

Webster and Adler (1996) when noting that 'if labour has embarked on a exodus from apartheid to democracy, it lacks a clear understanding of its destination and the route to reach it.

Therefore, all of the above represent what may be called structural economic changes that occurred outside the narrow conceptual analysis of most transition theorists. They clearly illustrate that the transition in South Africa cannot be restricted to political aspects only. But that it also takes place at various structures of the South African society in which old interests are modified and new ones discovered or created. The process of policy making is therefore bound to take into account these developments.

The ANC's insistence of taking into account these 'new interests' in its formulation of the GEAR strategy should be viewed within the context of its commitment to represent the interests of all citizens of South Africa rather than interests of particular sections. This has not been easily swallowed by its Alliance partners, particularly COSATU and the SACP, though their criticism of the strategy was met with suppressive responses and 'threats' from the ANC leadership in parliament in general and particularly from President Mandela himself.

Mandrel's first round of suppressing resentments within the ANC began long before the unveiling of the GEAR strategy. It began with an attack against what became known as 'demagoguery' and 'populist' behaviour by some of the ANC members who criticised the organisation in public. The first 'victim' of this was Winnie Mandela who was dismissed from her post of Minister of Culture, Science and Technology. This was followed by the dismissal of Pallo Jordan from his cabinet post of Broadcasting and Telecommunication, and then by the sacking of Bantu Holomisa from his cabinet post of Environment and Tourism (Mail and Guardian, April 4-11, 1996)

After the unveiling of the GEAR strategy and its declaration as a 'non-negotiable' document, Jeremy Cronin's criticism of the strategy resulted in him having to attend a disciplinary hearing at the ANC headquarters in Johannesburg. Concerted efforts carried along the message that 'if we get our fundamentals right, private sector investors will drive a growth process were later on made by the ANC senior leadership to calm down and contain any serious discontent within the ANC-led alliance. However, when this appeared to be unsuccessful, both Thabo Mbeki and Nelson Mandela decided to target the respective annual congresses of the SACP and COSATU to inform their critics that they are prepared to break ties with these organisations if they are not willing to succumb to the ANC leadership. In 1998 Mandela told the SACP congress:

'GEAR, as I have said before, is the fundamental policy of the ANC. We will not change it because of your pressure. If you feel you cannot get your way, then go out and shout like opposition parties. Prepare to face the full implications of that line'. (Business Day, 1998; Financial Mail, 1998)

The above 'high profiled' warning by Mandela clearly illustrates that the ANC was even prepared to abandon its alliance with its historically long standing 'sister' organisations. Ginsburg (1996) once highlights that if the political system established by the new constitution only provides for a limited form of democracy, in the sense that the popularly elected government is 'too weak to rule against important interests. In the South African case, the important interests given the relatively free rein by the GNU are primarily those of property owners, whether transnational or domestic in origin, who derive their incomes through the extraction of surplus labour from the working population, as well as those other beneficiaries of the free-market enterprise system who in some way receive their share of that surplus (Ginsburg, 1996:84-85). Therefore, after realising that it cannot rule against these interests, the ANC opted for an accommodative strategy by denying its Alliance partners an input in the policy process.

However, apart from both the property clause that is entrenched within the South African constitution to facilitate capital accumulation through private ownership and the retention of the independence of the South African Reserve Bank to guard against inflation through strict monetary policies and the emergence of the black bourgeois class, the trade union movement's ironic acceptance that the power relations at the national level are decidedly in favour of capital and thus venturing into profit-making shareholding schemes and union investments could also be cited as one of the structural factors that contributed for the ANC to remain 'aggressive' in pursuance of its free-market policies. All of these factors clearly confirm Hood (1994)'s framework of explaining the policy changes.

With regard to the explanation that policy reversal may come from 'inside', with policies and institutions destroying themselves rather than being destroyed from outside, Michie and Padayachee (1997:229) asserts that it is not clear whether this may apply in the case of the ANC let alone to acknowledge that the ANC never had a 'blue-printed' economic policy. Nevertheless, there are two points that could be used to suggest that the ANC, in one way or the other, did experience the idea of self-destruction within itself.

Firstly, as has been indicated in the preface, the thesis conceptualises policy making as a process. In this conception, therefore, it is not really necessary to allude that the ANC only began to think about economic policy in the 1990s. Indeed, as argued earlier on, an adequate account of how and why did the ANC shift from its traditional economic orientation involves an attempt to draw a distinction between a economic 'blue-print' and what is herein referred to as 'economic vision'. If this distinction can be used as a tool of analysis, how does one begin to depart from Michie and Padayachee (1997)'s argument?

Clearly, it should be recognised that the conflict within MERG represented a conflict within the ANC. Beside the Freedom Charter and other economic policy discussion documents which tended to be swamped by conference circuit demands or driven by the sectoral concerns of COSATU affiliates and other mass democratic formations, the MERG represented an institutional policy milestone which produced an extensive macroeconomic policy document. The sudden unexpected rejection of the MERG document through a claim made by Tito Mboweni that 'the problem with it was that it was not as strongly embedded in the organisation as it should to make its recommendations acceptable' (Matisonn, 1998), is entirely debatable.

As Chapter 4 reveals, MERG was drafted not by individuals who were 'foreign' to the ANC. It was drafted by individuals who were closely linked to the organisation and who, arguably, had the interests of the organisation at heart. Its rejection and its subsequent replacement by the GEAR strategy, therefore, reflect the extent to which the ANC self-destructed its own course. Interesting enough, is the fact that the conflict was between those who wanted to put in place some of the policies that the organisation has directly or indirectly advocated since its formation and those who wanted to bury those policies not from without, but within the ANC itself. Indeed, a complete substantiation of this point still awaits the extent to which the ANC can sustain its apparent movement away from the policy proposals of the MERG report. If it might happen that at some point in the course of its second, third or even fourth term of office it may decide to go back to MERG, that will be a confirmation of Hood (1994: 13-14) that:

'...policies tend to create unexpected and problematic side-effects, which in turn create conditions for the introduction of new policies to correct or modify the effects of earlier ones..the problem creating effect comes about by the unanticipated effects policies in one sector have on policies in other sectors as well as in their own sectors'

In this context, however, we should not wait for GEAR to be tested and then apply Hood's idea of self-destruction. Instead, we should conceive the abandonment of the MERG's Keynesian policies as those which laid ground for the ANC's self-destruction.

The second point which is closely related to the one above is very much simple and logical. The puzzle about the ANC's abandonment of both the MERG report and the RDP is being felt within the ANC's own ranks more than elsewhere. In his analogy of a dinosaur, Hood (1994:13) argues that their evolutionary success may have sown the seeds of their own destruction in that their 'exhalation' could have triggered off the very climate change which was to destroy them as species. In other words, extinction came not from 'autonomous' forces like meteorites but from 'internal' ones rooted in the basic acts of digestion and breathing (Hood, 1994:13). The same can be argued with regard to the ANC. Right from the outset, the ANC thought to grasp the political power that will enable it to implement economic policies aimed at addressing the legacy of the past. Yet, this aim is currently being constrained by policy makers who maintain that there should be a separation between politics and economics.

