised in liberal democratic and welfare-state terms with (we now understand) some unspecified institutional provision for "diversity". I am more certain that the balance of forces is changing and the circle of welfare is expanding than I am that future prospects are improving; and in so far as I do find grounds for optimism about the long-run future I am inclined to think there are stronger grounds for expecting some of the O'Dowdian characteristics to materialise than there are for others.

There is a loose argument connecting economic growth positively with longrun "stability" (in the sense of avoidance of catastrophe, not avoidance
of change) which is worth mentioning because of our uncertainties about
the long-run future and the real possibility of catastrophe (which I
raferred to earlier in section 3). This argument suggests that economic
growth of the sort we now have will encourage social differentiation and
stratification among non-whites, will diversify their interests and so
facilitate eventually interest-coalitions across ethnic and colour lines,
and thus defuse somewhat the racial conflict. I suspect none of us knows
with any certainty how to evaluate this view. Let me remind you simply
or those cleavages which are relevant here and which growth say the expected
to accentuate.

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(i) Socio-economic (or class-type) differentiation is taking place in all ethnic groups. This is being encouraged by the switch of educational and employment policies from low-level mass absorption to more differentiated systems with opportunities for selective advancement up school and firm hierarchies. It will presumably also be encouraged by those aspects of "separate development" which create new administrative/political posts (or Africanise existing ones) and subsidise enterprise in trade, construction, transport and agriculture.

(* . . .

- (ii) There are the usual differences between urban and rural Africans
 (to over-simplify matters) reinforced by the discriminatory effects of
 influx control. I argued in section 5 that there is currently a positive
 response by the policy-makers to the need for improved urban conditions;
 this must increase the cleavage. Indeed Francis Wilson has written
 critically of the probability that there will develop a great gulf in
 income, status and rights between urban "insiders" and migrant "outsiders".

 (iii) The various African "nations" (or tribes, or ethnic communities) now
 have some form of separate political institutions. Economic growth will
 affect these "nations" differentially certainly their "Homelands" (Kwazulu
 and Bophutatswana have better prospects than the Transkei or Venda) and
 possibly their citizen diasporas.
- (iv) Language, general culture and historical experience have always differentiated the Coloured and Indian groups from the Africans. Moreover they have been better placed than the African to seize current opportunities for socio-economic advancement; and in addition policy is to some extent building them into the system as the beneficiaries of various kinds of discrimination. To list such potential sources of conflict among blacks is not to forecast anything firmly. The forces creating "non-white unity" (or African solidarity) may be very powerful. The new elites (however we define them) may be more conscious of their income and status inferiority to those whites they regard as a reference group than aware of common interests with them. (41). And there

is a bitter record after all of rejection and unfulfilled promises which can provide the myth (if they need one) in terms of which to justify long-run intransigence. However (for what this is worth) I find it difficult entirely to resist the conclusion that in so far as economic growth accentuates certain of these divisions, and in so far as it generates a social ideology in which material prosperity is accorded high value, it will increase the probability that (what I would call) stabilizing coalitions will be formed and non-explosive strategies of conflict will be chosen. And if so then the beneficiaries - to return to one of my themes - will not only be those who divide and rule.

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Footnotes

I wrote a draft of this paper for the Durban Workshop while a University Research Fellow of Rhodes University attached to the Institute of Social and Economic Research. I owe a great debt to the staff and fellows of the Institute who helped to make my stay very pleasant and reasonably productive. In particular I am grateful to the Director, Professor (now Senator) Denis Worrall, and to Professor Jeffrey Butler.

- 1. Norman Bromberger, "Economic Growth and Political Change in South Africa", in Adrian Leftwich (ed.), South Africa: Economic Growth and Political Change (Allison and Busby, London, 1974).
- 2. In a lecture given during 1974 at Rhodes University. I understand that the lecture was a revised version of a paper prepared for the Mt. Kisco Conference on Southern Africa (1974) the proceedings of which are to be published (edited by Professors L.M. Thompson and J. Butler). In the Workshop discussion the same sort of point as Adam's was made viz. "politics and economics are so intertwined in South Africa that it is not illuminating (and may be misleading) to try to distinguish them."
- 3. Jill Natrass made the interesting comment during discussion that the myriad choices of decentralised decision-makers can be co-ordinated by a price-system. On reflection I think that this comment helps to clarify my point. (1) I am here discussing a case where there are social and political externalities associated with private economic decisions; and we know in general that 'the market" (a decentralised price-system) fails to co-ordinate decisions optimally in the presence of externalities. (2) Anyway the system of forward markets in "commodity options" necessary for a decentralised price-system to co-ordinate decisions in an uncertain inter-temporal world exists only in the most rudimentary form.
- 4. A very clear example of this was the Prime Minister's speech to right-wing trade-unionists towards the end of 1973. He argued that a 5,75% p.a, growth rate of GDP was required to bring down the number of African unemployed and it was necessary to do this for security reasons. However a 5,75% p.a. growth rate would require White workers to be more flexible about employment policies. (R.D.M. 6.11.73; also Transvaler 7.11.73 "Hoe groeikoers nodig in S.A.")
- 5. "The Control of Social Change: A South African Experiment", Social Forces, Vol. 33 (1954).

