

TOPIC

THE EFFECT OF INFLUX CONTROL ON THE AFRICAN MIDDLE CLASS

MA THESIS

BY

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PREFACE

This dissertation seeks to examine the emergence of the African middle class and the effects of influx control upon it. It seeks further to assess the economic significance of class position in patterns of migration from the rural to the urban areas. The thesis is divided analytically into two historical phases. The first, beginning with the Soweto riots of 1976 and ending with the abolition of influx control in 1986, is seen as the period when the need for a clear analysis of influx control becomes pertinent in the light of the reform policies which eroded the restrictions previously suppressing the middle class. The second phase began in 1986 after the official abolition of influx control and is viewed as highlighting the role that class dynamics have played and will continue to play in the movement of blacks between rural and urban areas. It will be argued that influx control, in so far as it was intended to control the movement of africans to the urban areas cannot be simply explained in terms of the migrant labour system or Section 10 rights, as laid down in state policy. For example, housing bonds are mainly available to a particular social group, the 'criteria' for which is determined by income which in turn can be interpreted as reflecting class position.

Whenever people migrate a number of problems arise in the area of income generation (employment or business opportunities) and accommodation. (Other aspects would include, for example, "cultural" adjustments, leading to the establishment of new identities and new values and new networks).

This dissertation seeks to show:

1. how class position determines the differing modes of job recruitment;
2. how class position determines access to various categories of jobs which in turn affects capacity to generate income;
3. how the above factors, job opportunities and income affect different groups' access to accommodation which is in short supply.

The need for a class analysis of the migration of africans to the urban areas remains even after the abolition of influx control in 1986 because the class dimensions in migratory patterns emerge yet more clearly. For this reason I believe that further research into this area is warranted.

Class position then will be examined as the main determining factor that differentiates between african groups that migrate to the urban area and the theoretical background to this debate is the subject matter of Chapter 2.

The empirical research conducted to ascertain the avenues used by the african middle class to migrate to the urban areas is the subject matter of Chapters 3 and 4. Corruption and bribery emerged as important strategies for facilitating this migration and this is included in chapter 3.

Chapter 2 discusses theories of influx control. The cheap labour power thesis of Legassick and Wolpe(1) and its critique by Hindson(2) provided the initial spark of interest for this dissertation. I criticise a number of arguments as presented by the exponents of the cheap labour power thesis on one hand and Hindson on the other. I argue that the cheap labour power thesis made much of the argument that there is a migrant labour system which resulted in the establishment of a temporary urban african population(3). Hindson criticised this thesis by pointing out quite correctly that though the migrant labour system established a population of temporary urban dwellers, there is also a permanent urban African population(4). Thus both schools have failed to analyse influx control in class terms. In my interpretation the writers have failed to make provision for the class diversity of both the temporary and the permanent urban african population. The subject of the african middle class and how it circumvented influx control must be studied and interpreted within the context of the debate that views the emergence and growth of the african middle class as a result of its nurturing by state and capital during the historical period beginning in the 1970s and lasting to the present(5).

The issue of class becomes instructive for our analysis particularly from 1978 because the restructuring of the ideological mechanism took the form of the elevation by capital and the state of class in place of race as the major social relation of the South African urban formation. A key requirement of the implementation of this modified ideological mechanism was

the promotion of a black middle class (inside the urban areas of South Africa) whose interests would be disarticulated from those of the black majority and tied to those of the dominant (white) classes(5).

This study seeks to show that since the late 1970s, the state in co-operation with capital has not only relaxed the traditional legal and bureaucratic restrictions on the growth of the middle class but has also been active by the provision of employment and accommodation for a restricted number of blacks in the urban areas in the promotion of the black middle class(7). (This point is discussed in Chapter 3.) Thus capital and state policies from the late 1970s were already creating cleavages in the black community: a case in point would be accessibility to housing in urban areas (discussed in Chapter 3)(8).

The social category "black middle class" in South Africa has attracted the attention of intellectuals from both sides of the political divide(9). The concept black middle class has emerged in the context of a political discourse relating to the need to construct a viable political strategy for either preserving the essential social relations of the South African racially structured social formation or transforming it in such a way that these social relations remain intact. This conception has led to emphasis being placed on the potential of the political role of the black middle class.

Another body of analysis which has opened up a debate on the black middle class is the internal colonialism paradigm(10) or colonialism of a special type. According to this theory the state structures historically have operated to stifle the growth of the black petty bourgeoisie which has as a result remained insignificant and ideologically polarised around the interests of other black dominated classes notably the black working class. Furthermore this theory sees ideological apartheid as having the intention of diluting the expression of the class instinct of the black petty bourgeoisie, thus causing it to take a class position similar to those of agents located far from themselves in economic relations.

The issues surrounding the theory on internal colonialism or colonialism of a special type and its conceptualisation of the african middle class remains controversial. The opponents of this theory are mainly white intellectual Marxists(11). They have criticised the theory of internal colonialism by questioning the size and the political identity of the middle class(12). Some of the other questions asked by the opponents of the theory of internal colonialism are as follows:

1. To what extent is the apartheid state and white capitalist class willing and able to meet the economic demands of the african middle class?
2. Is this sufficient to entice this class into a reformist alliance as opposed to revolutionary alliance?

3. Does this class have its own political and economic agenda?(13).

However this question of internal colonialism will not be taken up in this study. It might be taken as a topic for further research.

Since the need has been recognised within the ruling block to create a collaborationist black petty bourgeoisie whose interests would place them at odds ideologically with the mass of the urban black population, it is not surprising that this black middle class would be allowed to circumvent influx control while the government turned a blind eye.

In the 1970s, as already pointed out, a process was set in motion aimed at nurturing the growth of the black petty bourgeoisie. In this process class rather than race was to be stressed. In this study it will be shown how during these processes of implementing the growth of the african middle class, influx control was circumvented. These policies and programmes which are discussed in detail in Chapter 2 are important because they enabled the middle class from the rural areas to circumvent influx control.

In particular the reformist period immediately placed on the agenda, the implementation of a class differentiated labour force. This reformist programme was a reversal of the long history of the oppression of the african middle class. This history will be discussed as part of Chapter 3 for the

traditional african middle class and Chapter 4 for the new african middle class. The historical oppression of the african middle class is captured in Verwoerd's statement made in 1954 when he assured National Party supporters that "when my department controls native education it will know for what class of higher education a native is fitted and whether he will have a chance in life to use his knowledge. What is the use of teaching a Bantu child mathematics when he cannot use it in practice? There is no place for him or her presumably above the level of certain forms of labour. For that reason it is of no avail for him to be receiving a training which has as its aim, the destruction of the European community" (14).

When Verwoerd said that there is no need to teach a black child mathematics when he cannot use it in practice, what he meant by the concept "in practice" was that black people would not be allowed to occupy professions such as engineering which involved the study of mathematics. All this was part of the policy of job reservation.

The post-1948 apartheid state had unleashed its cohesive apparatus on the dominated black classes, whose resistance to the apartheid structures had at this stage been "temporarily drowned in blood"(15). A few cases in point here are the 1960 Sharpeville massacre and the subsequent suppression of the African National Congress and the Pan African Congress.

After this period of suppression of the black middle class an era began in 1978 that marked a turning point in the history of the

development of the black middle class. Two sets of factors are seen as being largely responsible for the changing policy of the state: these factors, economic and political, are the focus of the next part of this text.

1.1 ECONOMIC FACTORS AND THE PROSPECTS FOR CLASS FORMATION

In the 1960s shortages of skilled labour power began to be noted especially in that class of labour power that was suited for incorporation into the expanding new petty bourgeoisie occupations mainly in the secondary and commercial sectors of the economy. The demand in the market for such skills was not able to be met by whites; and the gap between supply and demand kept growing(16).

The economic crisis of the 1970s was said to have been caused by the rapid growth in the economy during the 1960s. A number of skilled supervisory and managerial occupational positions reserved for Whites could no longer be filled by whites only. Bantu education was blamed for preventing blacks from acquiring the necessary skills to fill these gaps. There is some debate as to whether there was truly a skills shortage or whether the state used this to pressure white trade unions which would have resisted the promotion of the african middle class(17). Whether there was a shortage of skills or not is not a crucial point for this dissertation. The point of this study is that the argument for such a shortage of skills was used by both state and capital as an economic rationale for promoting the African

middle class. In addition, the promotion of the African middle class was seen to lead to an increase in the purchasing power of blacks which would in turn work for the benefit of the expansion of the South African economy(18).

Thus the shortages of skilled labour would, during the reform period, open up opportunities for the new african middle class to be recruited even from the rural areas and this undermined the influx control regulations applying to the migration of rural middle class africans to the urban areas. Chapter 4 contains an analysis of the methods used in the recruitment process of the rural new african middle class.

The utilization of the conception of a skills shortage coupled with the political crisis in the 1970s, was in the forefront of the crusade to modify the traditional racially structured patterns of labour utilization and to have it replaced with a more rational mode(19).

1.2 POLITICAL CRISIS AND THE PROSPECTS FOR CLASS FORMATION

It will be argued that the ideological shift during the reform period, i.e. the nurturing of the african middle class by elements of capital and the state, was as a result of the ultimate threat posed by the growing power of the black working class and the militancy of the other black popular classes(20).

This was the ideology that stressed the need to broaden the base of support for the free enterprise system among urban blacks through a strategy of nurturing a loyal black middle class just both the old and the new, instead of relying on repression as the main political mechanism of reproduction. The merits of this strategy were to be demonstrated by the undermining of the unified black opposition and its breakdown into various factions.

In this dissertation the way the traditional african middle class from the rural areas was permitted to illegally circumvent influx control regulations illustrates the extent to which the government was prepared to go.

The methods used, for example illegally hiring licences, using bribery to gain access to sites, etc, are analysed in Chapter 3.

The new african middle class from the rural areas used their educational qualifications and skills to gain access to middle class jobs in the urban areas. As a consequence many of them were exempted from influx control. They could also afford housing bonds and flat rentals. This is discussed in Chapter 4. Both these chapters draw heavily on empirical research.

The Soweto riots demonstrated more clearly than any struggle before it, the possibility of the radicalization of the black masses. This convinced the ruling class of the wisdom of winning the black middle class over to its side. The

Soweto riots played a catalytic role both nationally and internationally. They forced the struggle of black people in South Africa on to the front pages of the world's newspapers, so that in the years after it has been virtually impossible to keep this issue out of the news(21).

The danger that the Soweto riots brought into sharp focus was that the poverty of the black working masses and the continual frustration of the black middle class in the urban areas, could lead to a dangerous alliance between the working class and the middle class. A case in point is the Soweto Committee of Ten, constituted by middle class members, as a community based organisation, which found itself thrust into worker-related activities in addition to their involvement in the school crisis(22). This potential political class alliance was to be strengthened in the 1980s on the political terrain of resistance, as can be seen by the emergence of and cooperation between the following political components such as youth organisations (Cosas, Soyco, Azasm); aboveground mass democratic fronts (MDM, UDF); trade unions (Cosatu, Nactu); civic associations (SCA); cultural (Sacos) and church organisations (SACC), and the previously banned and underground organisations, led by the ANC and its military wing, Umkhonto We Sizwe. This political class alliance was seen to be a threat to the national and traditional mechanism of reproducing the capital labour relations within the social formation. The ideological shift by capital and state was therefore geared to establishing and popularising hegemonic principles in

which class rather than race or even ethnicity was to be installed as the principal ideological mechanism of capital reproduction.

The strategy adopted by the state and capital to promote the growth of the african middle class increased the capacity of the african petty bourgeoisie to circumvent influx control, mainly in areas of housing, job occupation and business opportunities. This is the main theme of this dissertation and Chapters 3 and 4 provide an elaborate analysis and interpretation of the middle class and influx control legislation. However, before we can proceed with this our first task is to refine the concept, middle class, and the concept influx control, which are the two fundamental concepts upon the analysis of which this dissertation depends.

1.3 DEFINITION OF MIDDLE CLASS

For the ordinary person in South Africa the african middle class refers to a social category, a phenomenon associated with the system of capitalism. The term "middle class" has a variety of meanings. It may be popularly employed to mean status, a degree of rank, a position in the society achieved as a result of ownership of property or educational qualifications.

Within academic circles there is an ongoing controversy about the concept "middle class" which is also the case for the concept "african middle class". In order to gain an

adequate understanding of the meaning and the working of the middle class, definition and theoretical analysis can only serve as a starting point. Real insight can be gained only through the empirical study of the phenomenon.

There are two main schools of thought which define the meaning of the concept middle class. One school of thought is the Marxist(23) and the other the Weberian(24). The Marxist and Weberian definition of the meaning of the concept "middle class" is different since they both use distinct analytical approaches.

The Marxists define class in terms of one's position in relation to the means of production, while for the Weberians class is defined in terms of "life chances". Writers drawing on the Marxist school define the meaning of class at the level of production while on the other hand for Weberians it is defined at the level of the market. Classically the Marxist conceptualisation of the term class is a bipolar model. This bipolar model distinguishes between owners of the means of production (bourgeoisie) and non-owners (proletariat)(25). The classical Marxist class theory has been thrown into something of a turmoil by the failure of advanced capitalist society to polarise along two main class lines only. Contemporary Marxists such as Poulantzas and Wright have attempted to expand the bi-polar analysis to include an intermediate stratum i.e. the middle class or petty bourgeoisie. This class in general terms includes a variety of people involved in non-manual labour

such as professional occupations, managers, civil servants, and bureaucrats, small scale entrepreneurs.

1.4 POULANTZAS' DEFINITION OF THE MIDDLE CLASS

According to Poulantzas(26) the middle class is divided into the traditional middle class (the old petty bourgeoisie) and the new middle class (the new petty bourgeoisie). The main criterion on which inclusion into the traditional middle class is based is self-employment. The traditional middle class includes:

- a) owners of small production enterprises, e.g. builders;
and
- b) small scale owners of business enterprises, e.g. traders.

In other words the traditional middle class consists of artisan producers who own and operate their means of production. Small scale ownership chiefly involves traders (I have included taxi owners in this category).

Poulantzas uses three criteria for defining the new middle class namely, political, ideological and economic. According to him politics and ideology play a role in defining the concept class and although the economy plays the main role in determining classes it does not have an exclusive role.

These criteria operate as follows:

- a) Political distinguishes between supervisory and non-supervisory.
- b) Ideological distinguishes mental from manual work or brain from muscle work.
- c) Economic distinguishes producers of material goods from non-direct producers. The proletariat is distinguished from the new petty bourgeoisie by the fact that it is the former only that performs productive labour, labour which produces surplus value embodied in material commodities.

The new petty bourgeoisie is further distinguished from the proletariat by political and ideological relations within the labour process. Political relations of control exclude supervisors and foremen from the proletariat. The performance of mental labour also qualifies one to be part of the new petty bourgeoisie. Ideological relations because of monopolisation of knowledge will therefore produce relations of domination and subordination in the workplace. Black engineers who may perform productive labour are excluded from the proletariat because they have "secret knowledge" which in turn produces the ideological relations. Thus the new petty bourgeoisie consist of unproductive supervisory and mental labour.

1.5 WRIGHT'S DEFINITION OF THE MIDDLE CLASS

Wright's(27) theory of the middle class is different from Poulantzas, although they both draw from a Marxist conceptual framework of bipolar and antagonistic classes namely the bourgeoisie and the proletariat. Wright uses three different criteria of domination and subordination within production, each entailing control over a particular productive resource, namely,

- a) money capital (investment);
- b) physical capital (means of production within the production process); and
- c) labour.

Control over money capital is designated "economic ownership" while control over the means of production and the labour process is designated "possession". According to Wright the bourgeoisie controls all three productive resources and the proletariat will be excluded from all three.

However, there are many positions in the class structure which do not fit into the bi-polar model so easily. People in such contradictory locations may exercise varying degrees of control over one or two of the productive resources, but none over the third element. These positions Wright terms

"contradictions within class locations". Wright also identifies a petty bourgeois class of petty commodity producers. "This class of self-employed producers and sellers of commodities does not employ other workers. Therefore, it exists as a contradictory class location. Managers and supervisors occupy a contradictory location between the bourgeoisie and the proletariat because they exercise a certain degree of control over physical capital and over labour but generally have no control over money capital. Then small employers occupy a contradictory location between the petty bourgeoisie and the bourgeoisie because they exercise control over labour, money capital and physical capital although on a limited scale, in addition they are usually engaged directly in production.

In summary Poulantzas and Wright define the middle class as follows:

- a) For Poulantzas the new petty bourgeoisie consists of professionals, technocrats, supervisors, fore-men, and non-productive wage-earners. The old petty bourgeoisie would be small scale producers and small scale entrepreneurs.
- b) Wright's petty bourgeoisie or, as he calls it, the contradictory class locations consists of top and middle managers, technocrats, supervisors, state officials, foremen, semi-autonomous employees and small employers.

For Poulantzas and Wright what separates the proletariat from the bourgeoisie is its exclusion from economic ownership and possession of the means of production. This is one area where Poulantzas and Wright are in agreement; however a critique levelled at them in their definition of the middle class is the problem they encounter in drawing lines on the border between the middle class and the proletariat on one hand and the middle class and the bourgeoisie on the other. For example, for Poulantzas many technicians who do both mental and manual work will be problematic to locate either into the middle class or proletariat. For Wright some of the top managers who hold quite a substantial number of shares in a company which could then accord them partial economic ownership and control will be difficult to place in either the middle class or the bourgeoisie.

1.3 WEBERIAN TRADITION OF CLASS DEFINITION(28)

Where Karl Marx sees "class" as the chief determinant of all aspects of a person's existence in society, Max Weber sees three interrelated factors. These are:

- a) class defined as a group of individuals who share a similar position in the market place and therefore receive similar rewards.

- 1 -
- b) Status which refers to the unequal distribution of honour or esteem. A status group is made up of people who share an estimate of honour with each other and are perceived to be in the same status position by outsiders. Status generates life style and according to Weber it generates a shared identity and shared interests.

Status and class may reinforce each other (property as such is not always recognised as a status qualification, but in the long run it is and with extraordinary regularity) but the possibility is there that status divisions may weaken class solidarity.

- c) Party - a party is a group that is able to influence others and to cause decisions to be made in terms of its own interests, i.e. parties are about power. For Weber power is not purely an economic factor, it has political and social aspects.

Weber sees the following class groupings existing under capitalism:

- a) The propertied upper class;
- b) the property-less white-collar worker(29);
- c) the petty bourgeoisie (small property owners, i.e. old middle class);
- d) the manual working class(30).

The distinction between the property-less white-collar workers and the manual working class rests on the demand for their services and skills. This is determined partly by education and partly by the changing needs within capital development.