Coming out of the closet after loosing the battle to save the MERG report, Vella Pillay observes that by abandoning the MERG report, the ANC has lost an opportunity by adopting neo-liberal policy strategies which means that the key to making democracy work in South Africa is still an elusive tool (Pillay and Millward, 1995). In his own words:

'The alternative is a country which degenerates into anarchy as the volatility and irrationality of the present financial and economic system are translated into the real economy of output, investment and employment...[the MERG's] fundamentals appears to have been lost to our authorities. What we have witnessed after 15 months of the GNU and two national budgets are policies more demonstrative of the impotence of government, notwithstanding the rhetoric of some of our more voluble ministers'

Needless to indicate that the 'self-destructive' nature of the ANC during the MERG period may also be explained with reference to the fact that the organisation by then was being conceived by all actors in the policy making process as the undoubtable successor of the NP, the ANC went to the extent of compromising the expected maximalist role of the state in driving the process of transformation. Inasmuch as the ANC cited the global 'rules of the game' in which the central role of the state is being reduced as one of its reasons to abandon Keynesian policies, there is still a strong feeling amongst policy analysts that the ANC's over-emphasis on this reason led it to

overlook the nature of this society's problem in contrast to those of other countries where free-market policies are adopted not to address aspects of racial inequality. This point has been raised by Adelzadeh when sadly indicating that:

'The ANC underestimated the amount of political power conferred to it through the election. Just like any political state, it did have the power and the legitimacy to implement policies that will be beneficial to the majority of those people who voted it into power. Even the NP government did that...Similarly, there are a number of countries that are still doing that despite these overstated powerfulness of globalisation...'<sup>11</sup>

The Chapter has explored and examined some of the explanations that may be used for understanding the ANC's economic policy shifts from MERG to GEAR. Using Hood (1994)'s framework of explaining the economic policy reversals in the OECD countries in the 1980s, an attempt was then made in which it is argued that, at least the following explanations have been proved from evidence that they have been applied in the South African situation. Firstly, that policy reversal comes mainly from the force of new ideas. Drawing from the findings as discussed in Chapter 3, it has been argued in this Chapter that the 'adoption' of a 'new economic policy' orientation by the so-called 'progressive economists' who has been central to policy discussions and researches in the ANC-linked organisations have played a significant role in exposing these ideas to the ANC<sup>12</sup>.

However, it has also been argued that the process was not only taking place at the 'top' leadership of the organisation. This point was elaborated further in the discussion of Hood (1994)'s argument that policy reversal may also come from the pressure of interests which succeed in achieving changes that suits their purposes. In this case, it has been argued that the ANC's traditional support base has drastically changed from being one which was predominantly constituting of the 'illiterate, poor and working class to the one which was increasingly incorporating the emerging 'black bourgeois' through both processes of 'black empowerment' and trade union investment projects and shareholding.

The third explanation has focused on the changing social habitat in which it was emphasised that this should not be confined to refer to political structural changes at the global context only. But it should also include an analysis of how the transition in South Africa goes beyond politics to various aspects of the economy. Lastly, it has also been argued, though at the risk of over-simplification, that the idea of 'self-destruction' as identified by Hood

(1994) as the one which might also have contributed to the policy reversals in the OECD countries can also be applied in the South African situation. The author has used the abandonment of the MERG report, which was conceptualised as 'largely an ANC product and well grounded in a set of economic policy positions taken over a decade and more' (Pillay and Millward, 1995), to illustrate how this idea can be used to explain the policy shifts in South Africa.

## NOTES TO CHAPTER 5

<sup>1</sup> The concept of 'racial capitalism' has been suggested to the author by his supervisor, Professor Eddie Webster. This refers to a situation whereby whites were enabled through segregation policies to accumulate capital at the expense of the black population which was confined in the 'homelands' and 'forced' through various Acts like the 1913 Land Act to provide cheap labour in the mines. The ultimate results of such segregation led to the entrenchment of what became known as 'apartheid welfare regime': welfare policies aimed at improving the standard of living for whites only.

<sup>2</sup> For purposes of analysis, the concept of 'social movement unionism' is hereby used interchangeably with that of 'political unionism' as used by Karl von Holdt (1995). Both concepts are used to define how the labour movement is able to transcend its working class traditional issues and include, as its official policy programme, an involvement into broader socio-economic and political issues such as participation in Tripartite arrangement with an objective of influencing state policy.

<sup>3</sup> This refers specifically to those NGOs and Civic Associations which emerged within the black communities as mechanisms to counteract the negative effects of apartheid welfare regime.

<sup>4</sup> This concept has been suggested to the author by his supervisor, Professor Eddie Webster. It is used here to refer to an argument that South African is experiencing both political and economic transition. Political in the sense of extending or universalising the enfranchise system to include the 'historically excluded' black population groups (Africans, Indians and Coloureds). Economic transition refers to the argument that the process of transition is not only political, but one which involves the opening up of opportunities for accessing economic resources/capital accumulation by these historically excluded groups. It involves the transformation of the economy from racial policies of capital accumulation to non-racial ones.

<sup>5</sup> Taken to their logical conclusions, these types of interpretations render obsolete the widespread 'allegation' that by adopting neo-liberal policies, the ANC has shifted from its 'traditional' position. For the purposes of this thesis, it is necessary to acknowledge that though the ANC could be interpreted as a 'broad church' through various groupings were able to contest its policy positions, it has always taken strong stance against free-market policies, even if these policies were to be pursued by black people.

<sup>6</sup> The author is grateful to his supervisor, Professor Eddie Webster, for suggesting that the different accounts in terms of explaining the current policies of the ANC could best be captured through what one may call 'continuity' vis-à-vis 'breakaway' thesis.

<sup>7</sup> For a broad coverage of these debates see Mail and Guardian, 1998 May 2-8; Mail and Guardian, 1997 October 3-9; Mail and Guardian, 1997 October 10-16; Mail and Guardian, 1998, March 6-12; Mail and Guardian, March 13-19; Mail and Guardian, 1998, August 29-September 3

<sup>8</sup> Author's interview with Jeremy Cronin, 16/11/1998

<sup>9</sup> This point does not mean that Phillip Dexter supports trade union investments.

<sup>10</sup> The NFA is a formal pact signed between the GNU and labour (COSATU, FEDSAL and NACTU) on the 25th of January 1996. It is aimed at ensuring that labour is consulted, as opposed to unilateral decision making, on issues pertaining to the process of privatising state assets.

<sup>11</sup> Author's interview with Asgar Adelzadeh, 6/11/1998

<sup>12</sup> For an in-depth analysis of the role of 'new' ideas in influencing social change see Cockett (1994)

## CHAPTER 6

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### CONCLUSION

#### 6.1. INTRODUCTION

The thesis has begun by locating the present ANC economic policy shifts from MERG to GEAR within the context of global economic policy changes from the late 1970s. This has helped in conceptualising the reasons behind the shifts through an examination of the policy process itself, which included the identifying of different actors in the policy making process, their respective ideological positions and interests, how they interacted with each other and areas of conflicts and disagreements which have been influential in shaping the nature of the current ANC policy.

All of the above have been done through the use of Walt (1994)'s framework of analysis. This framework conceptualises policy making as a process which involves conflict amongst different actors who compete and influence each other through dynamics of power relations in order to access state policy and resources. In this context, both state policy and accessibility to resources are contested for as an enabling mechanisms to meet the involved actors' respective interests.

The title of the thesis is 'From Miracle to Mirage: The ANC's Economic Policy Shift from MERG to GEAR'. The broad assumption from which this title premised is that of arguing that inspite of the so-called political miracle of the negotiated revolution which resulted into the ANC having to lead the first democratic government in South Africa, there are however signs of insecurity and pessimism as to whether this political miracle can be transformed into 'economic miracle'. As discussed in some of the chapters above, the general conclusion that has been made by different policy analysts about the South African transition is that the current policies of the ANC has the potential to turn the achieved political miracle into what the thesis calls 'political mirage'. These conclusions have been explored and substantiated through the substantive perusal of the contents of the GEAR strategy in comparison to the organisation's earlier documents such as the Freedom Charter, the MERG and recently, the RDP.

Based on the substantive differences between these documents, a number of policy analysts, mainly those who are sympathetic to various structures of the MDM, have reached the conclusion

that by abandoning the Keynesian approach which was embedded in both the MERG and the RDP in favour of neo-liberalism as is reflected in the GEAR strategy, the ANC has sold out' and betrayed the South African revolution.

In both Chapters 3, 4 and 5 a number of reasons for explaining these shifts has been offered. Thus, while in principle there is general agreement between various schools of thought that the ANC's economic policy shifts can be explained with reference to both endogenous and exogenous factors, the relationship between the two has been thought out in such a way that external factors are being given supremacy over the internal ones. In this instance, the process of globalisation, the powerfulness of neo-liberal-based international institutions driving this process and the pressure of the local business sector in laying the fertile ground for the dominance of free-market forces in South Africa, are all being portrayed as key actors that facilitated the abandonment of redistribution policies by the ANC.