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6. I am not alleging that all those favouring the "Revisionist" position support "armed struggle". For one thing, it may be possible to conceive of some alternative route to "significant change". For another, it is possible to deny that "significant change" is taking place at present but be quite unable to suggest any strategy for bringing it about.

- 7. A clear example of this approach is R. First, J. Steele and C. Gurney: The South African Connection (Temple Smith, London, 1972).
- 8. F.A. Johnstone, "White Prosperity and White Supremacy in South Africa Today", African Affairs, April 1970. I believe Johnstone has written a later and more formalised paper in the same area; I regret that I have not been able to obtain a copy.
- 9. I owe the "means to power / means to welfare" distinction in this sort of context to Professor Jeffrey Butler along with much else.
- 10. 1950 : 50 Years, G-18; 1970 : SAIRR Survey 1972, p. 333.

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- 11. I imagine that skilled labour shortages are the most important of these reasons. Startlingly the annual number of South African apprentices reaching artisan status during the years 1960-1967 actually declined gradually. Growth of GNP was partly sustained by a considerable influx of immigrant artisans in 1965 and 1966 the net supply from abroad exceeded the number of local entrants to the skilled labour market; but by 1970 this inflow had declined. See Mercabank, Focus on Key Economic Issues (March 1972 Labour Trends, and July 1973 Manpower).
- 12. This does not mean that I think inequality is an unimportant issue not worthy of emphasis. But I do think it must be studied over time and so one needs first to establish reliable time-series data for the separate groups.
- 13. I think these rates of increase have the right order of magnitude (with the recent trebling perhaps an overestimate: 2.6-fold 2.8-fold may be closer) but the precise figures for expenditure are subject to some uncertainty. The figures I am using are 1960/61 R18,852,514; 1968/69 R29,756,794 (+ R6,022,000 Transkeian Estimates) = R35,778,000; 1973/74 R101,500,000. The first two figures are from the 1969 Annual Report of the Department of Bantu Education (RP 18/1971) with the Transkeian Estimates from the 1968 Annual Report of the Transkei Department of Education. The 1973/74 figure was broadcast on SABC in the Transvaal in December 1973. (Miss Joan Laithwaite of the Union Acceptances Research Department was kind enough to track down the details for me).
- 14. SAS 1972, E-39. Increases children at school based on 50 Years, E-23 and SAS 1968, 1972. Percentage population in school BEJ, May 1973, p. 18, and I.W. van der Merwe, Die Finansiering van Primère en Sekondêre Bantoe-Onderwys (rough title of UNISA M.Ed. thesis, 1971), Table 1.
- 15. Coloured J.C. and S.C. candidates and passes I have mislaid precise source; I think it was the most recent annual report of the Administration of Coloured Affairs. Increased school-populations SAS 1968, 1972 (my % calculations). Increased proportion of Coloured population at school my calculations using Census data for 1960, 1970. Class distribution of schoolchildren 50 Years, E-23, SAS 1968, 1972.

- 16. E.P. Herald 24/1/74 free textbooks for highschool forms 1, 3, 4 in 1974.

 E.P. Herald 1/2/74 for 1976 target (interview Mr. K.B. Hartshorn, Director (Planning) of Department of Bantu Education). Plans do not at present cover setworks or exercise books.
- 17. Keith Bryer, "Africans on Brink of Breakthrough", E.P. Herald 23 and 25/5/73. I am grateful to Mr. Bryer for drawing these facts to my attention and sending me cuttings.
- 18. Department of Labour, Manpower Surveys No. 8 (1969) and No. 9 (1971).

 I have not been able to obtain a reliable assessment of the accuracy of statistics in these Surveys (either absolute or relative to one another).

Apprentices in Employment

	White	Coloured	Indian	Total
1969	37551	4906	481	42938
1971	40656	6937	1565	49158

According to these figures the employment ratio (White to non-White) on the margin was roughly 1:1 whereas in 1969 the average ratio was 7:1.

- 19. I am hoping to publish some of these figures in due course. Sample data on incomes of <u>urban</u> households during the 1960's are to be found in UNISA Bureau of Market Research reports e.g. Africans in Pretoria, Johannesburg and Durban (Research Reports 27.1, 27.2 and 27.4), Coloureds in the Cape Peninsula (Report 27.6) and Asians in Durban-Pinetown (Report 27.3).
- 20. Transvaler 16/10/73 "Dit Alles het die Regering Gedoen"; RDM 23/10/73 "Janson offers new deal for urban Africans"; RDM 25/10/73 "Moving Towards a New S.A.;" "Soweto is going to get lit up;" Star 29/10/73 report of speech by Mr. Janson (Deputy Minister of Bantu Affairs and Administration) in Soweto: he agreed "present living conditions of Blacks were not right by any stretch of the imagination" and added "I sympathise with your plight." See also the interesting series on Coloured progress and problems in Transvaler, 29th 31st October and 2nd November, 1973 of which the last dealt with housing under the headline "Coloureds live in a 'pig-sty'".
- 21. Alan de Kock, "A Multinational Company at the Interface": report to Interface National Convention 1974 by General Motors South African. (Mr. Keith Bryer kindly helped me to obtain a copy of this report).
- 22. This point was made to me by Professor de Vries of the Stellenbosch Bureau of Economic Research.
- 23. This phrase was repeatedly used by Mr. P.W. Botha (Minister of Defence and Cape Leader of the National Party) to describe Government policy to the Coloured group in an election speech I heard him give in the Gardens constituency, Cape Town on 17/1/74.