1.7 ATTEMPTS BY WRITERS TO DEFINE THE AFRICAN MIDDLE CLASS IN SOUTH AFRICAN CONTEXT.

The definition of the african middle class in South Africa, as used by writers focusing on South African research, coincides with either a contemporary Marxist or Weberian approach. Kuper(31) uses a Weberian approach in his definition of the african bourgeoisie which includes intellectuals, teachers, clergy, nurses, professionals (such as doctors and lawyers), journalists, civil servants, traders and business people. According to Kuper the rewards enjoyed by bourgeois africans, with few exceptions, do not give them an equivalent status to their white counterparts (middle class): indeed he says that most black businessmen rank only a little higher than the least of whites. However, their modest earnings are still sufficient to place them above the general level of the african community and to permit qualitative differences in style of life. "In public life their opportunities may be more limited than those of an uncultivated white man, but the educated africans have a better understanding of urban industrial society and of a modern state than the mass of africans, and occupy many of the "command positions" in the african society. Their role

as leaders, their high earnings and education and their mode of life, modelled on that of the white middle class, promotes easier association within own class rank and thus gives rise to subjective sentiments of class differences. Within the african community achievement in the field of education and trade is a sufficient way to win an exaggerated recognition and prestige"(32).

Wolpe (33) acknowledges the complex theoretical questions involved in formulating a definition of the african middle class and has expressed a desire to refrain from entering that "difficult terrain". For his purposes his definition of the new african petty bourgeoisie is those who occupy places in the division of labour outside of industrial production in what is commonly referred to as the tertiary sector. This definition would not satisfactorily apply in this thesis, because this thesis identifies a class distinction within the tertiary sector between white-collar employee and blue-collar workers. For example, garbage collectors, cleaners, bucket collectors in areas like Alexandra where they still do not have a water-borne sewerage system, watchmen, tea-boy and tea-girl(34), messenger boy(34) and delivery or van boy(34) and many other blue collar worker in the tertiary sector can by no means be defined as part of the african middle class for economic and social reasons because they lack status.

Wolpe points out that, since the Second World War there has been a vast increase in the number of africans employed as

wage and salary earners outside of industrial production, mainly in commerce, education, health and various state departments. It is these categories of workers to whom he wished to draw attention.

In addition to the new petty bourgeoisie, Wolpe also identifies an african traditional petty bourgeoisie consisting of small scale producers where the owner of the means of production was also the direct producer, and of owners of small scale businesses particularly in the retail trade.

Wolpe categorises the new petty bourgeoisie as follows: Category A - professionals, technical and related; Category B - administrative, executive and managerial; Category C - clerical, service, sports, and recreation.

CEW Simkins and D Hindson(35) divide the classes into three categories. They acknowledge that their definition of the middle class is problematic and is used provisionally and that their inclusion of certain occupational classifications into the petty bourgeoisie is going to provoke controversy.

Their divisions are as follows:

a) owners and managers;

b) petty bourgeoisie made up of independent and high professionals, salaried professionals, semi-professional and creatives; senior, clerical and white collar technicians; clerks; sales representatives; supervisors and inspectors; non-manual ranks in the service sector; street and market traders;

c) working class.

This categorisation of the petty bourgeoisie or middle class is notable for the exclusion of the small scale producers; furthermore the inclusion of managers in class one with owners and executives is problematic.

What is noteworthy is that while this categorisation of the middle class was not originally applied along racial lines, it can be applied specifically to the african middle class. This reinforces the argument that "race" as the main mechanism of division of the social formation in South Africa is being replaced by "class" and that the african middle class in terms of its composition is becoming identical to the white middle class. What is implied by "composition" is shared job categories and to some extent shared socio-economic indicators, such as housing and other indices of life style. The big gap is in terms of political rights (franchise) and what this means in terms of ideological identity. This warrants further research.

Mlungisi Makalema(36), using Poulantzas, divides the middle class into two distinct categories, namely the traditional petty bourgeoisie and the new petty bourgeoisie.

The traditional petty bourgeoisie includes those middle strata involved in small scale production and ownership, and independent craftsmen and traders.

The new petty bourgeoisie is made up of white collar employees, technicians, supervisors, civil servants, and other workers in the ideological apparatus of the state. According to Makalema, while the middle class also sell their labour power, they are held not to be quite like the proletariat: they do not work, live, think and act quite like the proletariat.

As can be seen from the preceding discussion of various academics, there are problems in arriving at a satisfactory and comprehensive definition of the middle class. There is much room for continuing debate although there is an area of agreement, which area provides useful practical insights into what is meant by the concept "middle class" and provides a basis for empirical research. The study has drawn on all writers examined although most weight has been given to the contemporary Marxist theorists despite their shortcomings. Some major problems are: the difficulty of drawing a clear distinction between the bourgeoisie and the middle class and the proletariat and the middle class; the issues of class identity and ideological polarisation; and the size of the african middle class.

1.8 INFLUX CONTROL: MEANING AND CONTEXT

The other major area that requires classification is influx control. An examination of the legislation will provide insight into what influx control meant in the South African context. The concept influx control refers to the body of legislation enacted in order to provide a mechanism for controlling the movements of blacks between and within the rural areas and the urban areas, specifically with regard to the following aspects: movement, presence, residence, employment and unemployment. The document, created in 1952, which amalgamated all these controls, known as "the pass" had in addition the functions of regulating or controlling:

- a) Crime(37).
- b) Political dissidence(38): notable here is the category of "idling and undesirable" which was often applied to political leaders who were not able to be employed as a result of their political activities and who thus forfeited their Section 10 1(a)(b)(c) rights and were in danger of being deported to the rural areas.
- c) Tax evasion: this applied during the period when all blacks were liable to pay an annual tax and proof of payment was stamped into the pass document.

d) Provision of certain social services such as unemployment insurance and premiums.

I shall now focus attention on how influx control affected the african middle class but first it is necessary to outline how blacks qualified under Section 10(1)(a)(b)(c) (permanent urban blacks) and (d) (temporary urban blacks)(39). (It must be noted that many africans did not qualify in terms of Section 10(1)(a),(c) or (d) rights at all.)

These sections are important in this study in explaining the operation of influx control. It must be mentioned that generally it was accepted that influx control affected all africans in the same way with the only distinction being drawn between those who had Section 10(1)(a)(b) and (c) rights (permanent urban Africans) on one hand and on the other those who had Section 10(1)(d) (temporary urban africans).

It is fitting to explain at this stage the criteria applied in the issuing of various categories of Section 10 rights before discussing how the middle class circumvented influx control by exemption and the manipulation of Section 10 rights.

Section 10(1)(a) applied to those who had been born in town; Section 10(1)(b) applied to those who had worked for ten years in continuous registered employment with one employer

in one town or had lived continuously in one town for fifteen years.

Section 10(1)(c) included wives and children and other dependents of holders of Section 10(1)(a) and (b) provided that the children were born before the date of independence of their particular homeland. Children born after that date could only remain in the urban area if they were given Section 12 permits which controlled the presence of black persons from foreign countries in towns of South Africa.

Section 10(1)(d) rights were those granted on an annually renewable employment contract.

The first three a, b and c were applicable to permanent urban blacks and the last, d, was for so-called temporary urban blacks(40).

The conditions set for obtaining a, b or c rights were very strict but once they had been granted certain privileges followed. It became legal, inter-alia, to own and rent businesses in the urban areas, to own or rent houses in the urban areas, to move freely from one urban area to another in search of employment and/or residence.

That is how the law operated in theory but in practice the situation was very different. Evidence suggests that certain occupational groups enjoyed the privileges accruing to those with Section 10(1)(a), (b) and (c) rights,

irrespective of whether they had such rights legally or not. These occupations can loosely be categorised as middle class.

The normal procedure for obtaining Section 10(1)(d) rights for blacks in the homelands was to report to a labour bureau and wait possibly for months for an employment opportunity. As many of the africans are in the working class and therefore unskilled, there was and still is great competition for jobs. Here people from middle class occupations enjoyed certain advantages because of their skills and/or capital. Because these people were relatively few in number there were more job opportunities and access to housing.

Substantial shifts in the structure of the economy since the 1970s have produced changes in the supply of labour. Influx control mechanisms were no longer only there to supply the urban areas with unskilled cheap migrant labour but new strategies had to be developed to meet the supply of a different class of labour, such as skilled, technical and professional categories of occupations which could be classified as middle class.

This thesis examines the argument that while from the mid-1960s the economy of South Africa experienced shortages of skilled labour, it was only from the mid-1970s that the state started opening up opportunities. This suggests that economic factors alone were not sufficient and the political

crisis experienced during that period gave the final impetus for reform.

The Riekert and Wiehahn Commissions(41) appointed to lay down guidelines for political and economic reform arose from the crisis of the 1970s, the 1973 Durban Strike, the Soweto Riots of 1976, and subsequently the escalation in the struggle waged by the African National Congress (ANC) nationally and internationally against the government of South Africa. The ANC guerrilla attacks on the ground typified by the Sasolburg attack in 1981 and many other similar attacks elsewhere, sanctions imposed by the international community on South Africa all added to the crisis. The Riekert and Wiehahn reports recommended the establishment and promotion of black businessmen and black education and technical training schemes. The point to be made in chapters 3 and 4 is that the African middle class have benefited from state policies influenced by commissions of enquiry such as the Riekert and the Wiehahn.

The international community has not only used sanctions as a major tool to bring about changes in the policy of apartheid in South Africa, but they have formed organisations internally (South Africa) with the purpose of implementing a course of action for foreign companies in South Africa, which would benefit black employees working for those companies. The Sullivan Code and the EEC Code which affect American and European companies respectively in South Africa are intended to establish certain policies in order to

effect changes primarily at the economic level. A point of concern to this study about these principles is that, as it will be demonstrated with the Sullivan principles, they primarily promote the interests of the black middle class rather than the interest of blacks in general. It must also be mentioned that these codes were not adhered to the letter by affiliated companies. This, while it is not a real concern of this thesis, indicates the gap between legislated or regulated intention and implemented practice which gap has been crucial for the capacity of the black middle class to circumvent influx control regulations. However, an important point to be made here is that these codes contributed to a lesser or greater extent to the emergence of the black middle class in South Africa. For example, the Sullivan principles initiated and developed training programmes aimed at preparing blacks, coloureds and asians in substantial numbers for supervisory, administrative, clerical and technical jobs and clearly worked to the advantage of the middle class by increasing the number of blacks, coloureds and asians in management and supervisory positions and improving the quality of employees' lives outside the work environment in such areas as housing, transportation, schooling, recreation and health facilities.

The Sullivan Code is a matter of concern to this study because of its active promotion of the african middle class. Principle number six is an example of how the Sullivan principles operated to promote the interests of the

black middle class outside the working place. Housing and transportation schemes will only be accessible to those who qualify for housing loans and transport benefits, and this applies mainly to the middle class group(42).

The african middle class from the rural areas were especially able to benefit from the provisions of the Sullivan Code as put into practice by various companies. As will be shown later in the thesis many of the officials of the Black Management Forum were of rural origins and they benefited by the code's promotion of managerial occupations. Furthermore, the preferential access to housing loans and the use of company-owned cars placed them in a position where they were able to avoid harassment by bureaucrats in various state departments or were assisted by company personnel in their journey through the red tape of influx control legislation.

The african working class on the other hand, while theoretically also assisted by the provisions of the Sullivan Code, in reality only benefited in exceptional cases and under certain of the provisions such as that providing for training.

It can be concluded that the economic and political changes taking place in South Africa affect different classes in different ways, and that they seem to be working to the advantages of the middle class particularly. The point of this thesis is to show that the middle class from the rural

areas were able to use these privileges to circumvent influx control in a way not accessible to the African working class generally.

1.3 METHODOLOGY

The major focus of this research is to show how the african middle class from the rural areas circumvented influx control measures in their daily activities.

The new middle class used their educational qualifications to legally circumvent influx control and the old middle class used their capital and experience to illegally circumvent influx control measures.

Because two very different types of constraints operated upon these groups, the research techniques used had to be such that they were able to be effective in both sets of circumstances

1.9.1 Area of investigation

Two aspects operate here: one is that the persons interviewed have migrated from a rural area to the geographical area in which this research was carried out. This area is the Witwatersrand, including Soweto, Alexandra and East Rand townships as well as the so-called white parts of central Johannesburg and peripheral suburbs. This area was chosen because it is

not only demographically the biggest urban concentration but because it is seen as the place where most economic opportunity is to be found. Therefore Johannesburg, especially Soweto, is the greatest economic magnet: this is confirmed by the multi-ethnic or tribal components of its black population which is drawn not only from every homeland in the Republic of South Africa but also from neighboring states.

The second reason is that I have lived in Soweto and thus have an understanding ("Verstehen") in the Weberian sense(43) of the milieu and a sensitivity to changes that are occurring within the community. In addition I have a network of personal relationships which has provided the starting point for my research contacts. Given the sensitivities of the information disclosed such an association based on trust was likely to be decisive in honest disclosure.

During my period as a student at the University of the North I became aware of the recruitment procedures that applied to fellow students and was thus alerted to the issue of class differences in migration.

While my research begins from the urban end of the respondents' experiences, my time in touch with the rural community while I was a student at the University of the North gave me a sense of the village point of view and of the pressures for migration in the rural areas.

1.9.2. Period of investigation

The initial interviews which gave rise to this thesis were conducted in 1984 as partial fulfilment of an Honours degree at the University of the Witwatersrand. The investigation of the literature, both academic and non-academic, began in 1985 and has continued because of the rapid changes that have taken and are taking place (for example the abolition of influx control in 1986, the opening up of "free settlement areas" and trading areas from 1985.)

This has necessitated re-interviewing some of my respondents in order to establish how the changes have affected them.

1.9.3. Research procedures

1.9.3.1 Rationale

The debates around, and the changing nature of certain of the concepts (such as middle class and influx control); the underground operation of the old middle class; the sensitive nature of the functioning, often illegal, of the black middle class in general and the consequences to them and others in terms of possible deportation, imprisonment, loss of livelihood; the subtle nature of the gap between government policy as stated in the legislation and its implementation or

non-implementation in practice associated with changing patterns of "tolerance" of illegality, are among some of the factors that obliged me to take a qualitative approach to my research that generates impressionistic rather than quantifiable and generalisable data and provides for a deepening exploration of patterns as they emerged and altered with changing circumstances.

Thus I did not start with a formal schematic method or design in conducting this research; instead I was forced to follow the dictates of different and changing situations(44).

1.9.3.2 Techniques

(a) Personal observation

My curiosity in this subject was stimulated by personal observations of the differences between the working class and the middle class and an awareness of the distinctive ways used by the rural middle class to establish themselves in the urban areas.

(b) Literature review

This led to an investigation of the theoretical academic writings about class issues generally and more specifically about the black middle class. It necessitated an examination of the history of

repression and growth of the black middle class under successive governments as reflected in the legislation. In order to interpret this literature it was necessary to gain familiarity with the influx control legislation and its implementation and changes in the policy.

(c) Consultation with experts

In order to understand how the influx control mechanisms operated I went to government departments, to research institutions such as the Urban Foundation, the South African Institute of Race Relations, the Black Sash and Actstop (which also operates at a practical level to give advice or fight the Group Areas Act.) This alerted me to gaps between policy, regulations and implementation and made me aware of the "ideological" shift in government policy since 1978 which I interpreted as being partly aimed at the promotion of the black middle class.

(d) Sources

This led to an examination of a wide range of sources, including media sources, academic writings and biographical accounts of business personalities in an effort to develop a sensitivity to the more covert dimensions operating in the field of investigation.

(e) Interviewing

Alongside these processes I conducted interviews and used others to assist me with the conducting of interviews or of making first contacts with potential interviewees. The interview techniques used for the old and the new african middle class differed because of their very different perceptions of the research that I was engaged upon.

Where I used other people to conduct an initial interview I briefed them about the main issues and gave them questions to ask. Where necessary I would follow up with a deep approach interview. I used a tape recorder to record the interviews.

1) Interviewing the old middle class

The first problem in approaching the old middle class is their suspicion about the nature of the undertaking. Being mainly illiterate and therefore suspicious of documents and "abantu abafundile"(45); as illegal and therefore suspicious of interviewers whom they suspect may be government agents and who in any case may even unwittingly be a source of danger to them; as successful without being formally schooled and therefore suspicious and ignorant of formal education and the purposes to which it can be

put, and unable to see how it can work to their tangible and immediate advantage; the old middle class is hesitant and even unwilling to be party to such a research project.

For this reason I used contacts to introduce myself personally to the interviewees who in turn introduced me to new contacts among the old middle class. This meant that at each stage, I had first to be accepted as trustworthy on the recommendation of a third party and then I had to establish a relationship of rapport with each individual in order to have some certainty that the information that he/she provided was honest and reliable.

My initial contacts were made through family members and this led me to choose to concentrate on the business community of Orlando West. Another reason for selecting this particular area was a contact at the municipal offices who had established relationships in the Orlando West business community and who was able to vouch for me and to provide me with information. I used this person to conduct initial interviews on my behalf and she also provided me with maps of the area from which I was able to establish the location and nature of business in that area. There were fifty-five

businesses known to be operating in that area of which eighteen were operated illegally by people from the rural areas. This I established by interviews and rechecks of the information that I was given.

I gained an idea of the number of people from the rural areas operating illegal businesses in the CBD by asking bookkeeping firms, and from contacts involved in lease arrangements and also by directly asking care-takers of buildings in which black businesses were operating. Finally I was dependant on personal introductions in order to make meaningful contact with business people in this area.

In all I interviewed one hundred and fifty business people of the old middle class excluding taxi owners or drivers.

To make contact with those operating in the taxi business I began by approaching the official taxi bodies such as South African Black Taxi Association (SABTA) as well as the transportation board. I had two aims here: (1) to establish legal and illegal procedures as perceived by officials; and (2) to build a network of contacts in the ranks of taxi owners and drivers. The black organisation alerted me

to the extent to which illegal and dishonest practices prevailed but they were not prepared to risk disclosing factual information. Thus while they provided the leads, the information about "the car racket" came indirectly through a perusal of media reports and from the police, which as a source proved to be unsatisfactory.

I interviewed ten taxi drivers and four owners.

In all I conducted one hundred and sixty interviews with members of the old middle class. One of the guarantees I gave interviewees of the old middle class was anonymity and therefore names in the text have been changed.

(11) Generating questions

During 1984 I constructed a questionnaire under the supervision of Dr Hindson and this questionnaire provided the basis of the questions that I used in the interviews that I conducted with the old and the new middle class, though the differing avenues of migration necessitated very different questions being asked. Thus questions were formulated that had specific reference to the category of persons being interviewed. For example in the case of

business people operating in the CBD the question of nominees was an important issue to establish and in the case of the taxi business the way in which a driver/owner had acquired the taxi vehicle was of importance.

I had to be aware that sensitive issues differed in the various categories of business because of the violation of the law.

iii) Interviewing the new middle class

Many problems applying to the old middle class did not apply in the case of the new middle class who were (i) educated and were used to the idea of research and (ii) not acting illegally to the same extent (or at all) as the old middle class and therefore did not feel vulnerable. For this reason I was not constrained to the same extent to approach people on the basis of a personal introduction but made use of other techniques.

So apart from interviews conducted personally with some individuals along the lines that I had used with the old middle class, I used other techniques.

I conducted eighty interviews with members of the new middle class which generated deep insights not only

into the processes involved in their migration from the rural to the urban areas but also into the corruption involved in the allocation of housing sites and the extensions of exemptions to middle class people.

(f) The questionnaire administered to some members of the middle class

I decided to formulate a questionnaire to be administered to a particular category, namely exempted professionals.