The above point is easily detectable from an observation made by Friedman (1996). Stressing that as the market becomes increasingly globalised, the international civil society has become a factor in domestic politics and that this dynamic does create strategic openings for local business and thus attesting an acknowledgement of a need by the ANC leadership to take note of interests outside the ruling alliance, Friedman (1996:12) was even vocal in declaring:

*"To be sure, there is compelling evidence that shifts in ANC economic policy owe more to the influence of international business than its local equivalents"*

In this concluding Chapter the thesis takes issue with the above declaration. The first section concerns itself with the extent to which the compelling global factors in the South African policy making process warrants a serious revisit by those interested in thinking alternative economic scenarios for the future. This is done below under the section sub-titled 'Retrospecting After Failing to Predict'. In summarising the major findings of the thesis' analysis of the South African policy process, the next section under the sub-title of 'Reviewing Theories About Economic Policy Process: The Relevance of Walt (1994)'s Framework of Analysis' is arguing that the present failures of GEAR has resulted in the re-mobilisation and revitalisation of civil society in making significant inputs after a brief but crucial moment of marginalisation. The last section thus focuses on some suggestion for future research about the policy making process in South Africa.

## 6.2. *Retrodicting After Failing to Predict*

Processes of macroeconomic policy making involve, first and foremost, the ability to predict possible outcomes of certain policy options. In South Africa, the MERG report emerged as one significant policy model which, in contrast to earlier economic policy documents of the ANC. It involved a prediction process through the development of economic models which has been subjected to close scrutiny and econometric analysis of every major area of economic activity, including the key markets for labour, capital and trade. According to Pillay (1995), the outcome of such predicting model may be summarised as follows:

- That a growing economy was indeed possible. Between 1995 and 2000 South Africa's gross domestic product (GDP) was predicted as having to rise on average 3,8% per year, and in the early years of the next century by almost 5% annually.
- That the growth phase will be sparked off by a major public investment initiative beginning in 1994-1995 based on a public works programme involving schools, clinics, water systems, roads and above all houses. In this instance, the econometric study on the determinants of investment showed that such state-induced public infrastructure investment programme had in the past and will in the future 'crowd in' rather than 'crowd out' private sector investment activity. These state-led investment projects were to be designed in such a way as to employ and train 100 000 people each year.
- Given these initiatives and anticipated growth in GDP, it was also envisaged that some 300 000 new jobs will be created each year, and that by 2004 some 2,5 million new jobs would be created, not only absorbing new entrants in the working population but also reducing the existing level of unemployment.
- It was also predicted that a low but attainable minimum wage of R400 per month would be necessary to benefit those who most suffer from unemployment, especially females and domestic workers.
- An import strategy of greater value-added export and moves to satisfy a larger share of domestic demand through an expanded manufacturing base achieved through appropriate industrial and foreign exchange rate policies.
- A major set of initiatives in the banking and financial areas were proposed to expand the access of the black population to the banking system and creation of facilities to encourage savings by all peoples and their deployment for lending on better and cheaper terms to black-

owned business.

The above predictions need to be understood within a particular context since any policymaking process does not take in a vacuum. One thing interesting about the MERG report is the fact that while its findings came in context which witnessed both the ascendancy of neo-liberalism, globalisation and the demise of state-led economies of post-independent African states and the collapse of socialism in Eastern Europe, it was however felt that South Africa requires a strong state apparatus to unleash programmes of development and reconstruction. This particular conviction was also embedded within the RDP. There were, of course, compelling empirical evidence behind this type of conviction. For instance, in 1995, one year after the ANC government, unemployment rate among Africans was highest, at 37%, compared with 22% among coloured people, 13% among Asians and 6% among whites (CSS, October Household Survey, 1996).

As indicated earlier, pressures of globalisation and the need to incorporate this country into the global economy appears to be one of the central reasons which led the ANC to declare some of the MERG report's proposals as 'unworkable and outdated'. Thus, the abandonment of the MERG report signalled a move by the ANC towards an embracement of the so-called 'Washington Consensus'. The question that awaits to be answered as of now is that of examining whether in the context of the current global financial crisis, the very same reasons should still be used as points of references for pursuing 'free-market' policies by the ANC. Indeed, there are number of compelling reasons to argue for a post-GEAR scenario in South Africa — not only in terms of the policy content, but also in terms of the policy process hence neo-liberalism logically encourages the 'culture of non-consultation' during policy formulation.

The first one relates to the fact that the romanticisation of the powerfulness of globalisation, included being its ability to encourage global trade that will 'trickle-down' resources to the poor, is now being challenged even from within those structures that has been responsible for it. Beginning in mid-1997 the world has been watching with much uncertainty the financial crisis in the East Asian crisis.

The causes of the crisis has been described differently from various angles. Others blame policies of trade liberalisation as a result of globalisation while others focus primarily on technical issues like the inefficiency of the Asian banking system. Those emphasising the former view argue that

the answer lies in the phenomenon of our time — the global village, with trade, debt between countries and the international highway of investment never been fast and busier as they are today. Those on the latter view, argue that the problem lies with lack of banks supervision and that this suited the authoritarian government to interfere in their lending operations.

The central question, however, is how the current 'international' financial crisis will affect the global markets and the perceived hegemony of free-market policies in general and in particular, to South African policy making process in consolidating the gains of the new democracy.

Thus far, there has been some promising engagements with the crisis, especially by some of the key influential ideologues of neo-liberal policies who appears to concur with the view that the idea of free-market as an enabling policy mechanism for unleashing economic growth in an independent manner from state-intervention remains an illusory one. In early 1997 George Soros, the international financier who has been the master mind behind neo-liberal policies went out in public and declared:

*'The private sector is ill-suited to allocate international credit. It provides either little or too much. It does not have the information with which to form a balanced judgement. Moreover, it is not concerned with maintaining macroeconomic balance in the borrowing countries. Its goals are to maximise profit and minimise risk. this makes it move in a herd-like fashion in both directions. the excess always begins with overexpansion, and the corrections is always associated with pain'*

(Financial Times, 31 December 1997)

Explicit with Soros's arguments since the start of the Asian crisis in 1997, which culminated in him having to publish a book entitled **From the Crisis of Global Capitalism** (1998), is an acknowledgement that the market should not be left on its own without regulation.

In one of his extracts leading to his book, Soros argues:

*'economic theory has been built on a misleading concept of equilibrium. In my view equilibrium is elusive, because markets participants are trying to discount a future that is itself shaped by market expectations...capital will tend to avoid countries where employment is heavily taxed or heavily protected, leading to a rise in unemployment'* (The Star, January 5, 1998)

Interesting enough about Soros's intervention into debates concerning the causes of the crisis is

the fact that, for the first time in the history of neo-liberal ideologues, he began to recognise the relevance of the social context in the operation of the markets. This is reflected in his argument that 'every society needs some shared values to hold it together'. In clarifying this functionalist contribution, Soros warns that 'markets values on their own cannot serve that purpose because they reflect only what one market participant is willing to pay another in a free exchange' and that in this manner, markets reduce everything, including human beings (labour) and nature (land) to commodities' (The Star, January 5, 1998).

Thus, insisting that we can have market economy but not market society, he goes further and stress that there is a need to establish global institutions that should serve to such social goals as political freedom and social justice in the same manner as is the case in national economies. In this vein, Soros suggests the idea of what he calls the 'open society' as a universal principle that recognises the diversity inherent in our global society' (The Star, January 5, 1998). According to him the idea of 'open society' is superficially, a way to describe the positive aspects of democracy: the greatest degree of freedom compatible with social justice. It is characterised by the rule of law, respect for human rights, minorities, and minority opinions; the division of powers; and a market economy (The Star, January 5, 1998; Sunday Times Business Report, December 6, 1998; Business Day, January 7, 1999).