- 24. I refer here to an intervention by Mr. J. Kane-Berman. He referred to the "call-in card" system and other developments.
- 25. Albie Sachs, "Law Enforcement and Domination in Southern Africa", paper for the Mt. Kisco Conference (forthcoming in published proceedings). Sachs defines several categories of "race-statutes" and his statistics show that between 1967 and 1972 prosecutions under these declined as a percentage of all prosecutions (after rising markedly since 1947). I should make it clear that Sachs would not approve of the use I am making of his figures.
- 26. In discussion Francis Wilson questioned whether we knew enough yet to make this supposition. He thought the decline in pass-law prosecutions between 1968 and 1972 might prove to be temporary.
- 27. See the Sachs paper (footnote 25.).

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- 28. Several scholars who are much closer to the National Party and to Afrikaner society than I am (including Dr. Andre du Toit at the Workshop) were sceptical that interesting constitutional proposals of the sort I allude to are actually in the pipeline or likely to be recommended by the Theron Commission.
- 29. See Merle Lipton "South Africa: authoritarian reform?", The World Today, June 1974, for an interesting discussion of political change, especially pp. 251-4.
- 30. This statement lacks precise content. I have indicated earlier in the text how I think power might be redistributed to the Coloured group within an apartheid framework. For Africans it seems to me that there are similar consultative functions which in practice might change the character of legislation affecting Africans; and there are also federal or confederal constitutional outcomes which may develop out of "separate development" tendencies.
- 31. The thesis that economic growth is a major "progressive" determinant of South Africa's social and political future was developed in the controversy with the National Party post-1948 over the feasibility of apartheid. It was fundamentally "integrationist" in that context and continued to be so as a matter of course when it was turned against the revolutionary "pessimists" (who had no interest themselves in challenging the integrationist bias).
- 32. I refer to Dr. Jan de V. Graaf. I do not know his present views on this question.

- 33. A striking example is Nathan Glazer's article, "The Universalisation of Ethnicity", Encounter, February 1975. He concludes with a powerful statement which I believe almost exactly describes some of the debates in the last 2 decades among English-speaking intellectuals in South Africa: "In a world in which the arrant nonsense of Marxism competed with the tepid confusions of liberalism, the problems of Ethnicity, as a source of conflict within nations and between nations, have generally appeared as simply a left-over, an embarrassment from the past. It is my conviction they must now be placed at the very centre of our concern for the human condition".
- 34. I hope I am correct in interpreting some of the signatures to the SPROCAS Political Commission's Report in this way. Mr. Allister Sparks was also explicit about past mistakes at the Bulugha Conference.
- 35. "English Contribution to the Economic Development of South Africa", Conference on English-Speaking South Africa Today, July 1974. (I believe it is planned to publish a record of the proceedings).
- 35. It is this alleged "inevitability" (or "automatic" character of change) that the SPROCAS Economics Commission seized on critically in discussing O'Dowd's view: Power, Privilege and Poverty, pp. 60-64.
- 37. This general approach is interestingly stated in Hollis Chenery, Montek S. Ahluwahlia, C.L.G. Bell, John H. Duloy, Richard Jolly, Redistribution With Growth (O.U.P. 1974).
- 38. Eastern Europe contains interesting (and depressing) historical precedents. I offer the following quotation as deserving of attention: "It had been supposed that workers and peasants would be free from nationalism; this was true in the days of mass illiteracy. Now Austria had had universal elementary education; and every man who can read and write must define his national allegiance". A.J.P. Taylor, The Habsburg Monarchy (Peregrine edition, p. 229.)
- 39. Professor Sampie Terreblanche in <u>Vernuwing en Herskikking</u> (Tafelberg, Cape Town, 1973) seems to be making some such point as this particularly in his criticism of the <u>Progressive Party whom he interprets</u> as growth maximizers. See e.g. pp. 62-69.
- 40. I refer to a draft paper for the Mr. Kisco conference: "The Implications for Blacks of Economic changes now taking place in Southern Africa." (forthcoming in revised form).
- 41. Terence Beard of Rhodes University stressed this point to me in discussion.

SAS 1968 = South African Statistics 1968 (Department of Statistics).

SAS 1972 = South African Statistics 1972 (Department of Statistics).

BEJ = Bantu Education Journal

RDM = Rand Daily Mail

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