The administration of the questionnaire was undertaken by people in authority with groups of employees: this guaranteed a prompt and high rate of return of the questionnaire forms. (For example a matron at Saragwanath Hospital administered the questions to twenty five nurses from which I received a full return.)

The questionnaire schedule was based on the questionnaire referred to earlier that grew out of my honours dissertation. The relevant sections, namely in employment procedures, housing and the role played by the employing concern in assisting in the circumvention of influx control, were formulated as open-ended questions: but the types of responses allowed me to compare the findings.

Many of the questionnaire responses led me to further investigation of particular cases by way of personal interviews, sometimes over the telephone. This was possible because the questionnaire was not administered anonymously. I believed that there was little need for anonymity because the information asked for was not especially compromising and had no legal implications.

The questionnaire was administered to forty respondents and I had thirty seven returns. I conducted fifteen interviews on the basis of the questionnaire returns.

Interviews with the new middle class were mainly conducted with the non-exempted category, i.e. people employed by companies. Personnel managers or officers were my starting point, because after discussing employment procedures for the new african middle class the personnel officer would give me a list of names of all the employees from the rural areas.

Thereafter I would make appointments with the employees individually to discuss issues either at work or home, whichever was most convenient.

The interviews with the new middle class focused mainly on the legal avenues available for the circumvention of the influx control mechanisms but in the course of such interviews the resorting to illegal methods in order to speed up the process of gaining Section 10 rights and

housing was disclosed. Furthermore the connivance between companies and the state to find loopholes in the legislation emerged.

1.9.3.2 Some difficulties encountered in the research

(a) Obstacles in reaching the interviewees

While "exempted" professionals did not present problems of access because they are easily identified by occupation as part of a group employed with a specific institutional complex, both non-exempted middle class and members of the old middle class are more hidden and in the case of the old middle class from the rural areas could be said not to have a legal existence, i.e. they do not officially appear.

This covert nature of potential interviewees meant that much patience in winning trust and establishing good faith to get a contact and then extreme tact and sensitivity in dealing with such vulnerable people was needed.

Another aspect is that officials both in government agencies and black business organisations (such as NACTU) must indeed know about the existence and location of, for example, the old middle class from the rural area but this information was not recorded, and,

by government agencies at least the situation was treated as if it did not exist.

This aspect of the realities of social practice will be examined in the conclusion.

(b) Networking

The main danger of using a networking approach is that it may lead to a skewed body of interviewees who share social worlds. My procedure meant that I was not locked to any one network but I was able to make contacts with a variety of groups distinguishable on the basis of geographical location, business interests, age, place of origin, many of whom had no knowledge of other interviewees.

(c) Using government officials

I encountered hostility and generally an unhelpful attitude in my attempts to get information. Some of this is attributable to racial sensitivity; another factor was probably political in origin - both the sensitive nature of the subject matter, influx control and the middle class, and the perception (correct) that the research was antagonistic to the policies being implemented. In addition, much that was going on in government offices was not strictly in accordance with the regulations (e.g. the illegal registration of

17. Webster, E : "The labour process and forms of workplace organisation in South African foundries". PhD thesis, University of the Witwatersrand, 1983.

Crankshaw, P: "The role of industrial training reforms since 1976 in the formation of an african middle class". An MA dissertation, University of the Witwatersrand, 1988.

18. Saul, J and Gelb, S:

"The crisis in South Africa". Monthly review, Press, New York, 1981.

19. See Chapter 2 of this thesis: The liberal debate on the issue of race and class and the rationality of capital as well as Saul and Gelb (ibid) on ideological rationality.

20. Makgalema, M: op cit.

21. Saul, J : op cit.

22. Work in progress. WIP, 1978, p.88.

23. Karl Marx originally in a number of writings including "Capital" and the "Manifesto of the Communist Party" and later exponents of Marx such as Poulantzas and Wright who are examined later in this chapter.

12. Sarakinsky, M: op cit.
13. Wolpe, H : "The theory of internal colonialism: the South African case", in Oxal, Barnett and Booth (eds.): Beyond the sociology of development. Routledge and Kegan Paul, London, 1975.
- Wolpe, H : 1976.
- Crankshaw, O: op cit.
- Hudson, P and Sarakinsky: op cit.
- Wolpe, H : 1988.
14. Hinson, B : "Year of fire, year of ash: the Soweto revolt: roots of a revolution?" Zed Press, London, 1979.
15. Lotta, R : "The political economy of apartheid and the strategic stakes of imperialism", in Race and class, 27(2), pp.17-34.
16. Wolpe H : 1976.

24. Max Weber "in debate" with Marx's formulation of class in various writings; later by Leo Kuper examined later in this chapter.

25. Marx, K and Engels, F:

Manifesto of the Communist Party in K Marx and F Engels "Selected Work", Vol.2, Progress Publishers, Moscow, 1977.

26. Poulantzas, N: Political power and social classes. New left books, London, 1976.

27. Wright, EO : Intellectuals and the class structure of capitalist society. 1978 and 1979.

28. This discussion relies on the essay "Class, status and Party" in "From Max Weber", ed Gerth and Mills and M Haralambous: "Sociology: Themes and perspectives", 1980.

29. Mills, CW : "White collar". Oxford University Press, New York, 1951.

30. Gold, and Goldthorpe, GH, et al:

"The affluent worker in the class structure". Cambridge University press, Cambridge, 1969.

vehicles onto an existing taxi licence) and thus officials probably felt uneasy on the one hand that government policy was changing and was ambiguous and on the other, many officials perhaps used this "flexibility" to their own advantage ("making bread")(46).

The outcome of this for my research was positive in that I became alerted to the problem of interpreting different versions of "social reality".

(d) "Honesty"

It was only after 1986 and the official abolition of influx control that a number of people that I had interviewed were prepared to admit, on re-interviewing, that they had obtained passes, small section 10 rights, licences to run businesses, etc, illegally by using bribery or forged documentation. Despite the level of rapport established and the acceptance by such interviewees of my good faith, the probable consequences to them should their illegal practices be discovered was enough to prevent them from full disclosure. To some extent this calls into question the honesty of their responses in other areas. However the high level of congruency found over all in the interviews would seem to suggest that the routines used by the rural middle class to circumvent influx control

are fairly standardised and that the information is valid enough.

(e) Memory of respondents

Apart from deliberate falsification or withholding of information around especially sensitive issues, many interviewees of the old middle class were recalling events that had occurred at quite some distance in the past. All people are subject to "misremembering" and distortion: it is therefore not likely that this group of people will have always accurately been able to reconstruct the past.

(f) Purpose of research

Perceptions by interviewees of the research project varied. While the new middle class generally had no real difficulty in appreciating the nature of an academic study and were willing to participate because they were able to see that such knowledge is likely to be to the benefit of society, the old middle class had great difficulty in accepting the disinterestedness of such research and were suspicious about its outcome. Because of the intrinsic dangers of disclosure they were reluctant to participate. Furthermore, often they retained preconceived ideas about the purposes of the research and attempted to use me as a tool in whatever way they could devise to serve their interests. For

example, one person saw me as having leverage with the SBDC.

(g) Role of interviewer

Because the information that I was seeking to find could not be elicited by direct questioning and because I was concerned to understand process, and changes in that process, there could have been a tendency for me to bring my own interests into the formulation of questions and into the interpretation of the interviewees' social world. I tried to be aware of this as a possible danger.

(h) Dishonest practices

In the course of my research I became increasingly aware of the extent of dishonesty operating at all levels, from government officials to rural migrants. People would hint at such practices but they were afraid to come out into the open. They feared repercussions ranging from litigation against them for defamation to direct violence. The taxi business is notorious for the use of violence to achieve various ends, such as shooting the competition. Where there is little evidence or great unwillingness to disclose information, how does one investigate a phenomenon? I went to the media reports which provide an incomplete picture since they can only report on those matters

that had come into the open. Thus they cannot really give an indication of the extent of dishonesty nor are they able to show the variety of ways in which the laws are broken. On the evidence of media reports there is a strong case for the prevalence of dishonesty.

1.9.4 Summary

A preface has three main objectives:

- a) to explain the intention behind a piece of work;
- b) to outline the scope of the study; and
- c) to critically assess the methodological problems of the study.

This preface outlines the scope of the study which is to analyse the interaction between influx control and class position. In order to do this it has been necessary to attempt to clarify the meanings of these concepts which has been done by examining the theoretical writings about the meaning of the "middle class" and the legislative framework of influx control. I have sought to locate the formation and the promotion of the African middle class paying special attention to the reform period.

My intention is to challenge the view of certain other writers who fail to take into account how class acts as an important variable in the operation of influx control. This

has been done by studying the writers on the cheap labour power thesis and Hindson's critique thereof.

Finally the preface examines some of the methodological problems encountered in doing this type of qualitative research and the methods used to overcome them.

FOOTNOTES

1. Wolpe, H : "Capitalism and cheap labour power in South Africa: from segregation to apartheid" in Economy and Society, Vol.1, 1972.

Legassick, M: "Legislation, ideology and economy in post-1948 South Africa" in Journal of Southern African Studies, Vol.1, No.1, October 1974.

Legassick, M: "South Africa: forced labour, industrialisation and racial differentiation" in R Harris (ed.), The political economy of Africa. John Wiley and Sons, New York, 1975.

2. Hindson, D : "Pass system and the formation of an urban proletariat in South Africa - A critique of the cheap labour power thesis". PhD thesis, University of Sussex, Sussex, 1983.

3. Wolpe, H and Legassick, M: ibid.

4. Hindson, Ibid, pp.165-167.

5. Crankshaw : "Marxist theories of classes and the emerging african middle class in South Africa". Unpublished Honours dissertation, University of the Witwatersrand, 1985.

Hindson, P and Sarakinsky, M:

"Class interests and politics; the use of the urban african bourgeoisie" in The South African Review, No.3, 1986.

Wolpe, H : "The changing class structure of South Africa: the african petty bourgeoisie". Unpublished paper, Sussex University, 1976.

Wolpe, H : "Race, Class and the apartheid state". Unesco Press, Paris, 1986.

Sarakinsky, M: "The changing urban african class structure in South Africa between 1970 and 1985". Unpublished MA dissertation, University of the Witwatersrand, 1988.

6. Makgalema, M: African bourgeoisie. Unpublished MA thesis, Univeristy of York, 1986.

7. Sarakinsky, M: op cit.

8. Newspaper articles have been used in discussing corruption involving allocation of housing sites by community councillors. Statistics about the housing backlog is included here.

9. The 'political divide' refers to differing interpretations for the existence of the african middle class or a petty bourgeoisie as it is also referred to in the literature. On one side is state and capital and on the other are those who question the intentions behind the promotion of such a class.

10. Slovo, J : "South Africa: no middle road" in B Davidson, J Slovo and P Wilkinson (eds.), Southern Africa: the new politics of revolution. Penguin, London, 1976.

Magubane, B: "The political economy of race and class in South Africa". Monthly review press, New York, 1979.

Nolutshungu, S: "Changing South Africa". David, Phillip. Cape Town, 1983.

11. Saul, J : "Class, race and the future of socialism", in "Popular struggles in South Africa" edited by W Cobbett and R Cohen. Africa World Press, New Jersey, 1988.

31. Kuper, L : "An african bourgeoisie: race, class and politics in South Africa". Yale University Press, London, 1965. "African bourgeoisie" as used by Kuper is the equivalent concept to "african middle class" as used in this thesis.
32. Kuper, L : Ibid, p.7.
33. Wolpe, H : 1976, p.12.
34. These terms are not used in a derogatory or racist sense but because they are analytically appropriate.
35. Simkins, CEW and Hindson, D:
"The division of labour in South Africa between 1969 and 1977", in Social Dynamics, Vol.52, 1979.
36. Makgalema, M: "The making of the urban black petty bourgeoisie in South African between 1973 and 1983: ideological-structural considerations". Unpublished MA thesis, University of New York, 1986.
37. Urban Areas Act No.25 of 1945, Section 29.

38. Section 10 rights could be cancelled by a stamp in the pass document in terms of a provision in the Urban Areas Act No.25 of 1945, Section 29.

39. Hindson, D : op cit.

40. Urban Areas Act No.25 of 1945: Section 10.

41. Riekert: 1979} as discussed in S. Gelb and P. Saul, op cit.
Wiehahn: 1979}

42. This information is based on material provided by the American Embassy.

43. Weber, M.

44. Mann, PH : "Methods of social investigation".
Blackwell, Oxford, 1985.

Schwartz, H and Jacobs, J:

"Qualitative Sociology". The Free Press,
New York, 1979.

45. This means educated people who are seen as potentially able to cheat the uneducated.

46. "Making bread" is a colloquialism for using one's potential at one's place of employment to supplement income by illegal means.

CHAPTER 2

THEORETICAL FRAMEWORK

SECTION 1

2.1 GEOGRAPHICAL DIVISION VERSUS CLASS DIVISION

2.1.1 The cheap labour power thesis

The theoretical framework which informs this dissertation and within which the empirical investigation was conducted draws on theoretical writings within the tradition of "the cheap labour power" thesis(1). This thesis dominated, without being challenged, radical analyses of the subject, race and class, in South Africa for over a decade.

The cheap labour power thesis, as argued by Kolpe and Legassick focuses on the temporary migration of africans to the ban areas in South Africa(2). The reserves, according to this paradigm, provided part of the subsistence required by workers. Thus the temporary migrant labour system lowered the price of labour power, and the central issue of the cheap labour power thesis treats african people analytically in South Africa as if they are comprised essentially of a temporary migrant labour force.

2.1.2 Hindson's critique

Hindson's critique of the cheap labour power thesis points out that while this thesis immeasurably advances our understanding of capital development in South Africa, it has in its own terms become a barrier to our further understanding of the nature of capital advancement(3). This is so because it puts an exclusive emphasis on the temporary migrant labour system, excluding other social and economic cleavages such as the existence of a permanent urban black proletariat. In order to understand the South African social formation it is necessary to look at how these cleavages are structured.

The main rift maintained by the system is primarily between whites and non-whites, i.e. coloureds, indians and africans, but important divisions are maintained within all these groups including the african population. The point to be argued in this dissertation is that writers within the tradition of the cheap labour power thesis, including Hindson, focus only on the geographical division of labour in South Africa, i.e. a distinction is made between the temporary labour system drawn from the rural areas versus the permanent urban labour force. This theoretical conceptualisation prevents these writers from analysing capitalist development in South Africa along class lines. The

african middle class and how it is affected by influx control is overlooked by these writers.

Hindson makes much of the argument that South African blacks are divided into temporary and permanent urban dwellers and more importantly Hindson has argued that in addition to the migrant labour system there is a permanent labour force of africans in the urban areas. In other words there is a partially proletarianised migrant labour force which is temporarily in the urban areas.

2.1.3 The Issue of class

I do not wish to reiterate Hindson's critique of the cheap labour power thesis here except to point out that the claim that influx control divided africans into temporary and permanent urban dwellers has been called into question by the existence of the african middle class. The existence of the african middle class from the rural area, both the exempted category(4) and the non-exempted who circumvented influx control by using their class position (educational qualifications and/or business skills) to establish themselves in the urban area, brings into focus the class issue in distinction to the sharp distinction made simply on geographical grounds between a temporary urban proletariat and a permanent urban proletariat. Such a division fails to

see that within both the urban and the rural sectors there are substantial differences based on criteria other than geography. What will be argued in this thesis is that neither rural nor urban blacks form a monolithic class: within both the rural and the urban black population, there are to be found substantial differences in terms of education and ownership, which form a basis for a distinction between a working class and a middle class. For example the african middle class from the rural areas has relatively easier access to housing and jobs in the urban areas compared with both the temporary and permanent working class in the urban areas. The omission of the african middle class by the above-mentioned writers makes it impossible to differentiate adequately between the migration of the working class and that of the middle class and thus develop a satisfactory analysis of South African society.

2.1. 4 Critique of Hindson

It is argued in this study that the historically exempted and later the non-exempted african middle class enjoyed privileged access to housing and jobs in the urban area, due to their class position. The "cheap labour power thesis" and Hindson's critique, fail to analyse in any depth the african middle class as a separate class of people on whom the effects of influx

control have been distinct, and who therefore warrant a separate explanation. Hindson fails to advance an adequate explanation of the role of the african middle class in understanding influx control except in passing in his analysis of influx control prior to 1948. Most important of all, the recent political pressure on the government and capital has introduced a period characterised by reform. This reform period has ushered in more opportunities for the middle class by way of housing and jobs and business opportunities in the urban area.

Hindson repeats substantially the same mistake of analysing influx control along geographic divisions only. This is so mainly for two reasons:

- (a) He fails to recognise that the african middle class due to its economic position could practically, albeit often illegally, circumvent influx control quite successfully.
- (b) Equally important he erroneously asserts that the legal exemption of the african middle class was abolished by the state after 1952.

Hindson is quoted verbatim here: "The effect of the amendment of the Urban Areas Act of 1952 was to elevate Section 10 (before 1945 Section 5 bis) into the main

substantiative pass control measure governing africans in the urban areas and downgrade Section 23, previously the most important measure Section 23 (before 1945 Section 12), which, it will be recalled, provided for the creation of proclaimed areas in which registration of service contracts and influx controls were enforced, was in fact gradually absorbed into the Native Labour Regulation Act, and finally removed completely from the Urban Areas Act in 1964. The significance of this is that Section 23 acknowledged and promoted the formation of an urban african petty bourgeoisie through the issue of exemption certificates to individuals who qualified on the basis of property rights and professional qualifications. It is true that long service as a faithful employee was also a means of acquiring exemption from the registration of requirements and influx controls, but this played a relatively minor part".

Hindson finally concludes: "The displacement of Section 23 by Section 10 meant that the line of demarcation between the petty bourgeoisie and working class was no longer acknowledged. Instead the Act based itself upon and entrenched a line drawn within the working class itself, that between the permanent and temporary sections of the urban population. Thus the amendment in 1952 changed the act in two crucial ways: exemption from the registration requirements under Section 23 was

replaced by exemption from the present prohibition under Section 10, and the qualification for exemption became continuous employment and residence rather than property or profession"(5).

According to the above text, the exemption of the african middle class was obliterated from the statute books commencing in 1952 and finally completed with its absorption into the Native Labour Regulations Act in 1964. However, as empirical evidence will indicate in chapters 3 and 4, a certain fraction of the african middle class was still exempted up to 1986 when influx control was abolished.

2.1.5 The exempted category after 1965

A series of interviews with Sheena Duncan(6), National President of the Black Sash, who gained substantial experience in solving problems arising out of the influx control regulations confirms that throughout the period that influx control was in place until its abolition in 1986 a certain category of the african middle class remained exempted.

Duncan quoted from the Black Labour Regulations of 1965(7): "No permission need be obtained under these regulations for the employment of the following persons provided that such person is authorised by paragraph d

of Sub-section 1 of Section 10 of the Urban Areas Act.