Yet, what is deducible from all of the above is the fact that Soros is not necessarily arguing against the perception of the market as the efficient mechanism for allocating resources. By contrast, he remains committed to some of the central features of free-market policies, chief amongst which being the conviction that state intervention into the economy will in fact deteriorate the crisis rather than solving it. While acknowledging that 'the capacity of the state to look after the welfare of its citizens has been severely impaired by the globalisation of the capitalist system', and that paradoxically, 'globalisation increases the demands on the state to provide social insurance while reducing its ability to do so, Soros find it hard to accept that perhaps the solution lies in 'bringing back the role of the state' when indicating that:

*'...the state can no longer play the role it played previously. In many ways that is a blessing, but some of the state's functions remain unfulfilled. We do not have adequate international institutions for the protection of individual freedoms, human rights, and the environment, or for the promotion of social justice...'* (The Star, January 5, 1998)

Be as it may, Soros's unexpected re-theorisation and critique of how the market works has been constituting what economic sociologists have been attempting to highlight in the past two to three decades. This is with regard to the argument that the historically perceived separation between economics and social life has been based on serious flaws. As indicated earlier in Chapter 1 on Literature Review of this thesis, the concept that is implicitly being used by Soros is that of 'embeddedness' — meaning that economic activities are essentially embedded with social, political and other 'non-economic' power relations. Indeed, he also recognises this fact when highlighting that 'markets do not operate in a vacuum and do not tend towards equilibrium...they operate in a political setting, and they evolve in a reflexive fashion' (The Star, January 5, 1998).

Soros has not been alone in all these interventions. Quite significantly, he has been joined by other international figures in his defections from orthodox economics. Notable amongst these has been the World Bank Chief Economist, Joseph Stiglitz whose renowned 7 January 1998 speech at the WIDER Annual Lecture raised some eyebrows amongst some international political economists. Denouncing the unsustainability of the 'Washington Consensus, Stiglitz vehemently argued:

*'The policies advanced by the Washington Consensus are hardly complete and sometimes misguided...the advocates of privatisation overestimated the benefits of privatisation and underestimated the costs...there is no evidence that inflation is costly...The focus on freeing up markets, in the case of financial market liberalisation, may actually have had a perverse effect, contributing to macro-instability through weakening of the financial sector...Making policies to facilitate the transfer of technology, and transparency, to name some fundamental issues neglected by the Washington Consensus. At the same time that we have improved our understanding of the instruments to promote well-functioning markets, we have broadened the objectives of development to include other goals like sustainable development, egalitarian development, and democratic development' (Stiglitz, 1998)*

Moreover, both Soros's critical commentary about unregulated financial markets and Stiglitz's call of a 'post-Washington Consensus' has been viewed as limited and incomplete in as far as economic policies for addressing the 'evils' of globalisation is concerned. According to Fine (1998), Stiglitz's post-Washington Consensus approach is still being trapped within some of the neo-liberal underpinnings of the Washington Consensus thinking. Contending that Stiglitz's theory is still based on the methodological individualism of neo-classical economics and as such seeming to be incapable of explaining the presence of social structures and institutions, let alone classes and the state whose existence is glaringly obvious, Fine (1998) concludes:

*'It can deal with the regulation of the financial system, for an example, its efficiency, and the protection of shareholders, without once mentioning the economic and political power structures embodied in a financial system'*<sup>2</sup>

In South Africa, the GEAR's obsession with efforts to attract foreign investments has been reinforced by the increase of foreign investors in the country during the first two years of the ANC government. Hawkins (1997) notes that period 1995-1996 has witnessed this country attracting meaningful inflows of foreign investment (FDI), after foreign investors resorted to what became known as the 'wait and see' position during the first year of the ANC. He specifically notes the following:

- FDI inflows averaging \$330 annually since the democratic drive by US multinationals with commitment in excess of R8bn since 1994 elections.
- Germany being the second largest foreign investor (\$700m) while other significant players include the UK, France and Switzerland, but also 'newcomers' such as South Korea's Daewoo and Malaysia's Telekom and Petrons.
- In the 1994-1996 food and beverages, motors and auto components, electronics information technology, some services and property, were the main recipients of FDIs.

Quite interestingly, Hawkins also observes that in the two years to May 1996, 74% of all foreign investors entering the market invested in services, 24% in manufacturing and only 2% in mining, where the domestic presence of Anglo American, Gencor and Anglo-Vaal is very powerful. However, as Pillay (1995) once contended, these means nothing else but an economic policy approach which is highly biased in favour of conglomerates enabled though punitive monetary policies by the South African Reserve Bank which uncompromisingly overtaking the need to generate employment through public works.

More tellingly, is the fact that despite all economic opportunities that South Africa had in its celebration of the so-called 'political miracle', the GEAR policy has dramatically failed to meet its promised targets. Horton et al (1998) notes that 'according to the South African Reserve Bank, total unemployment now stands at 1981 levels. Using the 'expanded definition' of unemployment, the unemployment rate has increased from 31,5% in 1994 to 37,6% in 1997 (Horton et al 1998:17). Similarly, Statistics South Africa announced that 490, 000 jobs had been lost since 1994. Given this scenario, a number of questions might be posed about the GEAR

strategy and the ANC's rationale of having abandoned both the MERG and the RDP.

Indeed, there has been and there are still discussions within the country that have the capacity to influence the ANC to think quite seriously about possible and positive post-GEAR scenarios. These debates were also taking place in the ANC government. For instance, Alec Erwin goes to extent of acknowledging the neo-liberal constraints on economic liberation when in the data released in the March 1997 Budget review it was commented that 'GEAR was already evidently failing within months of its June 1996 launch'. Similarly, the North-West Prime Minister, Popo Molefe, was even vocal in accepting that there has not been thorough consultation when the GEAR was unveiled in 1996 and that:

*'...[since] the public wanted to see a clear connection between GEAR and the vision of the reconstruction and development programme, government policies had to be reviewed and subjected to negotiations in order to allow for improvement and adjustments' (Business Day, 10 December, 1997)*

Again, both COSATU and the SACP has been engaging the ANC government, calling for a discussion on the negative implications of the strategy and the need to change some of its orthodox approaches to economics such as stringent fiscal discipline and monetary policies. In the middle of 1998, the Presidential communications head, Joel Netshitenzhe put out a discussion paper for the Alliance meeting in which he strongly emphasised that 'the state is not neutral, non-partisan entity, but [that] it is an instrument that is used to pursue the interests of a class or group of classes' (Marais, 1999:10).

In fact, similar points supporting the role of the state in the economy have been made earlier on in the findings and recommendations of COSATU's September Commission. Six goals of building what is termed the 'social sector' in efforts of overcoming the legacy of apartheid and focusing on the specific legacy of poverty were identified as follows:

- to influence investment patterns so that investments generates real productive activity and jobs
- to replace the way enterprises are currently managed with democratic governance
- to use the profit generated from enterprises in the social sector for the benefit of workers and communities
- to tie control of capital and assets to local community/worker ownership, and so restrict the

ability of capital to abandon communities or South Africa

- To find creative ways to redistribute productive assets
- to establish collective and social forms of production, as part of a movement towards socialism.

Most importantly, the Commission argues that the transformation outlined above cannot be implemented within the conservative macro-economic policies of GEAR (Von Holdt, 1997:8).

Whether these things can really change the current economic landscape of the ANC is debatable. This of course, depends largely, but not exclusively, on the extent to which organs of civil society are able to exert their influence in deepening the need to 'exploit' both the global financial crisis and the present failures of GEAR to re-assert their role. According to Webster and Adler (1999), there are at least, sufficient conditions to move towards a particular kind of class compromise oriented towards growth and redistribution. If that may happen, it will have the potential to reverse GEAR in favour of the abandoned Keynesian policies as have been propagated by both MERG and GEAR.

Indeed, despite the fact that the government has been reluctant to revisit the broad neo-liberal framework which informs different tenets of the GEAR strategy, even Trevor Manuel was able to acknowledge that the current global situation warrants some policy changes. In his speech to the North-South Institute in Ottawa, he exclaimed:

*'It is interesting that at times like this Mr. Keynes is again resurrected. There is a recognition that the standard prescription for macroeconomic stability and growth has not worked for everyone...As we attempt to find solutions a number of common themes are emerging: the need for capital regulation, improved supervision, greater transparency, reform of the Bretton Woods institutions, the need to shift away from the 'Washington Consensus' to name a few'*

A number of key conjunctural events in line with Manuel's recognition of a need to change has been taking place in South Africa in the past year. The first one was the 'poverty hearing' submissions which were made all over the country by grassroots organisations and individuals. These 'poverty hearings' were organised by the South African Non-Governmental Organisations Coalition (SANGOCO). The hearings culminated into the government's release of Poverty and Inequality Report. One of the key recommendations made during the hearings, which is directly

contrasting to GEAR's commitment to fiscal discipline, is that the government should continue its emphasis on social spending (Mail and Guardian, July 31-August 6, 1998). One thing interesting about these processes of bringing organs of civil society back into policy making is that it has also involved the South African Council Churches (SACC). In its SACC tri-annual conference held in mid-1998, delegates were asked to 'return back to the trenches' and oppose the government's GEAR strategy' (Mail and Guardian, July 10-16, 1998). Dr. Beyers Naude represented these when remarking during the conference proceedings that:

*'...although GEAR is a 'party political issue', when it affects fundamental Christian beliefs about the church's obligation to the poor, the church has no option but to intervene'*

The same words were echoed by Mzandile Nuns, a delegate who was representing worker ministry in Kwa-Zulu Natal when highlighting that:

*The views of the poor should be taken seriously, even if that means changing the implementation of GEAR. You cannot redistribute an economy by cutting social spending...We understand they cut social spending in favour of lower company taxation which will subsequently create an environment for more companies to invest. But what we see on the ground is different. The bulk of poor people remain where they were many years ago'*

The most intervening and influential breakthrough in efforts of revitalising the role of civil society in the policy making process has been the Presidential Job Summit that was held on the 31 October 1998. Although it has been observed that the government avoided any attempts by its Alliance partners to discuss its GEAR strategy during the summit, this should not necessarily be viewed to imply that the summit was unfruitful. It has been fruitful especially with regard to how efforts of influencing policy are slowly shifting away from government bureaucrats and technocrats to include other groups that has been sidelined during the first four years of the ANC government.

In the next concluding section, the thesis will conclude by examining how both external and internal factors are currently opening the opportunity structure for civil society to enter and indeed participate in the formulation of a 'post-Washington Consensus' policies in South Africa.

### *6.3. Reflecting on Theories About The Policy Process: The Relevance of Walt (1994)'s Framework of Analysis*

In contrast to some of the conceptions which view policy making as a uniform, linear and conflict-free process, the thesis has used Walt (1994)'s framework of analysis which emphasises conflicts and the interaction of different actors. In this context, the thesis has also examined the ANC's economic policy shifts from a non-functional perspective. There are, however, three points that need to be made as far as the overall findings of this thesis are concerned.

Firstly, through an examination of the MERG report, two things came out clearly in support of Walt's framework of analysis. The first relates to the argument that 'public policy making should be understood essentially as a political process, rather than an analytical problem-solving one' (1994:52). In the context of MERG, the conflict which existed between what became to be labelled as 'British-left-centred Marxists' and some of the ANC leadership and local 'progressive economists' who identify themselves as 'pragmatists', was essentially a conflict between those who conceptualised the policy process as a political driven and those who claimed it should be a purely 'rationalistic' one.

In the former approach, the legacy of apartheid was basically identified as the central problem that should inform any policy choices by the new government, even if it meant having to spend beyond certain stipulated deficits. This Keynesian thinking was indeed political in its character. Given the argument that the NP has used state resources to create what becomes to be known as the 'apartheid welfare regime', the ANC's government was thus seen as having the legitimacy to do the same in order to address the poverty and social inequalities that has been generated by more than 300 years of racial rule and racial capital accumulation.

The latter approach -- the 'pragmatists', was much more preoccupied with what they perceived as realistic, rational and practical policies that should not 'over-emphasise' the need to address the legacy of the past beyond what is economically possible in the context of globalisation and the perceived challenges this imposes to South Africa.

As indicated in Chapter 4, the conflict between these two approaches was won by the latter. This then confirms Walt's argument that the nature of political system, constituting a particular context

within which the process of policy making takes place, is inherently riddled with questions of power over others, rather than power to achieve shared objectives (1994:35). Thus, though sympathetic to the ANC, MERG researchers possessed technical capacity to predict both the negative and positive consequences of their policies but this resource was constrained by their lack of political power. As most respondents indicated, the conflict within MERG was political, rather than based on 'technical deliberations' amongst the researchers themselves<sup>3</sup>.

The second point about the overall findings of the research relates to how the ANC's shift into an adoption of the GEAR policy came about. While the thesis has argued that in comparison to GEAR, the MERG report has been quite open and to a greater extent 'honest' in its attempt to accommodate some of the MDM structures' aspirations, the process leading to the GEAR strategy has been characterised by 'top-down', secretive and an extreme reliance on 'non-politically driven' input from experts and elites drawn from various institutions that have not been part of the MDM structures. Yet, it needs to be qualified by arguing that the shift in terms of economic political approaches by some of the so-called 'progressive economists' has also contributed in creating the 'fertile ground' for neo-liberal influences into the ANC. Again, in this context, Walt's framework emerges as an indispensable tool of analysis. She argues that governments will consult often, but if the sense of a strong opposition towards its approach is perceived and anticipated, they may take the knowing risk and ignore pressure groups to pursue their desired policies (1994:90-91)

Ham (1993:30) argues that in modern state, the position of elites is related to the development of large-scale organisations in many areas of life, with the result that there are different kinds of elites, not just those holding formal political power. Indeed, Ham (1993)'s distinction between what he calls 'political elite' from 'political class' may be used to make sense of the ANC's policy shifts, especially when the process was not participatory as it was initially assumed of about the post-apartheid government. The former involves those who can exercise power in society at any given time and this essentially refers to members of government and those in high positions of administration and leaders of powerful economic enterprises. In South Africa, the people who have been involved in the formulation of the GEAR strategy, included being the respective institutions that they have been drawn from, clearly falls within this category. This of course, includes also the interests which GEAR was aimed at serving: those of capital through policies such as trade liberalisation, relaxation of foreign exchange controls and privatisation.

Political class, argues Ham (1993), comprises of the political elite but also leaders of political

parties in opposition, trade union leaders, businessmen and politically active intellectuals. Yet, in the context of GEAR, this class category has been dramatically sidelined, thus confirming the argument that 'leaders do not merely respond to the preferences of constituencies, but that they also shape those preferences (Ham, 1993:74). The lack of strong challenge against the GEAR policy in the first three years after it was unveiled and declared non-negotiable may be cited as one example in which the ANC leaders in government were able to go to the extent of making both COSATU and the SACP to focus on strategies of survival within the context of the strategy instead of fighting to change the entire macroeconomic framework.

What all these things imply then, is that policy process is not a linear phenomenon moving in a continuum. It involves compromises and negotiations in which different actors lobby each other into their policy preferences. The last point about the overall findings of the thesis builds from this point. That is, the fact that there are significant efforts to find out possible post-GEAR scenarios in the light of this policy's failures and the current global decline of faith towards free-market policies, it means that as a process, policy formulation is not only concerned about implementation. It is also about evaluations of certain implemented policies. In fact, it may be argued that changes and shifts from one policy to the other is a reflection of Hood (1994:148)'s argument that 'policy shifts may take place as some form of reaction against certain perceived shortcomings of existing policies and that in this sense, elements of 'policy as its won worst enemy' are almost identified' through the process of evaluation. As argued in the previous Chapter, the present signs of the reinvigoration and revitalisation of organs of civil society in challenging the GEAR strategy is an illustration of the centrality of the aspect of evaluation in the policy making process.