- (a) Any advocate, attorney, notary public, conveyancer, medical practitioner, dentist, professor, lecturer, at any university or university college;
- (b) ministers of religion who are marriage officers;
- (c) teachers whose salaries are paid or defrayed directly or indirectly, in whole or in part by the government or any provincial administration;
- (d) any official, clerk, interpreter, policeman or warden while in the service of the state, including the Railways Administration and any Provincial Administration and any board constituted in terms of an act of Parliament or any body contemplated in Section 84 of the Republic of South African Constitution Act of 1961;
- (e) any black or any member of a group or category of blacks which the Minister may in his discretion exempt from any or all of the provisions of this chapter which exemption may likewise be withdrawn"(a).

2.1.6 Comment

There are a number of points that arise from this:

- (a) Hindson points out before 1948 the main criteria for permanent urban residence was exemption from influx control, resting on the criteria of property ownership and educational qualifications which enabled holders to rent or own houses in the urban areas. This means that middle class status was the main criterion for urban rights. The inference is that during the period before 1948, all non-exempted categories of black were seen to be contract or migrant labourers (i.e. part of the proletariat) who would normally reside in hostels or compounds for the duration of their employment contracts except for a provision for long service which affected only a small number. For Hindson, then before 1948, class is the main criterion for africans from the rural areas to acquire permanent rights in the urban areas. This changed after 1952 with the elevation of Section 10(9) as the main determinant of urban status which replaces class with long and faithful service.

However, contrary to what is indicated by Hindson in addition to these qualifying conditions, some of the exemptions that had been enjoyed by the middle

class in terms of Section 23 of the 1945 Act were retained in the Black Labour Regulations Act of 1965. Thus, while long service becomes the main route by which rural africans can gain permanent urban rights, in terms of the Native Labour Regulations of 1965(10) the middle class still continued to enjoy exemption from influx control because of their educational qualifications.

This is the position as it was reflected in the laws and regulations governing influx control. Another very important aspect is the changing attitude to the african middle class that occurred during the reform period (after 1978) which resulted in the practical circumvention of influx control mechanisms by the middle class from the rural areas. This, I submit, was possible because of the role played by state and capital in the promotion of the african middle class. One consequence of this change was the less strict enforcement of the various laws and regulations affecting the middle class so that they were able to more easily contravene influx control measures.

Hindson only discusses the establishment of a permanent black urban population in terms of the legal provisions and fails to take adequate cognisance of these many avenues for contravention

and/or avoidance of the influx control regulations that have been exploited by the black middle class.

- (b) An interesting point to be noted is the reintroduction of paragraph (e) at the beginning of 1980(11). This occurred shortly after the implementation of the reform policy and may be seen to mark a departure from the policy which had exempted the black middle class so that they could only serve their own communities. It opened up the possibility of competition between blacks and whites for jobs which needs to be seen against the background of the "skills shortage"; it indicates the movement of blacks into job categories from which they had previously been excluded; and it shows the opportunism of the government in using its discretion to waive aspects of the law when they no longer suited them. Another factor that might help to explain the reintroduction of this clause is political pressure, operating in two directions: on the one hand the political crisis of the 1970s had compelled the government to embark upon a program of dismantling apartheid society (an aspect of this would be their attempt to create a buffer class in the form of the african middle class, whose interests would be disarticulated from those of the masses.) On the other hand, since the Minister could not only grant exemption at his

discretion but was also empowered to withdraw exemptions, this clause could be seen as providing a "whip" to penalise political dissidents and to dissuade vulnerable groups from engaging in political activity.

- (c) Duncan raises the interesting issue of property ownership in the black community. The history of legal access to property ownership for blacks is complex but what is noteworthy in the light of the above discussion about the attempts to establish a black middle class is the introduction in 1978 of the 99-year leasehold system in Soweto and other townships. Because of this, middle class blacks ~~were~~ given further leeway to circumvent influx control by using financial power to buy houses under the various state and private schemes. As property owners various other financial benefits accrued, such as being able to raise bank loans to develop their businesses.

2.1.7 Old african middle class

Effectively since the Act of 1923(12) the position of the old african middle class has been increasingly eroded and by 1945 with the passing of the amended Native Urban Areas Consolidation Act(13) this section of the middle class of blacks no longer qualified for exemption.

The limited voting rights in the Cape for africans were abolished in 1937 and through the years as africans lost freehold title the criteria for exemption on the basis of franchise rights and property ownership legally disappeared. Up to 1986 the african middle class was exempted strictly on the basis of their educational or professional qualifications(14); thus excluding the old african middle class.

The policy of pursuing political segregation in jobs and residence has been shown by O'Meara(15) to be aimed at protecting whites from black competition in areas of jobs and housing. The National Party came to power in the 1948 election largely because of support from agrarian capital, sections of finance capital, the white petty bourgeoisie and the white working class in towns.

SECTION 2

2.2 LIBERAL AND MARXIST APPROACH

In order to complete the theoretical framework of influx control and how it affected the african middle class it is necessary to examine theoretical approaches adopted by liberal and Marxist writers in South Africa. This critical analysis of the liberal and Marxist writing on the subject will be examined in the context of the debate as presented by Hindson(16).

2.2.1 Liberal debate

Until as recently as the 1930s the most systematic critique of the racial policy in South Africa was presented by liberal social scientists. Many of them were neo-classical economists. The issue of the role of determinism in the formulation of racial policy is not explicitly addressed by these writers. This is due to the fundamental approach they adopt to the relationship between the economy and the state. They treat the economy and the state as independent rather than as organically interconnected spheres of a social totality.

From this treatment of the state and the economy as autonomous entities, they deduce that the fundamental contradictions in South African society are between irrational racial policies and the demand for a rational market economy.

This view is most clearly expressed in the writings of Hellman(17), Hutt(18), Doxey(19), Horwitz(20) and Lipton(21) to mention names that are well-known.

This view leads to the emphasis being placed on the effect of racial policy on the market, and to the neglect of the question of the economic foundations of that policy. Since for these writers the economy and the state are independent, solutions to racial policies

must be sought outside the economic sphere. A range of explanations for the cause of this racially based policy has been offered by several writers. These include factors such as traditional prejudice, group interest, and an exclusionary policy.

In many cases racial policy is taken as a fact and its source is not investigated(22). In the 1950s the prevailing view expressed in articles such as "Racial laws versus economic and social forces"(23) was that the racial policy contained in the programme of apartheid, could only lead to economic stagnation and political upheaval.

The argument was however reversed in the wake of the economic boom in the 1960s when the accepted view became that economic expansion would erode apartheid(24).

Rostow's(25) stages of economic growth was invoked to assert that apartheid was a stage through which South Africa had to pass before liberal political reforms could be expected.

The liberal school draws heavily on Max Weber in its emphasis on the need for a free market system in which labour can freely both in terms of geographical (rural-urban migration) and class mobility (unskilled, semi-skilled, skilled; working class, middle class

occupations.) This it sees as not existing in South Africa because of state control over the supply of labour in the form of influx control structures (i.e. "irrational racial policies"); job reservation; and the policies adopted with regard to black education (Bantu Education).

Among other consequences this control by the state caused shortages and surpluses in the supply of labour in different sectors at different levels at different times. For example, in the 1960s the manufacturing and commercial sectors suffered shortage of skilled labour which the liberals attributed to the failure of black education, the policy of job reservation and to the unnatural skewing in the process of urbanisation caused by influx control. These things in combination had the effect of keeping the black workforce a largely unskilled temporary proletariat. Had these policies not been in existence, the liberals argued, the black middle class would have grown to fill the gaps, but instead the black middle class remained unnaturally small and limited(25).

This liberal debate about economic growth and political change deeply influenced the first radicals studying the issue of the state and capitalism in South Africa. This research was undertaken by a group of mostly expatriate scholars who came to be known as the revisionists and it dates back to the late 1960s.

2.2.2 The radical debate

Within the radical camp a distinction needs to be made between the more orthodox Marxists, who posited an economic determinist position, and the revisionists who while accepting that there was a relationship between state and economy which was mutually reinforcing, did not clearly take a determinist line. This section will focus attention on the orthodox Marxists approach only.

The orthodox Marxists based their attacks on the liberals mainly because of their failure to develop an explanation that paid adequate attention to the determinism of the economic system on the state.

In the early 1970s a substantial break with the liberal approach was made in a number of writings which adopted an orthodox Marxist approach. In these writings the determinants of transformation were sought in the relations of capitalist production and the relationship between the capitalist and the pre-capitalist mode of production. In the writings of Legassick and Wolpe(27), the two most important contributors, the argument was advanced that capitalist expansion in South Africa was dependant on the creation and maintenance of the supply of cheap labour power. This form of labour power was secured by conserving the pre-capitalist mode of production, and forcing workers to maintain their

links with the pre-capitalist economy through a system of temporary migration. The existence of subsistence farming meant that the migrant labourer could be paid below the normal rate since part of the reproduction costs were covered by the subsistence produced in the rural areas.

Racial policies were explained in terms of the functions they performed in maintaining the systems of temporary migration and providing a basis for cheap labour power in the reserves. It was explained ultimately by the requirement of capital accumulation.

In an article written by Legassick about South Africa's forced labour policy he emphasised the continuity of the racial policies from the days under the United Party before 1948 into the era of National Party rule(28).

Wolpe in an article published in 1972(29) challenged Legassick's interpretation and set out to explain why racial discrimination was intensified during the apartheid era. Wolpe's main argument was that the intensification of racial policy under apartheid was a political response to a crisis in the reproduction of african labour power. This was a consequence of the decline of subsistence production in the african reserves. The present state intervention was needed to ensure that a high rate of exploitation could be

maintained in the face of the loss of this means of subsidising wage labour.

This argument was later modified in a joint article by Legassick and Wolpe(30) in which greater weight was attached to the internal process of capital accumulation and the determinants of changing state policy. It was argued that capital accumulation generated an industrial reserve army of labour and that apartheid, specifically the Bantustan policy, was designed not only to maintain and reproduce cheap labour power but also to create a repository for unemployed african workers thereby maintaining a low level of subsistence and at the same time removing the political threat that would be posed if they were allowed to remain in the urban areas.

Hindson(31), who can be seen as writing within the broad Marxist paradigm, took issue with Legassick and Wolpe for being reductionist. While he recognised the economic determinism of capital over state, he nevertheless criticises Legassick and Wolpe for reducing the role of the state simply to the promotion of the interests of capital.

Hindson's main concern is to understand the role of influx control as it affected race and class in South Africa, i.e. by the intervention of politics and economics in South Africa. He adopts the same broad

approach of investigation into influx control in the context of capital accumulation. He also sees state intervention in terms of the need to reproduce labour power as a condition of capital production.

Hindson, however, differs from Legassick and Wolpe and other Marxists that followed them, in his interpretation of the character of the capitalist accumulation process and its concrete effects on the condition of the african middle class. In particular he differs on the question of the effect of capital accumulation on the composition of the working class both the active and industrial reserve army of labour.

While Hindson began his analysis within the same paradigm as Legassick and Wolpe his use of later Marxist studies inspired by the work of Poulantzas(32) enabled him to perceive serious flaws in their argument and to go beyond it.

The Marxist studies which Hindson used in criticizing Legassick and Wolpe gave much more detailed attention to periodic changes in the form of the South African state. They set out to explain these changes in terms of the changing balance of class forces within the social formation. The works of Davies, Morris and Kaplan provided a significant insight into the role played by inter-capitalist conflict in determining the direction taken by state policy(33).

In particular, Hindson's critique of Legassick and Wolpe benefitted from the work done by Morris and Kaplan on the question of competition between industrialists and farmers over the supply of african labour. However, these writers to different degrees suffer from a failure to relate this area of conflict to the fundamental struggles between capital and labour and fail to ground the question of struggle sufficiently in an analysis of a historic process of capital accumulation, reproduction and crisis.

Hindson criticises the orthodox Marxist analysis of the relationship between the state and capital because it treats influx control as a conflict-free instrument which, unproblematically and comprehensively fulfils the goals officially set for it. He asserts that Wolpe's and Legassick's writings reflect a reliance on the official rendering of the aims and functions of the system. The operation of the machinery of influx control departs from the official blueprint in several ways. This means that the manner in which the system operates, cannot reliably be read off from the policy pronouncements or the legislation alone. It is necessary to investigate the operation of influx control and labour bureau machinery empirically. Only in this way can it be established whether the officially laid down functions are actually exercised in practice. The main point of criticism for Hindson, however, is the

orthodox Marxist's emphasis on the temporary or migrant labour power system in South Africa and its failure to accept that there is a permanent african labour power in the urban areas.

2.2.3 Criticism and summary of the debates

The standard liberal argument is that influx control aimed to remove african workers from urban areas for political reasons. To the extent that these bureaucratic practices were successful, labour market processes have been distorted or superceded. This has resulted in the creation of artificial labour shortages in some areas and surpluses in others. The cost of labour in the former is raised above the market level and in the latter is forced below the market level. This results in the misallocation of labour, lowering of the general level of productivity, the reduction of the attainable level of economic growth and an increase in the level of unemployment. Labour shortages and surpluses are, according to this view, caused by state intervention and not by economic process. By leaving the labour market to its own course it would maximize productivity and minimize unemployment. These writers fail to consider the possibility that unemployment results basically from economic rather than state intervention and that unemployment could be seen as a strategy formed by capital.

Furthermore, the exclusive attention given to the effect of influx control on the labour market means that this approach falls short in analysing its effects on the relations of production. It is here in contrast, that Marxist analysts focused their attention almost exclusively. The standard argument by the orthodox Marxists is that influx control increased the exploitability of african workers and at the same time weakened them politically. This is because african workers are made vulnerable to expulsion from the urban area, which makes collective action for higher wages difficult and secondly the enforced system of migrant labour enables capitalists to avoid paying the full cost of the reproduction of labour power. By enforcing the migrant labour system, capitalism has devised a means of keeping labour cheap and ensuring that it is politically marginalised. These economic and political motives are thus seen to be perfectly integrated and mutually re-enforcing. The result is to ensure a high rate of surplus value and rapid capital accumulation. The strength of this approach is that it relates the function of influx control to the fundamental determining process of capital accumulation and relations of production. The weakness is that these functions are reduced directly to the immediate requirement of the capital accumulation process.

Hindson has differed from those who analyse the system from within itself or from factors deemed to be external to the economy and also from those who reduce its function directly to the requirement of the material base. That is to say he differs from both the liberal and Marxist approach. In the Marxist writings the question of the reproduction of african labour is reduced, as Hindson correctly points out, to the issue of temporary migration(34). The cheap labour power thesis exclusively highlights the issue of temporary migration and the role of the reserves in providing part of subsistence as a requirement of workers. Hindson has criticized this cheap labour power thesis by widening temporary migration to include permanent migration. Instead of concentrating on one dimension of the african labour force he has added another division - that of the permanent urban african labour force. He is thus not able to escape entirely the same reductionist analyses that he criticizes in the cheap labour power thesis. He also distinguishes the reproduction of african labour force in geographic terms, urban and rural, temporary and permanent.

I depart from Hindson's approach by distinguishing between different concrete forms of the effect of influx control on the african people. This effect manifests itself along class lines, the african working class and the african middle class. For example, the african

middle class from the rural areas can afford housing bonds in the urban areas and this economic position puts them at an advantage over both the working class from the rural areas and the working class in the urban areas. (Chapters three and four will demonstrate this point).

This thesis deals with both the new and old african middle class and how these groups were legally exempted from influx control(35). It also examines how the middle class developed strategies under changing circumstances to circumvent influx control. Without distinguishing between different classes a proper grasp of the complex role of influx control can never be achieved. In this study the main empirical indicator used to distinguish between african working class and the african middle class is housing. Access to housing as a means of distinguishing between the working class and the middle class will be studied here as it applied before the abolition of influx control in June 1986 and since its abolition. To a certain extent job opportunities will also be examined as a distinguishing factor between the two african classes. Since the abolition of influx control the issue of housing and job opportunities have emerged more sharply as class indicators.

2.2.4 Summary of chapter

In this chapter Section 1 examines the distinctions made between black rural and black urban population and proposes the importance of adding class to the geographical divisions traditionally made. It looks at how influx control had distinguished between various categories on the basis of: temporary or permanent; rural or urban; exempted or non-exempted. To some extent it examines changes in influx control laws, mainly the criteria used prior to 1948 and subsequent to 1952 to acquire permanent urban rights. It also seeks to study the changes in exemptions to influx control.

Section 2 deals with the main lines of argument in the debate between the liberals and the Marxists about the function of influx control and within the Marxist school between the more classical Marxist theorists and the revisionists. Hindson, writing broadly within the Marxist paradigm, adds the dimension of a permanent urban proletariat which moves the debate from viewing labour as migrant and temporarily in the urban area. My addition to this debate is the centrality of the class dimension and its consequences for the increasing cleavages existing in the african population in South Africa.

FOOTNOTES

1. The founders of this thesis are Wolpe and Legassick, cited below.

2. Wolpe, H : "Industrialism and race in South Africa", in S Zubaida (ed.) Race and racialism. Tavostock, London, 1970.

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3. Hindson, D : "Conditions of labour supply and employment of african workers". Publishers of Natal Universities, 1977.

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4. Exempted in terms of the Urban Areas Consolidation Acts both No.21 of 1923 and No.25 of 1945 as amended and later in terms of Black Labour Act No.581 of 1965.
5. Hindson, D : Pass system and the formation of an urban proletariat in South Africa - a critique of the cheap labour-power". PUB, University of Sussex, Sussex, 1983, pp.165-167.
6. Interviews with Sheena Duncan initially in 1984 at the Black Sash offices in the South African Council of Churches (SACC), Khotso House building in Johannesburg and later in 1987 and 1990. The 1990 interview was conducted in the SACC new buildings after the old building was destroyed by a bomb.
7. Section 28(1) of Chapter 8 of the Black Labour Regulations published in Government Gazette No.581 of 3 December 1965.
8. This clause was re-introduced on 13 June 1980 in terms of Government Notice R1208.

9. Section 10 of Urban Areas Consolidation Act No.25 of 1945, discussed in Chapter 1 of this thesis under the heading "Meaning of influx control:."

Note that according to Hindson, D, the exemptions remained in existence up until 1964 when they disappeared.

10. My point is that they did not disappear but were formalised in the Black Labour Regulations as already cited. This difference in reading of the regulations explains why Hindson and I differ on the significance of class as one of the main variables in understanding influx control. Because exemptions based on class applied continuously throughout the period of influx control, avenues by which the middle class were able to migrate to the urban areas were always available and thus during the reform period the existing structures could be used and illegally expanded to meet the needs of an increasing flow of middle class africans to the urban areas.

11. Refer to paragraph (e) on page 8 of this chapter.

12. Native Urban Areas Consolidated Act No.21 of 1923.

13. Native Urban Areas Consolidated Act No.25 of 1945

14. This has been discussed in this chapter. See pp.6-7 and footnotes 7, 9 and 10.

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CHAPTER 3

THE OLD AFRICAN MIDDLE CLASS AND ITS CIRCUMVENTION OF INFLUX CONTROL (1975 TO 1990)

3. INTRODUCTION

This chapter examines the effectiveness of the influx control mechanisms in controlling the movement of the traditional or old african middle class from rural to urban areas during the period 1975 to 1990(1).

It demonstrates the differences and the similarities between the manner in which the traditional african middle class and the new african middle class (the subject of Chapter 4) circumvented influx control.

The cheap labour power thesis and the critique by Hindson, as has already been pointed out, fail to account for these class differences that the changes in legislation have highlighted.