The above summary indicates that there is still much to be investigated about how policy is being made in South Africa. This is indeed challenging for a country such as South Africa which is still struggling to consolidate democracy from the legacy of apartheid policies. Taking this into serious cognisance, the last section of this thesis is devoted to a number of suggestions for further research.

#### *6.4. Avenues For Further Research*

The thesis has made a number of conclusions in examining the ANC shift from MERG to GEAR.

While a number of factors has been attributed to these shifts, there are however some of them which have not been examined intensively because of the limited scope within which the thesis was focusing. There are, therefore, a number of issues that may be recommended for further research of this nature.

The first one is about the extent to which the complex transition in South Africa has been accompanied by structural changes that were explained through the concept of 'black empowerment' and 'African Advancement'. While some policy analysts usually cite these changes as an indication that accumulation of capital, both in terms of deracialisation of the labour market and the deracialisation of access to property ownership, little has been explored as to how these structural changes lead to the emergence of a peculiar class interests which is increasingly becoming so influential in the policy process. This new force stand in between the unemployed and the unionised workers represented by the labour movement. It thus be very interesting to investigate whether this force's interests is more closely related to those of business than to those of the unemployed and working class. Furthermore, whether there are some contradictions between it and 'big business', especially in matters relating to South Africa's liberalisation policies as embodied within the GEAR document.

Secondly, the ANC's economic policy making process has shifted from the one which was participatory to an elitist, bureaucratised and 'top down'. Yet, it has been observed during the research that this does not imply that there is consistency and coherence amongst different departments in the ANC government. The existing contradictions reflects a situation in which each department seeks to maximise its efforts in a crudely competitive manner that clearly disadvantages other departments. An example of this is when both the Department of Labour and that of Social Welfare continues to adopt respective policies that are usually in conflict with those of the Department of Finance. In this connection, it will therefore be interesting to explore how the process of policy is taking place within and amongst different government departments. This will include the extent to which the conflict, as an inevitable feature of any policy making process, is also taking place even within certain institutions which might be assumed, from the distant, as having the capacity to work together in a consistent and coherent planner.

Lastly, the extent to which the South African labour movement has been struggling to consolidate the achieved political democracy needs to be investigated further. While in the past the idea of 'social movement unionism' has proved to be fruitful to the labour movement in harnessing and

fighting for their interests, the present context has dramatically impacted on this identity. Thus, it is not yet clear as to how the labour movement will continue to utilise its political strength defined along this identity in influencing government policies in the direction of its interests. Fortunately or unfortunately, Webster and Glen (1998) argues that what they call 'class compromise' might be one of the possible options in the South African policy making policy. Yet, as the authors acknowledge, it is not yet clear whether conditions for this exist in South Africa at the moment.

Of course, the above point may be extended further by draw a connection between the labour movement's search for 'class compromise' in securing and defending some of its gains and the present awakening of organs of civil society after a short period of being in the sideline of the policy process. As argued earlier, the weakening of civil society after the 1994 elections can be explained with reference to the assumptions that were made about the ANC government: that it will be a developmental, instrumental and interventionist one. The experiences gained in the past four years has proved this wrong and in this way made it necessary for the revitalisation of these organisations. However, the sites at which these organisations will be contesting policy is also one of the central aspects that need to be researched. That is, are they going to attempt to influence policy at NEDLAC or will they remain on the touchline again but in this case serving as independent opposition groups. Thus, while the labour movement's position is well secured at NEDLAC, it has been argued that the Development Chamber in NEDLAC has been marginalised (Michie and Padayachee, 1997). That in itself raises interesting research questions as to how these interests groups will influence policy in the post-GEAR scenario that is presently being lobbied by various organisations that are disillusioned with the ANC's free-market macroeconomic policies.

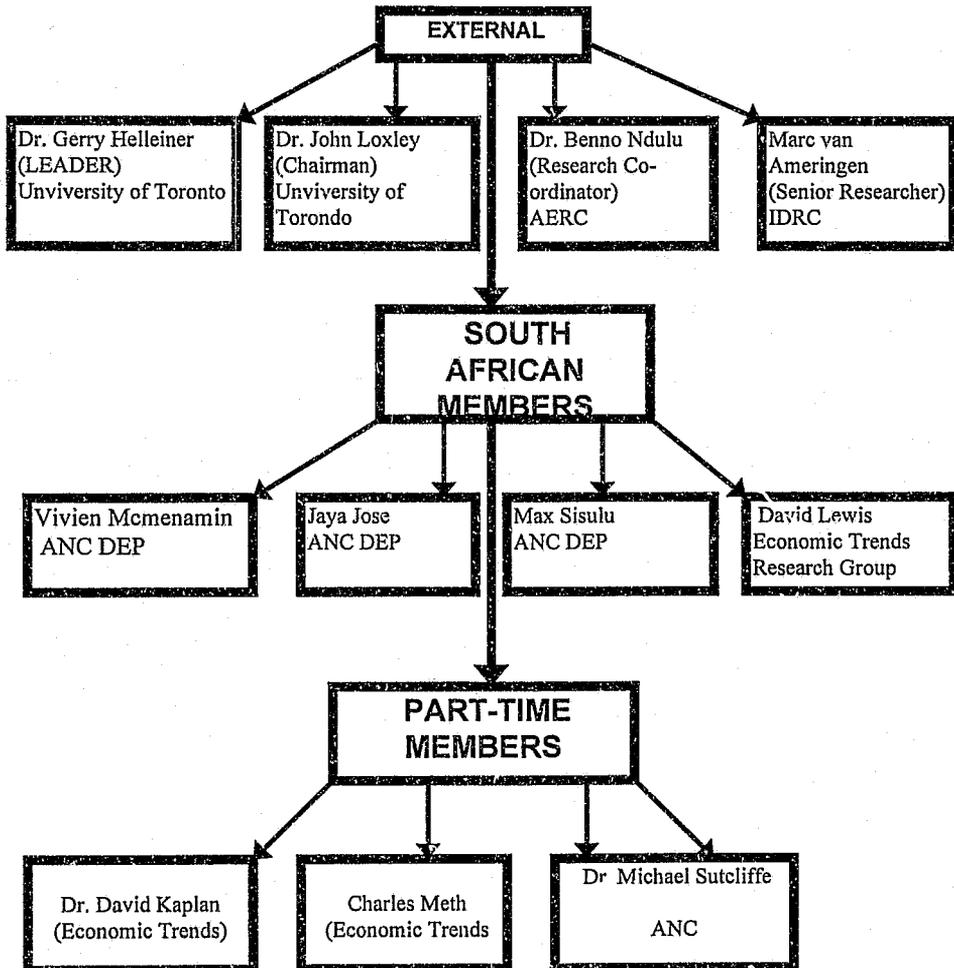
## NOTES TO CHAPTER 6

<sup>1</sup> An example of this lies in the sudden change of attitude by Nelson Mandela towards the nationalisation. Immediately after his release from prison in 1990, Mandela declared that '...the nationalisation of the mines, banks, and monopoly industry is the policy of the ANC and a change or modification of our views in this regard is inconceivable'. Surprisingly, in his return from Germany in 1996 Mandela caught most people by surprise and in manner that clearly reflects a succumb the pressure of foreign investors, he declared that 'privatisation is the fundamental policy of the ANC...it is going to be implemented' (Sowetan, 5 March 1990; Financial Mail, 1996)

<sup>2</sup> See also Patrick Bond's 'The Crash of Neo-liberalism' in *Southern Africa Report*, Vol.14 No.2 March 1999

<sup>3</sup> Author's interviews with Lindsay Falakov, 13/10/1998 Jeremy Cronin, 16/11/1998 and Patrick Bond, 28/11/1999.