The traditional african middle class prior to 1975 was relatively more oppressed than the new african middle class by legal restrictions that inhibited their economic advancement. From 1975, however, the South African government began relaxing legal restrictions on black business(2).

Later, in 1978, at the inception of the reform policy of the Prime Minister, Mr PW Botha, a more rigorous programme of reforming the laws governing black business was embarked upon.

This programme involved reviewing all the existing legislation affecting black business, which led to the relaxation and even abolition of most of the legal restrictions(3). This reform policy was the official position taken by the South African government in alliance with white capital.

The outcome of the relaxation of restrictions on black business had direct bearing upon the capacity of the traditional african middle class to circumvent influx control. (An example would be easy access to business licences in the urban areas.)

While the reform era facilitated the migration of africans to the urban areas, the point must be made that accessibility to housing and job opportunities in the urban areas still required in terms of the new legal requirements, is largely determined by one's class position.

A crucial point is that the traditional african middle class without Section 10 rights used mainly illegal methods to circumvent influx control. This was more possible from the mid-seventies when restrictions on black business were beginning to be relaxed.

The illegal methods used to operate black business were not only practised by the traditional african middle class from the rural areas but were applied generally even by those who qualified to run business in the urban areas.

An example of such an illegal practice would be the launching of African Bank in 1975 by NAFCOC(4). Among the legal restrictions violated were:

- (a) The bank's head office was located in central Johannesburg which contravened the regulations that prohibited african business from operating outside african areas.
- (b) The bank was an illegal financial institution because africans were not allowed to own banks.
- (c) It was illegal because it was a partnership between white capital and black business though blacks were not allowed to form partnerships.
- (d) Most shareholders were africans who had other business interests: according to the legislation africans could have interests in one business only.
- (e) Several whites were employed in managerial positions despite the fact that african business men were not entitled to employ managers at all.

(f) Restrictions on the size of african business premises were ignored. (The size of business premises was limited to three hundred and fifty square metres and the premises of African Bank exceeded this limit.)

Before examining the methods used by the traditional african middle class to circumvent influx control it is pertinent to give a brief historical overview of the political restrictions imposed on black business pre and post 1948(5).

This chapter is divided into four sections. Section one discusses the political history of restrictions on black business prior to 1948 as well as the more severe legal restrictions implemented after 1948. Section two discusses the reformist period that marks the turning point in the history of black business. While the lifting of the restrictions can be traced back as early as 1975, the reform period is generally accepted to have commenced in 1978. This section also examines how such changes have opened up new opportunities for the circumvention of influx control by the traditional african middle class. Section three is based on interviews conducted with black businessmen who have personally circumvented influx control. Section four examines corrupt practices in the allocation of business sites and licences and housing.

SECTION 1

3.1 A BRIEF HISTORICAL OVERVIEW OF POLITICAL RESTRICTIONS

3.1.1 The land issue and legal restrictions applying to black business prior to 1948

In South Africa the formation of the urban african middle and capitalist classes was blocked by racial barriers deliberately erected to protect the interests of the white population. All possibilities of the african middle class developing into a fully fledged bourgeoisie are prevented by state imposed limitations, specifically designed to inhibit if not totally suppress its ability to accumulate capital. The result was that the numerically small african middle class which emerged was primarily composed of a non-property owning, a non-producing, and a non-employing element engaged in the professional spheres. This is notwithstanding the existence of small numbers of peasant farmers and small scale business people whose potential for advancement was limited by a host of legal restrictions(6).

One of the main ways in which black business was prevented from expanding was by the taking away of land from africans. As a result of the loss of security that had been vested in land ownership, blacks became increasingly disadvantaged in gaining access to capital and credit loans from banks.

During the period of Cape Liberalism (1829-1909) the state had encouraged ownership of private property among africans; thus in the Cape and to a lesser extent in Natal an african elite had emerged(7). However the Glen Grey Act of 1894, sponsored by the mining magnate Cecil John Rhodes, began an attack on African land owners by increasing taxation and by imposing limits on the amount of land that an african household could own. This undermined subsistence farming and as a result africans were driven to work on the mines for a wage(8).

The SANNC came into being mainly to oppose this taking away of land. The SANNC, the forerunner of the ANC, was established in 1912 to oppose the bill that was later passed as the 1913 Native Land Act. It also demanded the expansion of the Cape franchise to other provinces in the Union(9).

The land deprivation of africans was not taking place in the rural areas alone. It was also occurring in the emerging african townships. According to Gerhart(10): "except for a few exceptions africans were prevented from owning land outside the reserves by the 1913 Native Land Act and subsequent legislation. The exceptions were in african locations established prior to 1913, such as Alexandra and Sophiatown near Johannesburg.

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In 1923 with the passing of the Native Urban Areas Consolidation Act certain classes of africans were exempted from influx control. The Act exempted the following:

- (a) any native of the province of Cape of Good Hope who was registered as a parliamentary voter;
- (b) all bona fide owners of land;
- (c) chiefs and headmen;
- (d) ministers of religions;
- (e) teachers whose salaries were directly or indirectly, partly or wholly, paid by the government;
- (f) interpreters of the court provided they met the requirements.

These exemptions indicate that provision was being made for a section of the african middle class, both old and new, to reside in the urban areas. It must be noted however that these exempted people could serve their own communities only and thus posed no competition or threat to whites.

A further point to be noted is that the criterion used to determine voting rights for africans in the Cape was based on a so-called "civilisation test". The criteria used in this test were education, salary and property ownership. This "civilisation test" meant that the majority of africans would not qualify, thus allaying white fears.

This is confirmed by the following statement made during the National Convention in 1935:

"The Convention is therefore not opposed to the imposition of an educational or property or wage qualification, as a condition for the acquirement of political privileges, and believes that such measures would adequately protect the interests of the white population in whose favour the dice is already heavily loaded in view of the extension of adult suffrage to white men and women. In short, we believe that a civilisation test, such as was contemplated at the National Convention in 1909-1910, is equitable, but that the criterion of race or colour, which is implied in these Bills, is contrary to democratic government and is calculated to endanger and provoke feelings of hostility and ill-will between white and black"(11)

In 1936 the Prime Minister, JB Hertzog, disenfranchised africans in the Cape(12). This had the effect of substantially reducing the number of the traditional african middle class exempted in terms of the 1923 Act(13).

While the traditional african middle class was decreasing in numbers as a result of the removal of the franchise in 1936 and ongoing land deprivation, there was an increase in the number of exemptions applying to the new african

middle class. In 1945 the Urban Areas Consolidation Act (Act No.25) as amended included nurses, doctors, lawyers, lecturers and professors amongst exempted professionals(14).

Another section of the traditional african middle class that continued to suffer legal restrictions were the businessmen. As Mandy(15) puts it: "small scale production outside the spheres of agriculture was seemingly non-existent". By 1952 there were only seven thousand eight hundred and fifty african-owned businesses operating in the townships throughout South Africa.

These consisted mainly of butchers, green grocers, grocers, wood and coal merchants and restaurateurs. Most of these operated on a small scale because of lack of capital, credit and all the other necessary factors important in the running of business[16].

3.1.2 Severe legal restrictions applying to black business (1948-1975)

The United Party under Prime Minister Jan Smuts was relatively liberal in its policy to black business: however the National Party which took control in 1948 rejected this liberal approach. According to Tom Lodge "the apartheid blueprint promised the step by step closure of every avenue of african privilege opened up by

Smuts, the exemption from pass and curfew laws and freehold property rights for africans in the urban areas"[17].

In accordance with the policy of separate development, implemented by the National Party after its accession to power, and which is seen today as having been unworkable, blacks were encouraged to establish their business in those areas later to be called the homelands.

The Chairman of the Department of Bantu Administration said that "trading by Bantu in the white areas is not an inherent primary opportunity for them, but should be allowed only where necessary"(18).

The Chairman of the West Rand Bantu Affairs Administration Board said that "blacks should not be encouraged to remain in the urban areas. If there were sound business people then the homeland should benefit from their experience"(19). African professionals were also discouraged from establishing themselves in the urban areas though they had been exempted before the take-over of the National Party in 1948.(20). An official circular in 1959 required local authorities to "ensure non-Europeans who render professional services are not granted consulting rooms and office accommodation in Bantu residential areas in white South Africa. The Bantu is to be persuaded to offer his services in the Bantu homeland"(21).

Further restrictions on black business were imposed in 1963:

- (a) Africans were only allowed one business undertaking.
- (b) Only daily essentials for Africans could be sold (bread and butter items).
- (c) Companies and partnerships were not allowed.
- (d) African financial institutions, industries, wholesale concerns were prohibited.
- (e) Africans were no longer allowed to erect and or own business premises(22).

Additional restrictions were imposed on african business in 1968. They included:

- (a) Only lawful resident africans could be employed.
- (b) Traders could not be absent from their businesses for longer than three months.
- (c) Manager or supervisor could not be appointed.
- (d) Profit could not be shared with anyone other than the trader's dependants.
- (e) Trading licences had to be renewed annually and financial records submitted with applications.
- (f) African traders had to show proof of homelands citizenship when applying for trading licences"(23).

From this history of regulations governing black business it can be seen that:

- (a) black business was to remain in scale limited to providing retail services to the black community;
- (b) blacks were prohibited from entering the main economic stream such as manufacturing and banking; thereby limiting if not absolutely preventing any threat to white business;
- (c) the state used the regulations restricting black business to exercise control over political activities, for example the annual approval and renewal of licences would depend on the political acceptability of the applicant;
- (d) the government encouraged black business on a larger scale in the homelands in order to:
 - i) establish economic viability of the separate development programme and
 - ii) to remove the political threat posed by the increase of african urbanisation in "white" South Africa.
- (e) while the regulations about trading licences were intended to control access by black businessmen to the urban areas and prevent people unqualified in terms of the influx control laws from acquiring business licences, in practice circumventions frequently occurred because of the illegal hiring out of business licences by those who were entitled to own licences. Claiming family ties was one of the ways used to evade the legal restrictions.

3.1.3 Summary

It is apparent that while black business was subject to a host of legal restrictions prior to 1948, after the accession to power of the National Party in 1948 there was a more intensified campaign to inhibit the development of black business in South Africa.

SECTION 2

3.2 THE REFORM PERIOD (1978 - 1990) AND ITS EFFECTS ON BLACK BUSINESS

3.2.1 The lifting of legal restrictions on black business (1975-1990)

In the 1970s and 1980s african businessmen still faced a lot of serious obstacles in the sphere of economic activity; but due to the policy of deregulation many of these obstacles are in the process of being removed by the state.

The lack of franchise for africans still exists as a primary obstacle contributing to the failure of africans to advance economically(24).

Because they do not have the franchise, africans still lack any legitimate political mechanism to lobby for the

removal of the laws prohibiting their participation in mainstream economic activity.

The National Party officially adopted the reformist policy in 1978 but the climate of reform had begun earlier in 1975. This change in attitude was brought about by a number of political pressures; for example, the Durban strikes in 1973. The granting of independence to the neighbouring states of Mozambique and Angola in 1975 and their adopting of a communist programme motivated the South African government to lift restrictions on black business in order to give them a stake in the system and so preserve the capitalist order in South Africa.

Some of the deregulations have been as follows:

- (a) The procedure for the renewal of trading licences was to be brought more into line with that for whites.
- (b) Black businessmen would be allowed to sell a wider range of commodities.
- (c) They were to be permitted to run more than one business in the same premises.
- (d) Partnership was legalised.

(e) Ownership of business in the homelands no longer meant that businesses in the urban areas had to be forfeited.

(f) Thirty-year leasehold was reintroduced(25).

These new regulations came into effect in May 1976(26).

The Soweto students' riots of 1976 exerted further pressure on the government's apartheid policies. This pressure accelerated the process of de-regulating restrictions on black business in South Africa. In 1976 further restrictions were lifted:

(a) Africans were no longer required to produce proof of homeland's citizenship before applying for business licences in the urban areas.

(b) The range of commodities africans could sell was further increased.

(c) The possibilities of africans establishing small industries in the urban area was investigated(27).

Late in 1977 further deregulation was announced, among others:

- (a) The number of trade and professions africans could engage in was increased from twenty six to sixty six.
- (b) Although african traders had been allowed to employ other africans with Section 10 rights, since the inception of the reform policy, they were now in the absence of such documentation from local authorities being needed, able to circumvent influx control.
- (c) The regulation that said that a trader would lose his trading licence if he stayed away from his business for more than three months was abolished.
- (d) Insolvency no longer gave rise to a cancellation of a trading licence(28).

These concessions, especially (d) above opened up opportunities for businessmen without Section 10 rights to illegally hire business licences from urban blacks who were unable or unwilling to continue operating their businesses.

Later, in December 1977, further concessions were granted.

- (a) With the repeal of the schedule of 1966, africans would now be allowed to engage in all trades and professions.

(b) Many of the arbitrary powers of the administration board over black businesses were withdrawn. This brought the licensing requirements for blacks into line with those for whites.(29).

In 1978 the ninety-nine-year lease system was introduced(30), thus giving blacks a certain degree of property ownership which provided them with a basis from which to raise credit.

In 1979 the Minister of Plural Relations, Piet Koornhof, announced further deregulation that enabled service industries to operate in african areas(31), thus opening the door for the establishment of small scale industries. This was further facilitated by the establishment of industrial parks, financed by SBDC and the Urban Foundation(32). These two organisations are largely supported by funding from the South African government and local capital.

The service industry is another area which has opened up great business opportunities for people without Section 10 rights to circumvent influx control(33). This point will be demonstrated later in this chapter in the section dealing with empirical research.

In July 1984 the Group Areas Amendment Act allowed for the introduction of free trading zones in the white CBDs.

Such areas would be proclaimed after applications had been made by the white local authorities to the Department of Community Development for investigation and would ultimately be subject to the approval or the rejection of the Group Areas Board. If an application was approved the area would be open to trading by all population groups(34).

The Johannesburg CBD is one such free zone and the african middle class from the rural areas without Section 10 rights are operating business in this area.

In 1986 influx control was abolished(35). As a result africans from the rural areas no longer suffered legal restrictions in their migration to the urban areas in order to establish business there.

One opening for the old african middle class to operate business in the urban area occurred because of the deregulation of the informal sector and small businesses. Throughout 1984 white business and state appointed investigatory bodies called for deregulation and stimulation of the informal sector and for the removal of restrictions on small businesses in general in order to promote the free enterprise system(36).

The recommendations included:

- (a) removing regulations regarding minimum wages;
- (b) changes to the rules governing overtime work and pay;
- (c) shift work;
- (d) working on Sundays and public holidays;
- (e) revising rules applying to health and safety conditions;
- (f) working hours; and others.(37).

This benefitted african small businessmen who were struggling to get off the ground, especially in the service sector (e.g. panel beaters, motor mechanics, repair shops).

The deregulation of small business has been rejected by trade unions who consider it to be an attack on the working conditions of workers(38).

SECTION 3

3.3.1 Empirical research findings about the traditional african middle class

Thus far, the study has provided a brief background to the history of legal restrictions as they applied to

black business and how these restrictions were lifted during the reformist period in South Africa around 1978.

The study will now examine empirical research based on personal experiences of businessmen from the rural areas who circumvented influx control regulations in order to operate business illegally in the urban areas.

Many of these businessmen came to the urban areas because they believed that there were greater opportunities for the development of business ventures in the urban areas. This can be seen as indicating that the policy of industrial decentralisation, one aspect of the policy to promote separate development, was not succeeding. It would seem that the structures (such as the Bantu Development Corporation) set up to finance black business in the rural areas, or more strictly the Bantustans, were not providing an adequate financing service on the one hand and on the other that market opportunities in these areas did not seem big enough to promote vigorous business developments.

Thus, despite the shortage of sufficient capital, the urban areas were seen to provide an opportune environment that made the risks, financial and legal, appear worthwhile to some black businessmen(39).

Two examples that illustrate the difficulties that needed to be overcome are the careers of Ephraim Tahabalala and Richard Maponya(40). Both these men, who are today among the top ranking businessmen in Soweto, began with very limited capital resources.

Tahabalala managed to overcome the problem of legal discrimination and lack of capital. He was at first employed as a bus-driver. He then brought cattle to Soweto and started an informal and illegal business enterprise slaughtering and selling meat. From this base his business interests have expanded to include the ownership of a large filling station, a dry cleaning service, a chain of grocery shops and a cinema.

Maponya began as a stock controller for a fabric company, a position which must have been illegal at the time since it involved managerial functions. He wanted to establish a clothing store in Soweto but the administration refused because africans were to provide "bread and butter" items only. Instead he established a dairy in Soweto using twenty men on bicycles to make deliveries.

He then built a busy neighbourhood shopping centre, a string of funeral parlours, a motor service station. He is also the first african businessman to become a race horse owner.

Tshabalala and Maponya have managed to circumvent legal restrictions on business in owning more than one business, and in the case of Tshabalala in owning a cinema before africans were allowed to do so.

In many of the interviews that will follow, most of the african businessmen had to start by working for a white employer until they had acquired Section 10 rights. Thereafter they could rent houses and own a business licence in urban areas. These are among the people who later rented out their businesses to others migrating from the rural areas.

3.3.2

The traditional african middle class without section 10 rights and the methods used to operate businesses in the urban areas

"The structure of legal restrictions on black business was very high. If you could not go over the top, you had to go around the structures"(41). This is from an interview with R Khoza discussing on methods of circumventing influx control and running business in urban areas. He asserted that when people could not follow the legal procedures that governed black business, they were compelled to find means and ways to go around the legal structures and operate businesses illegally.

The fundamental difference between the new african middle class from the rural area and the old african middle class from the rural area is that the former operated legally while the latter used illegal methods to contravene influx control.

While the new african middle class is the subject of chapter 4 a brief comparison of the leverage enjoyed by the new african middle class will clarify the severe limitations that necessitated the contravention of the law on the part of the traditional african middle class.

(a) Some of the new african middle class even after 1948 enjoyed automatic or ministerial exemptions from influx control regulations.

(b) As employees of powerful and enlightened sections of big business, some members of the new african middle class enjoyed the protection and influence of capital in their circumvention of the influx control laws.

(c) Because of high earning power and subsidies from the public or private housing schemes, the problem of accommodation was not as serious as was the case for the rest of the black urban community.

- (e) The new african middle class worked and could find accommodation in the CBD.

In contrast, the old african middle class enjoyed no exemptions from influx control after 1948; they did not have direct support from capital because they were not employed by companies; indirectly, through the nominee system, there was some illegal support; as a result of the type of venture that they were engaged in, the old middle class were exposed to illegal dealings with government officials (corruption); they had no financial assistance in finding accommodation.

3.3.2 i) Hiring of licences

This section examines the methods used by the old african middle class to hire licences by drawing on interviews based on personal experiences.

The traditional african middle class without Section 10 were not allowed to:

- (a) apply for trading licences;
- (b) apply for trading sites;
- (c) rent or own houses and business premises in urban areas.

How did they overcome their limitations?