**IDRC MISSION MEMBERS, 1991**



**ORGANISATIONS CONSULTED DURING THE MISSION**

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Association of Black Accounts of South Africa (ABASA)  
Association for Rural Advancement (AFRA)  
African National Congress (ANC)  
Black Management Forum  
Built Environment Support Group (BESG), University of Natal  
Centre for Health and Social Studies (CHESS), University of Natal  
Centre for Organisation, Research and Development (CORD), University of Natal  
Community Research Unit (CRU)  
Congress of South African Trade Unions (COSATU)  
Department of Economics, University of FortHare  
Department of Economics, University Natal  
Department of Economics, University Stellenbosch  
Department of Economics, University of the Western Cape  
Department of Economics, University of the Witwatersrand  
Development Bank of Southern Africa (DBSA)  
Development Policy Research Group (DSRG), University of Natal  
Econometrix  
Economic Policy Research Project (ERRP), University of Western Cape  
Economic Research on South Africa (EROSA)  
Economic Research Unit, University of Natal  
Economic Trends Group (ET), University of Cape Town  
Education Policy Unit (EPU), University of the Witwatersrand  
Energy Research Unit, University of Cape Town  
Human Science Research Council (HSRC)  
Institute for Social Development, University of Western Cape  
Independent Development Trust (IDT)  
Industrial Development Corporation (IDC)  
Industrial Relations Projects, University of Cape Town  
Industrial Strategy Project, University of Cape Town  
Institute for Social and Economic Research (ISER), University of Durban-Westville  
Labour and Economic Research Project (LERP)  
Labour Research Service (LRS)  
Local Government Project, University of Western Cape  
National African Federated Chamber of Commerce and Industries (NAFCOC)  
National Council of Trade Unions (NACTU)  
National Management Forum (NMF)  
National Medical and Dental Association (NAMDA)  
National Union of Metal Industries of South Africa (NUMSA)  
National Union of Mineworkers (NUM)  
Medical Research Council (MRC)  
Office of the Vice Chancellor, University of the Western Cape  
Office of the Principal, University of Transkei  
Planact  
Reserve Bank of South Africa  
South African Chamber of Commerce (SACOB)  
South African Labour and Development Research Unit (SALDRU), University of Capte Town  
Trade Union Research Project (TURP), University of Natal  
Urban Foundation (UF)

## **PRIORITY AREAS FOR ECONOMIC RESEARCH, ANALYSIS AND POLICY FORMULATION**

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### **1. Areas for Immediate Action**

- 1.1. Monitoring
- 1.2. Macro-economic Framework

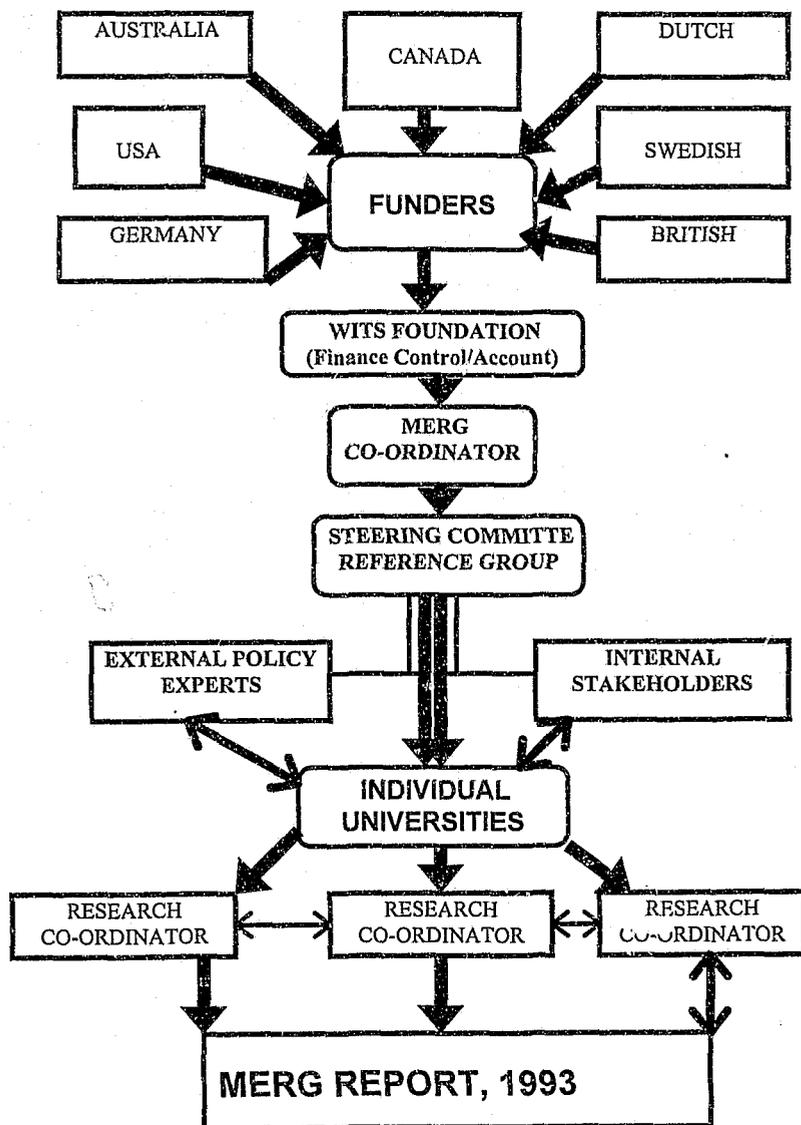
### **2. Areas for Urgent Action**

- 2.1. Tax Policy
- 2.2. Government Expenditure Restructuring
- 2.3. Housing and Infrastructure
- 2.4. The Financial System
- 2.5. Labour Market, Employment Creation, and Income Policies

### **3. Other Priority Areas**

- 3.1. Trade and Industrialisation
  - 3.2. Balance of Payments Management
  - 3.3. Agricultural and Rural Development
  - 3.4. The Role of the State in Economic Management
  - 3.5. Relations with Southern Africa
-