In the section on the history of restrictions, it was pointed out that during the lifting of restrictions, africans no longer forfeited their business licences under cases of bankruptcy or death(42). Instead they were allowed to retain their licences in the hope that they would be able to operate a business in the future or to sell the licence to a person qualifying in terms of Section 10. However, many chose to rent out their licences illegally, thus opening up opportunities for those members of the traditional african middle class without Section 10 rights to establish themselves(43).

The fee paid by such businessmen was between R250.00 and R500.00 per month while the purchase price of such a licence for a fifty square metre shop was about R30,000.00.

The advantages to the original owner of the licence of renting instead of selling are:

- (a) Acquiring a business licence in the first instance is difficult and takes time and once in possession of one, it is undesirable to forfeit it.
- (b) Often a condition imposed on the licensee was that the renter would be allowed to carry on a small-scale selling operations, often illegal because of the bankruptcy of the renter.

- (c) The rental from the licence generated a steady income.
- (d) The owner could reclaim his rights to the licence and operate on his own behalf or transfer his rights to a chosen family member at any stage.

The advantages to the licensee are:

- (a) there is no need for a great sum of capital to start a business;
- (b) there is not the usual delay when application is made for a new licence;
- (c) because a business licence is granted in conjunction with business premises, there is no need to apply for a business site;
- (d) an unemployed person is soon able to generate an income;
- (e) the business premises are also often used for purposes of accommodation;
- (f) finally all these advantages allow a person without Section 10 rights to illegally work and live in the urban areas.

So it can be seen that the changes in the regulations governing black business, especially regards the hiring and owning of licences provided a loophole for unqualified rural traditional african middle class to enter the urban areas and to establish themselves in business.

Since there were no West Rand raids in Soweto during the reform period, people were left undisturbed and were able to run their illegal business successfully. It would appear that the government was deliberately turning a blind eye to influx control contraventions.

These business licences included trading stores, small scale production and small scale service industries. Small scale industries are sited in industrial parks and involve, for example, the repair of fridges, panel beating, etc.

According to one case study conducted in Soweto to estimate the number of people operating illegally, of fifty-five trading sites, including small scale production and service industries in one location, twenty are run by traditional african middle class without Section 10 rights. These are people who have illegally rented licences and premises from legally qualified owners(44).

With the abolition of influx control in 1986 the law was changed to allow all africans, including those from the so-called independent homelands, to apply for business licences and housing permits in the urban areas.

The allocation of trading licences and business sites is under the control of community councillors and is theoretically subject to strict conditions set out in the regulations governing community council affairs(43). Each community councillor is allocated about twenty sites within the area of his jurisdiction which he then is expected to grant in terms of the sites. The position is such that both prior to and after the abolition of influx control, bribery has been rife in the allocation of licences and sites(48).

So far, we have pointed out methods used by the traditional african middle class from rural areas to run business illegally in the urban areas. The story is however incomplete without considering those who were not running business in the township but in the CBD.

From 1985, when the Johannesburg CBD was declared a free trading zone, africans have been able to operate business legally in the business centre of Johannesburg. They rented premises and flats from

companies such as Anglo American Property. Prior to 1985, those africans who operated businesses had circumvented the existing legislation by using White nominees. The empirical research findings will elaborate upon the procedures followed to avoid the Group Areas Act.

3.3.2 (ii) Taxi licences

Another group of the traditional african middle class who acquired business licences illegally were taxi owners without Section 10 rights.

Before the abolition of influx control taxi owners without Section 10 rights were not allowed to operate taxis in urban areas.

They operated on licence issued from the homelands and were not permitted to run services within the urban areas.

In order to operate services in the urban areas they had to rent a taxi licence illegally from someone who had a licence but who did not possess a vehicle at the time. These taxi licences cost a minimum of R200.00 per month. Each licence entitled the holder to operate one taxi only. The income after deducting petrol costs was between R150.00 and R200.00 per day over the

weekend and R90.00 and R120.00 per day during the week(47).

Taxi transport is preferable for people who travel and work between Soweto and town because it collects people near their homes and drops them near their destinations. Taxi transport is more comfortable and faster than buses or trains. The taxi business is the most viable avenue for the traditional african middle class without Section 10 rights to begin a business because immediately after hiring the licence, an income is generated. This matter will be elaborated upon when we deal with interviews with people involved in taxi business in this chapter.

Another opening for the traditional african middle class is the operation of a conventional taxi service in the CBD. Blacks may not possess licences in the white areas but they are able to hire licences from whites or from companies (e.g. Maxi Taxi) and then operate on their own behalf. There are various arrangements that are entered into, from hiring a licence and a fully equipped taxi-car, to just hiring the licence and the two-way radio and meter. This means that in theory one needs very little capital to begin operating a taxi in the CBD but the cost of hiring licences is high.

SECTION 4

3.4 INTERVIEWS DRAWING ON THE PERSONAL EXPERIENCES OF BUSINESSMEN

3.4.1 Business in the free trading zones (CBD)

The first case in this section illustrates how companies used their influence and their funds to overcome the problems of accommodation for black "illegal" employees arising from the Group Areas Act and influx control regulations.

Khoza(48) comes from Mapulaneng in Bushbuckridge in the Northern Transvaal. After obtaining a BA Hons degree he lectured at the University of the North during 1974. In 1975 he was employed by a big company in Durban as a marketing officer. He lived in Kwa-Mashu where he did not need Section 10 rights since the area was regarded as part of the Kwazulu homeland. However in order to be employed within the municipality of Durban he required Section 10(1)(d) rights.

Shell South Africa advertised an opportunity for overseas study for which he applied, and as one of nine successful candidates he went abroad and acquired a Masters degree in Marketing.

On completion of this course he was offered a job by Shell to work either in Johannesburg or Durban. He chose to work in Johannesburg. In 1979 Shell found him accommodation in a three-star hotel in Johannesburg, an internationally recognised hotel which had special permission to have blacks live there since it was illegal for blacks generally to reside in white areas and in practice it was very difficult to contravene the law and at this point Khoza possessed Section 10 1(d) rights only.

He spent twenty-three months at the hotel and according to him this cost the company between R33.00 and R35.00 a night for accommodation without food. Such schemes are commonly used by big businesses whose employees have not yet found permanent accommodation.

In the interim Khoza applied for a housing site in Pimville although he did not qualify in terms of Section 10 to own or rent a house in the urban area. Shell South Africa assisted him to acquire an exemption.

The site allocated was approximately four hundred and forty square metres and Khoza wished to be allocated a double stand so that he could build a bigger home.

Malan at the Urban Bantu Council, who was allocating sites told him that he was not a "fit and proper" person

to be in the urban area, and he was fortunate because he was exempted but he should be satisfied with one site. In early 1981 he moved out of the hotel to stay in his house in Pimville.

This illustrates one of the possible channels available for people to overcome their legal disabilities. Khoza was granted an exemption because the weight of the company for which he worked was behind his application.

Accommodation for blacks in hotels with international status was an economic and a political strategy used by big business to overcome influx control and the Group Areas Act.

Khoza quotes an incident which occurred in 1975 in Warmbaths where he had to go as a sales representative. He was unable to get accommodation anywhere in town because there were no international status hotels which would accommodate blacks. He had a credit card which would have allowed him to book into any hotel for any amount but this was impossible because of the town's racial policies.

The rest of this case study shows how Khoza became an entrepreneur, initially using a white nominee to enable him to circumvent the Group Areas Act and overcome the other disabilities applying to black business.

After resigning from his job he started his own company called Coordinated Marketing, in 1981. The business had to be located in the centre of Johannesburg since his clientele came mainly from white business.

As a means of circumventing the legal restrictions he went into partnership with a white man who acted as "front" or nominee. By law the white partner was supposed to be the majority shareholder but in this case (and in many others) the white partner held a nominal number of shares. Anglo American Property Company, from whom they rented offices, charged R12 per square metre and they rented about 123 square metres. The company operated with this white nominee until 1984 at which stage the CBD was about to be declared a free trading zone and government policy was at the brink of certain radical changes.

In 1984 Khoza bought out his white partner and by 1986 the business was wholly black owned. In 1986 the business moved to the suburb of Ormonde which was not a free trading zone for africans. He rented offices from Credential Insurance Company which was later taken over by Liberty Assurance Company. When it was discovered that the company was owned by blacks, the renting company protested that it was illegal to rent accommodation to blacks in that area and asked Khoza to apply for an exemption. Khoza said that he had no wish to apply for

an exemption and suggested that they wait for objections and that should objections be voiced the objectors be sent to Khoza. He says there have been no objections.

Another business enterprise in which Khoza is involved is the company "Shareworld" opened in 1988 and also operating in a prescribed area.

Khoza's involvement in Shareworld encountered no problems. Although Shareworld was not in a free trading zone "it was structured in such a manner that we were in a position to beat the system. We moved there as a team. There was the financial muscle of Standard Bank. There was a white man who owned about 20% of the total equity. Whenever a white face was called for one of the whites would go to the front and show it".

The story told by Khoza illustrates the following points about the effects of influx control:

- (a) despite not being entitled to Section 10(1)(a) or (b) rights he was granted an exemption nonetheless and was then able to buy a house in a middle class area of Soweto;
- (b) despite the existence of legislation (the Group Areas Act) which reserves certain areas for the exclusive use of Whites he was able to live in an

hotel in the white area for twenty three months and he was able to find loopholes by the repeated use of a nominee, to operate business in the white areas. Part of this may be due to the changing attitudes of the government to business or perhaps the pressure that business can exert upon the government;

- (c) significant also is the class position of Khoza. His educational qualifications initially made him a desirable appointee for Shell South Africa and the company was prepared to contest the obstacles in the influx control legislation that could have prevented him from working and residing in the urban areas;
- (d) he was able, using his position, to make contacts that he served later as clients when he became an entrepreneur, i.e. had it not been for the middle class status of his job, he would not have come into contact with his prospective clientele;
- (e) in comparison with many urban blacks, Khoza's class position gave him the competitive edge in utilizing business openings and getting access to housing.

Among other points that emerge in the interview with Eric Mafuna is the change in the approach of letting agencies to independent black entrepreneurs: this must be seen in the light of government's approach during the reform period.

Eric Mafuna(49) completed a BA Honours degree in Sociology at University of the North in 1970. In 1970 he worked for an advertising company in Johannesburg.

In 1974 he started an organisation called Black Management Forum(50). In 1976 it was launched with him as the first President. Black Management Forum was founded to represent black managers with the main objective of fighting informal apartheid in the workplace. For example black managers complained that though they had been promoted to managerial positions they were not able to exercise managerial authority especially over white subordinates. "We were dealing with apartheid laws on black managers and business".

Mafuna resigned from the advertising company at the end of 1982 and in the same year he started his own company. "Once I realised that I had amassed enough skill and expertise I went on my own especially because there were enough companies who required my skills. I knew I had served a long period of apprenticeship from 1970 up to 1982. I think I was one of the few black people who were the first to run business in the city. I was in Carlton Centre. My business was a marketing and research consultancy which still runs up to today". He negotiated office space with a big letting agency in order to run this business. When it came to signing the lease documents he was told that the landlord would not

sanction signing the lease, so he had to look for a white person to sign the lease as a nominee.

"After two years I moved my business to another building, by then I had started African Life Insurance Company" He told the owners of the property that if they wanted him to get a nominee he was not interested. "By then in 1984 they were not insisting on these things. The area was not as yet a free trading zone. They were willing to break the law".

It must be remembered that by 1984 the issue of free trading zones in the CBDs were already being considered by the government. In July 1984 the Group Areas Act was amended to allow for the establishment of free trading zones in the white CBDs. Such areas would be proclaimed after applications had been submitted by white local authorities to the Department of Community Development to be investigated and would be finally approved or rejected by the Group Areas Board. Thereafter in the case of an approved application the area would be opened for trade to all population groups(51). Johannesburg was not yet a free 'trading zone', but the government was already considering declaring it one, and therefore they were not enforcing their restrictions.

He has recently bought a house in Bryanston and is also running his business from Bryanston. "I am here in

Bryanston and I am not under any landlord. I had to take the risk of buying a house in Bryanston because Group Areas is still there".

Another point he made was that people coming from rural areas seem to be among the leaders of black business even in the urban areas. "If you regulate the running of business and say to people they need permits then you are forcing them to go underground and find ways around the system. Like people would go and rent someone's licence and that was very common". He also said "out of the twenty leading black businessmen in the Johannesburg area most will be from rural the area". This point was confirmed by Motlana who said "up to the present the leadership of black business seems to have come from rural areas considering guys like Motswanyane and even myself and that is because rural guys seem to be pushed to work much harder"(52).

In addition to what has already been said in interpretation of Khoza's story the following insight into the way in which class operates can be added: Mafuna lives in Bryanston, an expensive white suburb in Johannesburg/ Sandton. His occupation and ownership of this property is illegal in terms of the Group Areas Act but it is clearly because of his business practice that he can afford the prices and his access to white backing in the legal sidestepping of the Group Areas Act probably

is due to perceptions of Mafuna as middle class and thus fitting into the suburbs in terms of class culture.

While the two previous interviewees began as members of the new african middle class and used their education and contacts to launch themselves as entrepreneurs, Tsebe from the rural areas had neither education nor business backing to assist him in starting up his business. Despite the lack of Section 10 rights and the application of the Group Areas Act he was able to find loopholes and establish a business in a white area and live in the same area illegally.

Tsebe came to Johannesburg from Mafikeng in 1974 and worked at a hotel as a cook and was accommodated in a hotel residence for cooks. In 1978 he went back to Mafikeng and was unemployed for three years. In 1981 he was employed in a factory that produced leather products in Johannesburg. He worked there for two and a half years. At the end of 1983 he leased shop accommodation from Old Mutual Property in Chester House in the centre of Johannesburg and began a leather works.

He also acquired a lease on a flat in Wanderers Street. In both cases he used a nominee but later he renewed the leases directly in his own name(53).

As in the case of the previous interviewees the accommodation was rented to Tsebe outside the provisions of the legislation and this can be seen as occurring because of the changes in attitude of government and the local authority.

Tsebe's business is the production of leather goods. Using the skills and contacts acquired during his period of employment he makes belts, travel bags, shoes and ladies handbags. He employed one other person in 1986 when he was interviewed.

Tsebe does not have the educational background of the previous interviewees and has not been able to use the assistance of big business or influential whites to further his interests. Despite this he made use of skills that he learned while employed to become a self-employed entrepreneur. In the course of this he has learned how to work the system so that he has been able to find accommodation illegally in white Johannesburg. While there is no specific mention in the interview that Tsebe stole tools and other materials from the place of his employment, this inference can be drawn, especially in the light of instances discussed later in this chapter. Tsebe intimated that he was aware of all the dishonest opportunities open to him in the pursuit of his own interests.

What is being suggested is that along with the contravention of laws which may be seen as operating unfairly to limit black business, many people who have taken the risks, financial and legal, to set up businesses have used whatever opportunities, including dishonest practices, that have been presented to them.

3.4.2 Interviews with people involved with the letting of property in the CBD

In the following section the information is organised under three categories: housing, office and shop space. The interviews indicate that while legally the Group Areas Act should have made it more difficult for blacks to find accommodation, both living and business, in the CBD, in fact, since the prospective businessmen would be dealing with a private concern and not with the bureaucracy set up to enforce the laws limiting migrants and business opportunities for blacks, there was greater access to accommodation than in the townships. Thus many blacks from the rural areas avoided the townships, and instead moved into the CBD.

A point to be considered is that the letting agents consulted are associated with big capitalist enterprises and it is not surprising that they place more emphasis on the operation of market forces and pay less attention to racial barriers than the state departments. In addition,

the changes in government policy must not be discounted in extending greater freedom to allowing agencies to interpret the laws liberally.

Flats: Del(54) of Anglo American Properties was interviewed in 1989 on the policy of the company with regard to leasing of flats to Blacks. She said that they were currently entering into leases directly with whoever wanted to lease a flat. Prior to that they had used the nominee system for blacks who wanted to lease flats.

On being asked about costs of flat accommodation she quoted rentals of R350.00 per month for bachelor flats and R550.00 per month for two-bedroomed flats. Such rentals are usually beyond the financial means of the ordinary black masses. (There is information on earnings in this chapter in the section on housing).

Offices: Newman(55) of Anglo American Properties was interviewed in 1990. She said that whether one had Section 10 rights or was a black person was immaterial. The company leased offices to all blacks whether from rural or urban areas. These were offices like attorneys' offices, driving schools, construction companies, insurance brokers, etc. She emphasised that when doing business with people, they did not consider whether a person was black or whether he came from rural areas.

What was important in determining the acceptability of a person was whether he could afford the rent.

The policy of Anglo American Properties is to try to accommodate any person seeking accommodation in which ever building best suited his budget. After establishing the credit-worthiness of the client which is a standard procedure applicable to everybody a lease is granted. "If everything turns out to be alright, in other words if that person is a responsible person with a certain amount of financial backing - one does not need to have a lot of money in the bank to have financial backing - we would award him a lease. There is no minimum". Where the person does not have credit-worthiness or in other words is not "a fair trading risk" then "we are going to call for certain financial guarantees in excess of what we would normally call for". Newman said that depending on how bad a client's record was they might insist on a deposit of three months' rent or else demand payment of a year's rental upfront. Rentals vary depending on location, age of building and services provided. Newman quoted a range between R10.00 per square metre up to R33.00 per square metre.

This company's office accommodation in Johannesburg is concentrated in Johannesburg, Braamfontein and Parktown. They also own buildings in Rosebank and the suburbs, as well as throughout South Africa. The policy of renting

to everybody, regardless of colour, extends to all office accommodation.

Shops: Lester Felshon(56), also at Anglo American Properties, discussed the policy on leasing shop accommodation. Anglo American Properties has a great many buildings throughout the Johannesburg CBD as well in the other centres, such as Bryanston shopping centre and Killarney, which they own or administer.

In response to a question on how people come to hear about the availability of shop accommodation, Felshon said that there were three ways:

- (a) Advertisements in newspapers.
- (b) Direct telephone enquiries to Anglo American Properties.
- (c) Signs on vacant premises referring would-be tenants to Anglo American Properties.

Rentals in the CBD vary from R40.00 per square metre to R100.00 per square metre and there is, according to Felshon, only one real criterion determining price and that is locality.

Tenants have to satisfy certain requirements before they are accepted as "anyone with credit references to our standard, which is not very high, is acceptable... We

will rent out shops to anybody who we want to accept as far as the tenancy is concerned. We may not like what the person is selling in the building... but as long as the person has credit references, we have to check up on their bank references, have they been in business before, is it a new venture, and depending on that we would make an assessment - would they do well".

When asked specifically about leasing of shop accommodation to blacks Felshon said "traditionally non-Whites had to get a nominee to sign the lease for them, it was a legal requirement. Today they do not need to do that because we are signing them up directly".

He made the point that the real influx of black shop tenants was only beginning and that he expected a great increase in the number of blacks, mentioning specifically areas such as West Street area, where Anglo American Properties has just put up a building called the West Street Parkade and the Carlton Centre, "we have no trade barriers when it comes to renting the shop to the right person".

As a result of the interview with Teebe, Barnings of Old Mutual Property was interviewed about policy of letting to blacks(57). She said that Old Mutual leases offices and shop accommodation to africans in the CBD. There are african tenants in Chester House Jeppe Street. They have

rented offices and shops for such enterprises as hairdressing, driving schools, dress-making and leather products. Rentals are comparatively cheap in Chester House because if it is an old building they usually charge R4.00 per square metre.

As mentioned in the introduction to this chapter it is one of big capital's objectives as one of the major political influences to change discriminatory laws in so far as they affect capital's interests. It can be seen as particularly in their interests to promote the establishment of the african middle class and their policy of colour-blindness in leasing accommodation, even illegally, to black businessmen is in accordance with this goal.

Even during the period when influx control regulations still applied, the policy of some leasing companies at least was to illegally make use of loopholes in the legislation, to provide not only office or shop space but also housing in the CBD. The only criteria was whether one qualified as a fair risk in terms of financial potential and income, and, in the case of flat leases, only the issue of one's capacity to pay the rent. While this provided opportunities for the middle class, especially those from the rural areas, because of the costs involved, the majority of blacks would not be in a position to afford the rentals. It can be seen that the class issue is the crucial one here.

It is apparent that people have followed the new african middle class route to self-employment, (i.e. using contacts and the influence of big business to assist them to find their way through the disabling regulations), but the case of Tsebe indicates that, even without these educational advantages, the traditional african middle class could also find ways around the system. More interviews with people like Tsebe, uneducated and unconnected with capital, reveal similar patterns to those shown in the case study of Tsebe. These have not been detailed but the following points should be noted:

- (a) the nominee system was used until Johannesburg became a free trading zone although some letting agencies relaxed this requirement before the law permitted it;
- (b) the nominee system provided a loophole before Johannesburg was declared a free settlement zone;
- (c) many of the businessmen emphasised that opportunities to start a business in the CBD were greater than in the townships. They also felt that the risks paid off better, since the chances of profit were greater. The CBD suffered less from political disruption than the townships;

(d) most of them noted that the restrictions applying to black businesses had eased during the decade of the 1980s.

3.4.3 Interviews with businessmen operating in Soweto

In the following interviews what emerges is that people from the rural areas without Section 10 rights were able to circumvent influx control by running businesses in the townships illegally and finding accommodation illegally. The crucial point here is that people were able to succeed where many who legally qualified to be in the urban areas, to be employed, or to run businesses and to rent their own houses have failed. Another point to be noted is that the majority of these case studies reveal a vertical mobility from working class to middle class status, based not on educational qualifications but on income and the generation of wealth.

The interview with Kgabo(58), who today operates two shops in Orlando West, shows not only how he acquired his start in business but more especially how he uses his trading licences, now that he feels he is too old to own businesses, to generate an income by illegally hiring them out, in many instances to people without Section 10 rights.

Kgabo originally came from Tlhabane which is now part of Bophuthatswana. He does not remember when he first came to Johannesburg but he had to qualify as an urban african dweller under the pass law by working for whites.

As soon as he had acquired Section 10 rights he began to operate his own business. In 1964 after he had been awarded a stand, he resigned from his job and began to operate a barber shop.

When he applied for a business stand, the municipal council which was responsible for allocating sites wanted to see if he had any capital in his banking account. The council wanted about R200.00 minimum. In the 1970s he added a grocery outlet to his existing business site after he had acquired a trading licence.

In 1976 Kgabo could no longer run his businesses because of old age. Instead he rents his licences to people who want to occupy these sites for a fee of R250.00 a month. The leases vary from one year to three years. Kgabo continues to operate a small beer selling operation from one of the shops.

He says that the people who have sublet his business were from both rural and urban areas. Some who came from the rural areas did not have Section 10 rights but had capital. They would rent the business licences for as

long as they had capital. He says that the monthly rental would increase depending on what the authorities charged for the business licences.

In addition other people who are engaged in carpentry and welding rent space in the yards of Kgabo's business premises. He charges them R250.00 a month each because they are using electricity and water facilities.

The interview with Radebe(59) who owns a butchery in Diepkloof shows how many solve the problem of accommodation by living at their place of business.

He came from Natal in 1978 to Johannesburg and worked in an abattoir in the city. He stayed in a hostel at that time. In 1983 he resigned and hired a licence and a shop illegally. This was a butchery in Diepkloof for which he paid R400.00 per month as rental. He immediately moved out of the hostel and lived in a backroom for the first six months.

When influx control was abolished in 1986 he acquired the butchery legally from the original owner. He also managed to rent a house in Diepkloof where he is currently staying with his family. What must be noted here is that there is a long waiting list for housing and Radebe somehow was able to get preferential treatment.

Sebeeho(60), owner of Diepkloof Hotel completed a BA (Social Science) degree at the University of the North in 1974. In 1975 he started working in Johannesburg. In 1986 he studied for a higher diploma in marketing management at the University of the Witwatersrand Business School. In 1977 he worked as a group industrial relations manager. He was also one of the presidents of Black Management Forum.

Although he did not qualify to rent a house in an urban area, he was exempted from influx control regulations in 1980, because of his educational qualifications, because of his position on the Black Management Forum and because of his job: these factors influenced the granting of his exemption. (After the government had passed the ninety-nine-year lease housing policy, it was more an issue of whoever could afford to purchase a house in Soweto under the system). He applied for a housing bond in 1980 and started living in his house in Selection Park in 1981.

In 1983 he illegally sublet a butchery shop in Mofolo. He rented a business licence for the butchery and paid R500.00 monthly rental to the legal owner of the shop. He operated this butchery shop on a temporary basis since he was still employed by Union Carbide. In 1986 he stopped hiring the butchery licence and instead opened up a management consultancy at the Carlton Centre. He

leased the property from Anglo American. He says that he did not need a nominee to register the lease because one of the senior managers of Anglo American Properties had served with him on the Sullivan Code Board and he assisted him in acquiring a lease without a nominee. In 1988 he bought Diepkloof Hotel from the West Rand Administration Board. He presently employs forty-four staff members. Apart from hotel facilities, it has an off-licence. He says that it cost about R2m to buy the hotel and he raised the capital from various banks SBDC has since promised to assist financially. He still employs staff to run the management consultancy at the Carlton because many companies still need the consultancy services.

In the following discussion names have been changed to protect people who have divulged sensitive information. The focus will be on their business in Soweto. Furthermore the question of blacks from neighbouring states will be looked at in this section.

Chirau(61) came from Maputo in 1969 as an illegal immigrant. With the help of relations living in Komatipoort he was able to obtain a reference book entitling him to live in South Africa. Using this he obtained employment at the company which deals in Tastic rice and thus was entitled to get a lodger's permit. In the course of his job he was able to do the shopkeepers a

lot of favours which paid dividends when he eventually opened his own business which he did by illegally hiring a licence and premises from a widow who was unable to operate the business on her own account.

Zikalala(62) who came to Johannesburg from Natal in 1974 began a bootlegging career selling soft goods in 1977. He used this time to build up capital which he was able to invest successfully when an opportunity to acquire a business licence and premises became available as a result of the death of the owner. (The owner's widow felt unqualified to continue to run the business). Zikalala lived in a backroom on the premises and up to now the interviewee still has no legal right to be either resident or running a business in Soweto.

Mabane(63) came to Johannesburg in 1968 to work at an hotel. She discovered that the skills she had as a seamstress qualified her to find better paid employment and she found a job in a leatherwear factory in Jeppe. At that time she lived in the female hostel at Orlando West. When it became apparent to her that the factory was likely to close down, she began to plan to become self-employed. She bought a machine that had been stolen from a factory and after being retrenched she found part-time work as a domestic servant but spent most of her time working on her own behalf - doing repairs to handbags, etc. This she did while continuing to live in

the hostel. When, because of complaints from fellow hostel dwellers, this was no longer possible, she found a space in a coal yard in the township. Today she employs two women and the business is self-sufficient.

Zele(64) had a licence and premises that permitted him to run a coal yard but he was unable to make an adequate living from his business. Zele decided that he would make more money by hiring out parts of his premises. In 1977 he therefore built backrooms and hired these out for R60.00 per month. One person who hired two rooms was Moloisi. Moloisi had worked at Highveld Steel until he was retrenched in 1976. He then came to Johannesburg and set up a welding workshop on Zele's premises. Although Moloisi did not specifically say that he had stolen from Highveld Steel, the inference was made.

Ledwaba(35) who came to Johannesburg in 1975 used his chance as an employee at a record bar to steal records which he then sold in Soweto over weekends. The profits that he generated from this practice he used to buy a second hand car and from 1978 he operated a pirate taxi between Johannesburg and Qwa-Qwa. In 1980 he was able to buy a bigger car and he hired a licence from a person who has a number of taxi licences.

Da Silva(66) from Maputo came to Johannesburg in 1982 and found a job illegally in a garage in town and lodging

in a backroom at the garage owner's house. Some friends took him to visit Soweto and in the course of a conversation with the owner of a big shebeen he entered into an agreement to fix the "shebeen king's" cars. He stole parts from his place of employment and soon had a regular sideline going in Soweto, repairing cars every weekend. At the time of the interview he had left his job and was running a panel-beating and spraying business on illegal premises in Soweto.

Khumalo(67) worked for a printing works from 1962 when he came to Johannesburg from Natal until he was fired in 1976. In 1978 he joined Makwala who ran a printing shop in Soweto. After Makwala's death, Khumalo continued to run the business, hiring the printing licence from Makwala's widow. He also hires the printing machinery although he originally had acquired it dishonestly from his previous place of employment.

Chivambo(68) from Venda came to Johannesburg in 1969. He worked at various furniture shops until 1977 during which time he established "useful contacts". In October 1977 he found vacant premises in Soweto and negotiated an agreement with the owner to rent the licence and the premises. His business involves repairing and selling refrigerators.

Mohlapi(69) runs a small dressmaking factory in an industrial park. She first came to Johannesburg from Qwa-Qwa in 1979 as a cleaner at Baragwanath Hospital. While still at schools he had earned a diploma in dressmaking and she soon realised that this skill was in demand. She heard about a licence belonging to a person who was no longer able to use it because of ill-health and she hired the licence and began dressmaking in 1984. She is so busy that she has employed two helpers who she trained herself. They also come from Qwa-Qwa.

What emerges from these brief case histories is the following:

- (a) All of the respondents/interviewees had no legal rights to live or run businesses in the urban areas: in some cases they, at the time of the interviews in 1985, were still successfully operating without Section 10 rights.
- (b) In the beginning each person began by being employed by whites often in a very menial position.
- (c) Using their positions, many of them "made bread" which included stealing goods to sell from their place of employment and machinery that they would later use in their business. They also built up useful networks by "doing favours".

- (d) As soon as they had accumulated the necessary capital, experience and/or equipment they would illegally hire business premises and licences from qualifying people in Soweto.
- (e) Many of these qualifying people were unable to operate their business due to death, illness, bankruptcy, age, etc.
- (f) Many of the interviewees lived in backrooms or used their business premises for living accommodation.
- (g) Those from neighbouring states used bribery to acquire reference books: and one can read between the lines that they were more open to being exploited.
- (h) Small scale businessmen in South Africa prefer to employ people from the rural areas because they enjoy a reputation for honesty and are unable to demand their rights as easily as people with Section 10 rights.

3.4.4 Information about the cost of business premises in Soweto

Nash(70) is the owner of a property evaluation agency which specialises in the evaluation of fixed property, i.e. land and buildings.

The purpose of the interview with Nash is to gain an idea of the costs of acquiring business premises in Soweto.

He says that in Soweto he has evaluated the following three types of business:

- (a) The service industry, (e.g. repair shops, fridge repairs, car repairs, furniture repairs, etc);
- (b) small scale manufacturers (burglar proofing, furniture, bricks, dressmaking, etc);
- (c) trading stores (e.g. green grocers, fast food outlets, filling stations, etc).

The average size of a shop in Soweto is about fifty square metres. This, according to him, is the standard size in Soweto but at times one may acquire a double site. The fifty square metre shops may be bought from the West Rand Administration Board for R23 000.00.

The allocated size of shops reflected the intentions behind the laws governing the establishment of black business in the pre-reform era, i.e. that blacks were only to sell daily necessities and they were not allowed to employ people in their business.

In the post-reform period it has become difficult to estimate rentals because the law has changed to allow blacks to hire/own premises of varying sizes and the value of each business will depend on its size, generation of income and locality. This brings the operation of black businesses into line with the operation of businesses in the prescribed or white sector of the community, i.e subject to the operation of market forces rather than the racial laws.

The estimation of the costs of renting business premises in Soweto is problematic because it is governed by the forces of supply and demand. Shop premises which are very busy will be able to command a higher rental than those which are less busy or in an unpopular area. Over the time during which interviews were conducted the rentals charged varied from R250.00 for an average size premise to R500.00 rental for a similar size premise. Some of this can be attributed to inflation.

3.4.5 Generation of income by black businesses in Soweto

The study will now very briefly show how much income per annum is generated by these businesses in Soweto. This is based on analyses of interviews conducted with accounting and bookkeeping companies specialising in black business.

This is in order to demonstrate how people who circumvented influx control could make a living out of the business they were operating illegally in the urban area. To do so, it is necessary to have an idea of the income generated by businesses in the township.

Lakgetha(71) of Ebony Management and Secretarial Services has given the following calculations for annual nett income of black business in the townships:

- (a) A shop with up to six checkpoints that is doing very well may have a turnover of R150 000 per annum.
- (b) For the average shop nett profit would be between R50 000 and R80 000.
- (c) The lowest would be R50 000 or below.

Interview with Hamid Kaka(72) of Equity Management and Accounting Company:

- (a) The highly successful black retailers earn between R10 000 and R20 000 nett per month.
- (b) The average retailer gets between R6 000 and R7 000 nett per month.

(c) The below average would get between R3 000 and R4 000 per month nett.

The accounting companies have pointed out that it is difficult to accurately calculate the income generated by black business in the townships because most of these businesses are run unprofessionally. Traders do not run their business with formal bookkeeping methods. Some of them throw away receipts. This is mainly because most of them are uneducated and even in the case of those educated, they usually do not keep proper documents in an attempt to undercalculate their income. This is in order to avoid the high taxes demanded by the Receiver of Revenue(73).

It should be noted that only established businesses are likely to use the services of such agencies as those consulted above. Many of the people that were interviewed in Section 3.3.3 would initially at least probably generate income below the calculations.

A very important point to be noted is that tax was paid in the name of the legal owner of the licence from the profits made by the person hiring it illegally. This could cause problems. In one case, for example, the illegal tenant failed to meet his tax obligations and when the arrangement expired the legal owner of the

business found himself left with a tax debt of R18 000.00.

The failure to keep accurate records, besides being a way of avoiding proper assessment for tax purposes, can be attributed, on the one hand, to a lack of education in formal business practice and on the other to illiteracy and the suspicion of documents generated by the inability to understand for oneself what is contained therein.

Taking the lowest figure mentioned in this section, i.e. the estimate of a nett income of R3000.00 per month, it is apparent why people are willing to take the considerable risks involved in setting up business illegally. Few people, as will be seen in the section on housing later in this chapter, earn incomes anywhere near these calculations. In fact, the estimations of income show that 90% of South Africa's black population earn less than R800.00 per month(74).

3.4.6 Taxi business: information from interviews and the press

For anybody who wants to become involved in the taxi business there are two conditions that have to be met:

- (a) Gaining access to a taxi licence.
- (b) Gaining access to a taxi vehicle.

According to Seema(75) who is the consultant at the transportation board, most of the taxi owners started as taxi drivers because they could not get jobs anywhere. Many of these drivers come from the rural areas.

The transportation board offices are located in End Street, Johannesburg. At this place application for taxi licences is made. Even those who rent licences from others have to come here in order to transfer the particulars of the new taxi onto the hired licence.

According to Seema the law governing black labour regulations allowed a taxi licence holder to employ other people as drivers. A lot of africans from the rural areas without Section 10 rights would illegally hire taxi licences from urban owners who for one or other reason could not run a taxi. The owner of the licence would then enter into a contract with the owner of a taxi without a licence to be his "employee". This was a measure that could be used to circumvent influx control which prohibited people without Section 10 rights from applying for taxi licences and even owning taxis in the urban area. Thus the urban owner of taxi licence would hire the licence to an unqualified person from the rural areas who owned a taxi under the disguise of the latter working for the former.

So while the practice of hiring out a taxi licence to somebody else is illegal, there is a loophole that makes it possible for taxi licences to be hired to the advantage of both parties.

Since the abolition of influx control, though rural people are now legally allowed to apply for licences, in practice the red tape involved makes it very difficult for most to acquire such licences, so the hiring of licences remains a popular method for gaining access to taxi licences in the urban areas. Those who were fortunate enough to acquire licences in the past are able to use them to generate income even in instances where their taxis have broken down.

A loophole in the bureaucratic procedures has led to the establishment of agencies that specialise in assisting applicants to acquire taxi licences. Many of these agencies, however, do not seem to fulfil their undertaking.

According to Sowetan, 23 June 1989, hundreds of blacks who want to have a slice of the lucrative taxi market pay licencing consultants huge sums of money for taxi permits they may never get. A Sowetan investigation found that scores of people paid EG Frost and Company, a Johannesburg agency, non-refundable fees of up to R450.00 for taxi permits. But many of them have not been issued with licences(76).

The company, one of the several agencies that have been mushrooming on the Reef over the past few years, cannot guarantee that the permits will be issued. Many people who have had their applications turned down by the Local Transportation Board are then asked to pay a further R450.00 for the matter to be taken . appeal.

Athanasius(77) of Thokoza said he paid the company R510.00 for a taxi licence in April last year. He said he was told that it would take about eight months for his application to be considered by the local transportation board. "I was told not to worry as it was very easy to obtain a licence. After eight months of waiting I went back to the offices of EG Frost and Company. The man who was handling my application said he was too busy to attend to me. In May this year, more than twelve months after I submitted my application, I received a letter from EG Frost and Company which simply said I should call at their offices. When I got there I was told my application had failed and that I should pay an extra R450.00 for an appeal". He said he found this unacceptable as he was initially given the impression that he would obtain the permit.

Mathola said he had paid R450.00 after he was informed that the application for a taxi licence permit made about two years ago had failed. "I have already paid a total of R700.00, but it appears I am in a no-win situation"(78), Mathola said.

The local transportation board has always maintained that it considers applications on merit, irrespective of whether they were submitted by individuals or agencies. It also maintains that agencies do not have any influence on its decisions whatsoever. WJ Grobler, a senior employee of EG Frost and Company, said they had never guaranteed that people who paid these fees would be granted licences by the local transportation board(79).

Seema(75) confirms that the ownership of taxi licences either through applying for a licence through the Local Transportation Board or by buying an old one from a former owner is not an easy thing to come by, for example, an old licence sells for an average of R15 000.00 to R20 000.00. Thus people without Section 10 rights who own vehicles would rather hire taxi licences from urban owners as a means of circumventing influx control.

The method used to acquire a taxi vehicle can be divided into two main categories:

- (a) the legal purchase of a new or second hand vehicle;
and
- (b) the illegal acquisition of a vehicle.

The purchase of a new minibus taxi requires considerable capital. According to Sam Nhlapho(80) a non-affiliate of SABTA (South African Black Taxi Association) will be charged at the following rates: (provided that he is accepted as a good financial risk)

A Nissan fifteen-seater minibus costs in cash R44 980 + GST.