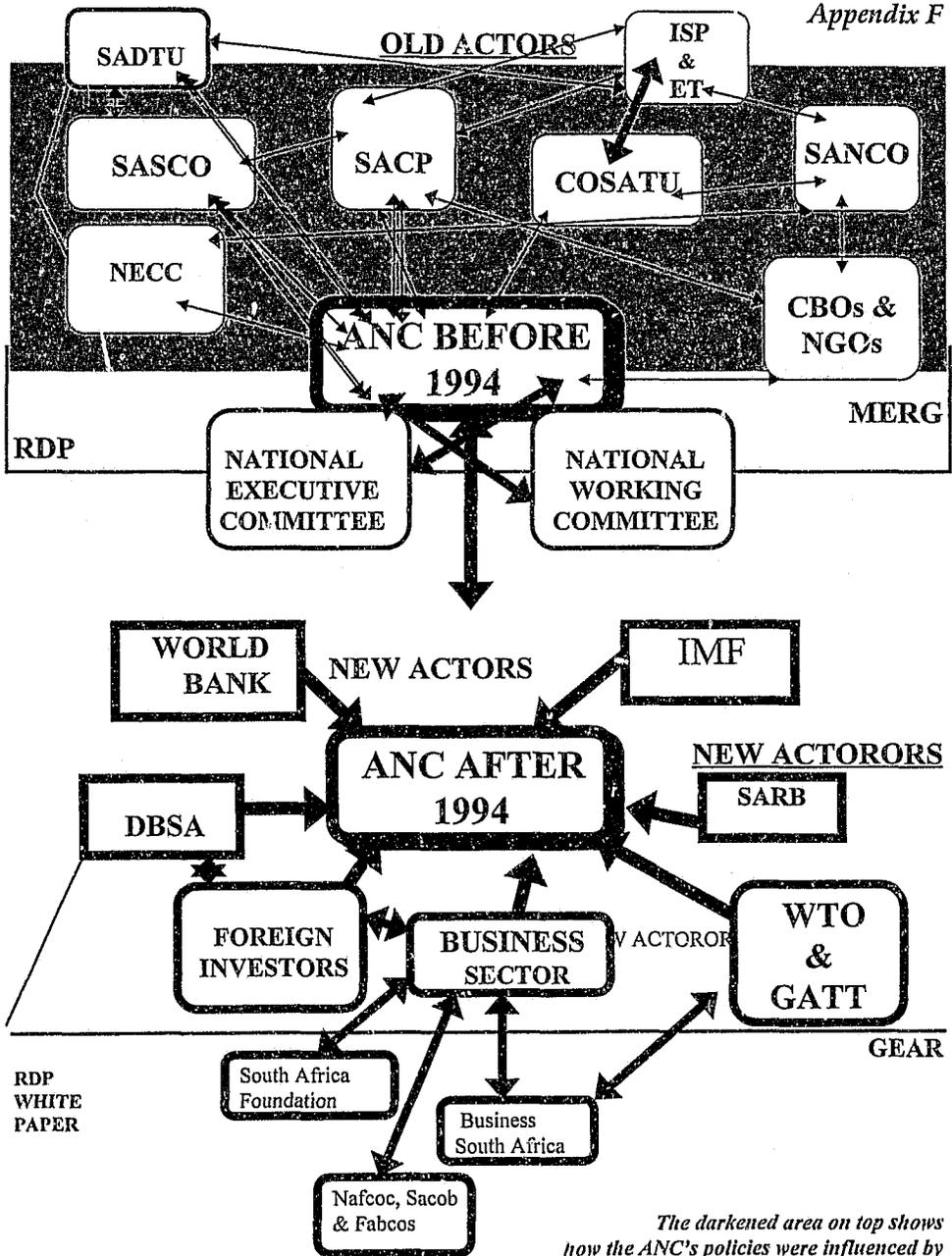
THE ORGANOGRAM OF THE MERG PROCESS



## Individuals and Universities that participated during the MERG process

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Goolam Aboobaker (University of the Western Cape), Ismail Adams (University of the Western Cape), Alice Amsden (New School of Social Research, New York), Rafiq Bagus (University of the Western Cape), Trevor Bell (Rhodes University), Peter Brain (National Institute of Economic and Industrial Research, Australia), Raphaél (Ray) Brink (Centre for Development Studies), Fuad Cassim (University of the Witwatersrand), Cheryl Carolus (ANC), David Cooper (U.A.P.C), Billy Cobbet (ANC), Brian Craig (University of the Western Cape), Chris Cramer (MERG), Renfrew Christie (University of the Western Cape), Merton Dagut (University of the Witwatersrand), Paul Daphne (University of Fort Hare), Rob Davies (University of the Western Cape), Helena Dolney, Diane Elson (Manchester University), Randi Erentzen (Centre for Development Studies), Alec Erwin (COSATU, NUMSA), Ahmed Essop (Centre for Education Policy Development), Lindsay Falkov (University of the Witwatersrand), Bernie Fanaroff (NUMSA), Ben Fine (SOAS, University of London), Peter Franks (University of the North), Stephen Gelb (University of Durban-Westville), Bill Gibson (University of Vermont and University of DurbanWestville), Alfie Green (MERG), Frene Ginwala (ANC), Derrick Hanekom (ANC), Laurence Harris (SOAS, University of London), Estherlene Hart (Education Policy Unit), Gerry Helleiner (University of Toronto), Alan Hirsch (University of Cape Town), Kevin Hosking (University of the Western Cape), Lesley Hudson (Education Policy Unit), Loretta Jacobus (MERG), Sadiq Jaffer (University of the Western Cape), Jaya Josie (SOAS, University of London), Paul Jourdan (ANC), Anthony Julies (University of the Western Cape), Brian Khan (University of Cape Town), Timothy Layman (University of the Western Cape), Bheki Langa (University of Durban-Westville), Dave Lewis (University of Cape Town), Lieb Loots (University of the Western Cape), John Loxley (University of Manitoba), Sandy Lowitt (University of the Witwatersrand), Mats Lundahl (Stockholm School of Economics, Sweden), Bushy Maape (University of the Western Cape), Lesley Maasdorp (University of the Witwatersrand), Manku Mahlalela (MERG), Stanley Manana (MERG), Mac Makalima (University of Fort Hare), Trevor Manuel (ANC), Shepherd Mayathula (University of Fort Hare), Tito Mboweni (ANC), Charles Meth (University of Natal), Job Mokgoro (University of the Western Cape), Terence Moll (Old Mutual), Zunaïd Moola (University of the Western Cape), Mi Muller (Development Bank of Southern Africa), Jayandra Naidoo (COSATU), Jay Naidoo (COSATU), Benno Ndulu (African Economic Research Consortium, Kenya), Peter Nolan (Jesus College, Cambridge), Vishnu Padayachee (University of Durban-Westville), Vella Pillay (MERG), Max Price (Centre for Health Policy), Maria Ramos (SOAS, University of London), Peter Robbins (Twin Trading), André Roux (University of the Western Cape), Zav Rustomjee (SOAS, University of London), Cyrus Rustomjee (University of DurbanWestville), Neva Seidman-Makgetla (Wits University), John Sender (University of the Witwatersrand and SOAS, University of London), Bethuel Sethai (Development Bank of Southern Africa), Rushdy Siers (Centre for Development Studies), Max Sisulu (MERG), Ivan Stein (University of the Witwatersrand), Huda Syed (University of the Western Cape), Lance Taylor (New School of Social Research, New York), Paul Theron (University of Cape Town), Christopher Torr (UNISA), Servaas van der Berg (University of Stellenbosch), Phillip van Ryneveld (University of the Western Cape), Dirk van Serventer (Development Bank of Southern Africa), Heribert Weiland (Arnold Bergstaesser Institute, Freiberg University, Germany), Eric Wood (University of Cambridge), Gordon Young (Labour Research Service) and Harry Zarenda (University of the Witwatersrand).



*The darkened area on top shows how the ANC's policies were influenced by grassroots organisations. After 1990 new actors became influential!*

**SCHEDULE OF INTERVIEWS**

INTERVIEWEE	POSITION/WORK	DATE & TIME	VENUE
Allan Hirsh	Department of Trade and Industry (PTA)	06/08/1998 14h00-16h30	Sociology of Work (SWOP) office, Wits
Stephen Gelb	Development Bank of Southern Africa (DBSA)	14/08/1998 14h00-17h30	SWOP office, Wits University, JHB
Guy Mhone	Department of Labour, Director	18/08/1998 11h00-12h30	Pretoria, Department of Labour Offices
Daleem Smal and Dejager Shaun	South African Reserve Bank (SARB)	18/08/1998 14h00-14h20	Pretoria, SARB Offices
Vishnu Padayachee	University of Durban-Westville, Professor	26/08/1998 9h00-10h30	University of Wits, Prof. Harry Zarenda's office
Richard Ketley	Department of Finance Pretoria	8/10/1998 15h00-14h20	Pretoria, Department of Finance Offices
Mike Muller	Department of Water Affairs, Pretoria	12/10/1998 12h00-13h20	Pretoria, Department of Water Affairs Offices
Lindsay Falakov	Department of Labour (PTA) (Director: Human Resources)	13/10/1998 14h30-15h40	Pretoria, department of Labour Offices
Neva Seidman-Makgetla	Department of Public Administration	19/10/1998 16h00-17h45	SWOP Offices, Wits University
Anonymous	Department of Public Administration (PTA)	20/10/1998 16h00-17h40	Pretoria

Appendix G

Alfie Green	National Institute of Economic Policy (NIEP)	21/10/1998 10h00-11h00	NIEP Offices, Braamfontein, JHB
Anonymous	Department of Land Affairs (PTA)	22/10/1998 11h00-12h00	Pretoria
Asgar Adelzadeh	National Institute of Economic Policy (NIEP)	6/11/1998 10h00-11h00	NIEP Offices, Braamfontein, JHB.
Jeremy Cronin	Assistant secretary South African Communist Party	16/11/1998 11h00-12h00	SACP Head Quarters, Johannesburg
Patrick Bond	Senior Lecturer, Wits Business School	28/11/1998 14h30-15h40	Wits Business School, Parktown, JHB
Harry Zarenda	Professor of Economics and Senior Lecturer, Wits	22/12/1998 9h00-10h40	University of Wits,
Merton Dagut	Dean, Faculty of Commerce, Wits	22/12/1998 11h00-12h30	University of Wits, Department of Commerce

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