Buying on a loan through West Bank payment is structured as follows:

Deposit R17 800.00 (i.e. 35% of cash price) including GST.

Monthly instalments R1 380.00 per month over thirty-six months.

Plus Insurance R700.00 per month.

I.E. R2 080.00 per month.

Finance charges amount to R16 754.00.

A member of SABTA is entitled to certain privileges when acquiring a taxi.

He will get a discount on the cash price of 13%. He needs to put down a deposit of 10% of the cash price and the repayments are over forty-two months. He needs to leave some security with SABTA for the duration of the loan agreement. (In addition SABTA members are entitled to discounts on tyres, batteries, etc.).

During interviews(81) conducted with taxi licence holders mention was made of the following means to raise capital:

- (a) Selling cattle in the rural areas.
- (b) "Making bread", (i.e. dishonest practices while employed) to get extra income.
- (c) By working as a taxi marshall or taxi driver which also gives experience in the taxi business.
- (d) "Saving".

Given the high capital costs, purchase of a new taxi is beyond the reach of most people. This point was constantly made by interviewees.

The purchase of a second hand taxi is perhaps a better option. These can be bought at police auctions and at commercial car dealers. Condition and age of the vehicle partly determines the price but on average one is looking at a price in the region of R15 000.00 to R25 000.00 cash.

By far the most popular method of acquiring a taxi in Soweto seems to be through what is called the car racket(82).

A series of articles appearing in May 1988 reveal the following information:

The police had uncovered a car theft racket at the beginning of May and during a series of clampdowns mainly in the Reef area a great number of vehicles had been recovered(83).

Police spokesmen made the point repeatedly that there existed a very well organised network or syndicate that was running this car theft racket and that it was countrywide involving garages, car dealers, panelbeaters and car auctioneers. According to one source inspectors were still making arrests at scrapyards, panel beaters, garages and car dealers throughout South Africa(84). The car racketeers are also seen to be involved with homeland governments. Captain Van Zyl said the gangs stole cars 'on order', drove them to Ka-Ngwane and other neighbouring states, where they were registered with false documents and then taken back to South Africa, re-registered and delivered to the gang's outlets.

The conclusions to be drawn are:

- (a) Many legitimate businesses such as scrapyards are also involved in lucrative sidelines such as the stolen car processing syndicate which may be a source of greater income than their legal business.

(b) There seems to be a close network between the urban areas and the rural areas at least in the car syndicate. The procedure is that while cars are mainly stolen in the urban areas the registration, etc, is done by officials of homeland governments. An implication is that a person coming from the rural areas could have already established a network of contacts that facilitated entry into the taxi business in the urban area. Another inference is that people from the rural areas who come to the urban area already possessing a vehicle probably acquired it through the illegal means of the car syndicate.

(c) The amount of money involved in the racket is immense and may be helpful in explaining how many of the traditional african middle class have been able to establish themselves in the urban areas.

A further issue emerges from the following article.

Pretoria police were investigating a scam at the Pretoria testing grounds in which more than forty vehicles were allegedly given police clearance in spite of having been stolen. Four people had already been arrested, including two police constables who allegedly passed the vehicles at the testing ground and two businessmen who allegedly masterminded the operation. The vehicles were allegedly

stolen from all over the Transvaal and then delivered to a Mabopane businessman who then arranged for the police clearance at the testing grounds.

A police spokesman said yesterday the scam was uncovered when a detective noticed a car at the testing grounds which had police clearance in spite of its engine and chassis number having been altered.

The point to be noted here is that the practice of illegal business is often successful precisely because the police are part of such networks since there are great financial benefits for them. It is then also in their interest not to prosecute the business run illegally that are based on the car racket.

The last article shows the link between the car racket and the taxi business. In an article entitled "Thirty-nine stolen minibuses recovered in Soweto" (85) a massive search operation at the Baragwanath taxi rank is described. Apart from the recovery of the stolen vehicles a large quantity of other stolen property was seized. Such operations occur quite frequently and lead to the recovery of stolen minibuses.

It seems that the taxi business is rife with illegal practices, both at the level of breaking laws that govern access to business opportunities (the influx control

regulations; the regulations controlling access to taxi licences) and also at the level of dishonesty, in the acquisition of vehicles. This could be because the taxi business offers the shortest route to self-sufficient self-employment particularly for people without Section 10 rights. A point to be made in addition is the high level of violence that is associated with the taxi business. The point of conflict seem to emerge as a result of direct competition over routes between old, established taxi owners and newcomers(86).

There is also an opening in the CBD for Blacks from the rural areas as well as the urban areas who want to get into the taxi business. Cornelius, an ex-taxi owner, who was interviewed in March 1990, discussed how the taxi business in town can be operated by Blacks.

Taxi services in the CBD differ from those run in the townships or in the rural areas. CBD taxis serve individuals, are prepared to travel any route within the jurisdiction of their licences, and charge according to distance calculated by means of a meter. There are two main ways of getting hold of such a taxi, either by waiting at an official taxi rank or by telephoning to a company which then contacts a taxi by radio channel. Township taxis, on the other hand, travel fixed routes, and charge per passenger. In addition they will usually wait to be fully loaded before setting off on the route.

Taxi licences in the CBD were and still are only legally available to White licensees, while in the townships until 1986 only blacks with Section 10 rights were allowed to own licences. (This has now been changed so that blacks can own all licences.)

A number of different companies operate taxi services in the CBD, of these the Rose Radio Taxis is exclusively White-owned and driven while another, City Taxis has been owned and driven by Blacks, although this is illegal. Other companies such as Maxi Taxi Cabs have both Black and White owners and drivers.

It is apparent from this that the licensing board and the traffic police turn a blind eye to contraventions of the regulations governing the operation of taxis in the CBD, although Cornelius made the point that black drivers are often subjected to traffic police harassment.

The costs involved in becoming a driver on one's own behalf are high. Cornelius says that the costs of hiring a car, a radio, and a meter were in 1989 R250.00 per week. Today the rates have increased and the agreement is either to hire a car, etc for a full day which costs R100.00 per day (which means that the driver is working a twenty-four hour day) or hire the car, etc on a weekly basis at R500.00 per week. So these people, (mainly white), who have acquired ownership of many cars and

licences are able to generate high incomes merely by hiring them out.

In addition to car, radio and meter, the driver needs to pay R45.00 per week in order to be connected to a taxi company's radio channel.

If one owns one's own vehicle the cost of hiring the licence, meter and radio is approximately R120.00 per week, or one can buy a radio for approximately R1100.00 and a meter for R1300.00-R1400.00.

Buying a licence is not legally possible but a way round the law is to buy the vehicle to which the licence is attached. The cost of the licence would be added to the price of the car.

Income varies from R120.00 - R150.00 after petrol on an average day while on a busy day, such as during the festive season the earnings would be between R250.00 - R300.00 per day. Being connected to a radio channel is very important. Without a radio the earnings per day during a busy period would be R180.00 - R220.00.

If one calculates the overheads, it is apparent that it is difficult to generate sufficient income to cover all the expenses, including wear and tear on the vehicle, unless one owns the vehicle.

It is apparent from this discussion that the opportunities to generate a good income by using a conventional taxi service in the CBD do not compare with those that exist in the township-to-town minibus services which are normally under the direction of SABTA. Although there is no information about the so-called 'homelands run' because it is largely outside the scope of this thesis, the potential for income generation there is very great.

Because in my definition of the middle class I have included the provision of services in addition to the small scale production criterion given by Poulantzas and Wright it becomes apparent that the taxi-owners are part of the traditional middle class and should therefore be subjected to analysis. To become a black taxi owner, it is necessary to use legal loopholes as well as more direct dishonest practices: in other words one can conclude that the stakes involved are high. Most people who were interviewed were people without formal educational qualifications, who saw their chances of earning an adequate wage - even if they could get a job at all - as being very low, but who aspired to a relatively high economic status and who perceived the taxi business as providing them with their best opportunity of access to "the good life" (by which is meant by housing, expensive cars, clothes, and being seen by the community as having high social status.) An

interesting point is the divergencies of opinion about education. Some aspire to use their material position to give their children a good education in the multi-racial schools - something that they feel they were deprived of because of their poor family backgrounds - while others maintain that they were able to succeed without formal education and so can their children(87). Some of this group also make use of "muti", i.e. traditional medicine practice, to protect and further their interests.

SECTION 5

3.5.1 Allocation of housing and business sites in the townships

(a) Housing

Access to housing in the urban area is determined by three main factors:

- (i) the cost of housing;
- (ii) the backlog in the provision of housing;
- (iii) the need to use bribery.

Each of these factors will be dealt with separately.

(b) Most blacks cannot afford houses

The african working class from the rural as well as those in the urban areas cannot afford houses in the urban area because

- (i) they cannot, unlike the middle class, afford to bribe councillors for housing sites;
- (ii) they do not qualify for housing bonds because of their low salaries.

City Press reported that millions of black South Africans are living in makeshift structures because they cannot afford decent housing(88). One of these homeless people is a Soweto man known only as Sipho. Sipho lives alone in the open veld near the Orlando West sports ground in a rickety structure he built from mud. Inside the shack Sipho has tried to make a home. You have to watch your head when you enter as the roof is constructed of loose bits of iron sheets and is very low. His bed is neatly covered with clean blankets and a discarded car seat is his "lounge suite". One corner of the shack serves as his kitchen.

Sipho spends his days doing odd jobs for a living and he returns to his shack only to sleep. Neighbours say Sipho has no family, no home, no prospects and no hope.

For many subsisting a stone's throw from Johannesburg, home is a vacant lot, a disused mine shaft or the city streets. Others pack squatter settlements like Mshenguville in Soweto or the hillside surrounding Durban, which are over-populated with shacks and huts.

Lack of provisions to make housing more accessible to the poor and even increasing costs, has forced many into such a life style. An estimated ninety one percent of blacks need a subsidy to afford any housing at all.

According to the South African Institute of Race Relations Economic and Social Update, calculations provided by the National Building Research Institute indicate that about forty five percent of the total black population cannot afford to make any contribution towards attaining a house. These people need a one hundred percent subsidy because of lack of finance. Most live in informal dwellings.

Another factor limiting the provision of housing is the land shortage that has been exacerbated by the Group Areas Act.

An article entitled "Most blacks cannot afford houses" (89) claims that an estimated fifty five percent of black urban families cannot afford to buy the most

modest formal house, even if mortgage finance is available.

According to the 1989 annual report of the Urban Foundation rising costs are to blame.

A forty percent increase in bond interest rates in one year, a twenty percent rise in land servicing and building costs and the continuing upward pressure on servicing standards required by local authorities has resulted in a "dramatic reduction in the proportion of families who can afford homes.

The current state housing subsidy does not provide financial aid to low income urban black families.

In an article entitled "Only ten percent of South Africa's blacks qualify for housing loans" the following information appears, based on a survey that has been accepted by the Committee of Housing Ministers(90).

It is estimated that more than ninety percent of South Africa's black population earn less than R800.00 a month.

It is generally accepted that the bond repayments should not amount to more than twenty five percent of

the monthly income. This meant that applicants with an income of R840.00 per month would qualify for a loan of R12 500.00.

Building societies are not keen to grant housing loans for less than R20 000.00 - an amount way beyond the reach of the lower income group.

Another article entitled "Housing costs now block blacks" (91) mentioned that building societies, banks and the Urban Foundation require a minimum monthly income of R800.00 per month before considering a bond which puts housing bonds beyond the reach of 91 percent of blacks.

The SA Housing Trust (which was established to provide low-cost housing for blacks) requires a minimum monthly income of R600.00, before they will consider an application which according to The Star means that 83 percent of blacks cannot afford a housing loan even at this rate.

It appears that by far the largest proportion of the black population cannot be provided with housing loans by either the financial institutions or the South African Housing Trust.

When Gcwensa was asked if houses were not allocated according to the housing list, Gcwensa said in most cases people who were due for allocation were not in a position to afford exorbitant prices of residential sites

Mkhwanazi, Mayor of Soweto, told the Sowetan that his council recently investigated allegations of corruption against a former councillor who, it is claimed,, abused his powers and allocated one residential site to three different people. The matter, according to Mkhwanazi, was resolved after the councillor concerned admitted guilt and undertook to refund those who did not get the site

These are just a few cases of the many that have been reported in the media which indicate the extent of corrupt practice in the allocation of houses. According to one source(103) the cost to residents in money paid in bribes is as much as R3 5000.00 above the cost of the site, in this case R2 468.00. Another spin-off for councillors is revealed in the case of Steve Kgame(104), former mayor of Dobsonville, who apparently was able to acquire eight sites. One may conclude that at least some of these sites would be rented out to sub-tenants, an illegal practice leading to possible further abuses.

processing site applications from those who were in arrears with their rent. It seems likely that he used this opportunity to acquire business sites as well as using his influence to further the interests of "favoured" applicants.

3.5.5 Analysis and interpretation of the evidence on housing and business sites

Allocation of sites

(a) Housing

- (i) There is a long waiting list for sites as well as houses. It is generally recognised that one needs to use bribery to be allocated a site.
- (ii) The reality of corrupt practices associated with site allocation has been recognised by the government, by the community councillors and this has led to the setting up of commissions of enquiry and to court actions that have led to the conviction of some officials and councillors.
- (iii) Attempts to explain such wide corrupt practice link it to the abnormal conditions prevailing under apartheid, namely:

Even those who meet the financial criteria to be granted bonds are not secure as can be seen from the following article which appeared in the Sowetan(92). It states that eight thousand four hundred and twenty nine blacks lost their homes in the period between November 1988 and October 1989 after failing to pay instalments on their mortgage bonds and it is feared that the situation might worsen as with interest rates up.

While the Urban Foundation's massive housing scheme for lower income groups(93) could mean that more Blacks may become home owners rising interest rates could affect marginal cases who may have difficulty in being able to cope with all-round increases in their day-to-day lives.

Mavuso of the Urban Foundation appealed to the government 'to intervene in this field of so-called free market'.

(c) Backlog in provision of housing

According to Mavuso(94) between 1 400 000-2 000 000 low cost houses need to be provided to meet the needs of squatters alone. The costs for this would amount to R18.2 billion, of which R10 billion would be spent on building the houses and R8.2 billion would need to be

provided to finance land purchases and the provision of necessary services.

A source at the Urban Foundation(93) says that the official backlog, i.e. figures calculated from the waiting lists for housing in "white" South Africa, is 800 000 dwelling units. It must be noted that since many people never register as house seekers at the offices of the administration boards but instead go directly to housing developers or conclude private (and often illegal) deals - this figure is probably an undercalculation.

(d) The need to use bribery

Most of the african middle class who migrate to Johannesburg find residence in Soweto. There are new residential areas which are located on the outskirts of townships all over South Africa. These middle class residential areas started mushrooming during the reform era beginning in 1978. In Soweto areas identified within this middle class status would be Selection Park on the periphery of Pimville, Prestige Park bordering with Diepkloof, Protea and Dobsonville Extension. In the East Rand middle class areas are areas such as Marimba Gardens, Spruitview bordering on an old township called Ntshalepruit and there are others. As seen from the examples these middle class residential

areas are usually suffixed with "views" on "parks" or "gardens".

The allocation of sites in these middle class areas involve a lot of corruption. Local authorities allocate sites both business and residential to individuals. There is usually a long waiting list of people who have applied for housing sites and business sites. Community councillors who are in control of housing and business sites have hit the newspaper headings as a result of receiving bribes.

A Sowetan reporter Idiom received an award in 1979 for exposing corruption practised by community councillors(95).

The Soweto City Council has also acknowledged the possibility that corruption exists in the allocation of sites(96).

3.5.2 Commissions of Enquiry into corruption

According to an article in The Star, the abuse of power, the apartheid system and secrecy in government are among major factors pinpointed last week as possible causes of corruption and maladministration in South Africa. "The growing spectre of corruption, especially in government administration, came under the spotlight at a two-day

conference attended by about two hundred and fifty delegates at the University of Stellenbosch"(97). This conference was attended by academics, top state officials and judges and it examined corruption in both the state and the private sector.

The conference was told that certain forms of political corruption in South Africa were closely linked with the maintenance of the apartheid system and the situation needed urgent attention.

Delegates were given a detailed account of the manifestation of corruption and maladministration.

Features of corruption were summed up as:

- (a) a misuse of authority and violation of public responsibility;
- (b) a sacrificing of public benefit for private gain;
and
- (c) an obstruction of law enforcement and of the execution of punishment to prevent it.

JSH Gildenhuys identified apartheid as a central factor behind some forms of political corruption. Among other specific forms that corruption could take, he mentioned

cash "kick-backs" for public officials who co-operate in such forms of corruption. He felt that what had been exposed was merely the tip of the iceberg.

Lourens du Plessis, a professor of Public Law, said that the association between certain defects in law and corruption had been historically vindicated.

In April 1989, as a result of the appointment of a new council and also because of the number of complaints against certain councillors registered by Soweto residents a three-men commission of enquiry (called the Malan Commission) into corruption and irregularities within the council was set up. This commission consisted of three law professors from the Rand Afrikaans University. Among a number of issues to be investigated top priority was given to the allocation of land and sites. In connection with this issue investigation into the abuse and exploitation of property owned by the elderly and infirm and the questions surrounding the inheritance of privately owned property were also placed on the agenda. An aspect of the brief of the commission was to formulate policy and strategy to be implemented in the allocation of land and sites in the future(98).

The preliminary investigations were completed by June 9 1989 and evidence was led from 24 September 1989. The

link between the establishment of the black local authorities act of 1982 and the irregularities and corruption has been shown in the evidence given before the enquiry. People's complaints about red tape, humiliation, the need to bribe, the rapid increase of wealth of certain councillors, the councillors' role as government collaborators, and general abuse and misuse of council funds and power by officials were condemned. In the reports specific mention was made of the following issues:

- (a) that the previous council had extorted thousands of rands from residents;
- (b) that councillors had evicted pensioners from their homes in order to instal favoured tenants;
- (c) that a builder, Graham Walker, claimed to have been swindled out of R300 000.00 which he paid to a councillor for five sites in Tladi;
- (d) that an assistant director of property sales in Soweto said that he had twenty-five cases of forged signatures on leasehold documents.
- (e) while thousands were aware of corruption in township management, they had been afraid to present evidence because of threats.

The disclosure of corruption in Soweto has had repercussions further afield(99) As a result of an investigation that begun in 1987, the Dobsonville community council was referred to the Transvaal Provincial Administration for the setting up of a commission of enquiry. One of the allegations was that councillors had allocated business sites to themselves without advertising them or putting them out to tender. A commission under the chairmanship of BJ Olivier, heard that a council had acquired a site "as big as Orlando Stadium" without council's approval and among other complaints against former councillor Steve Kgame was one of the conversion of the recreation hall at Dobsonville into a shop(100).

3.5.3 Bribery, housing sites and the council

In an article "War on Corruption" details are given of how the Sefasonke Party in Soweto has declared war on corruption by councillors as one of its campaign issues. It told its candidates that they would be dismissed if found accepting bribes. The Party has listed several complaints against councillors received from Soweto residents. It is using these grievances as part of its code of conduct. Among the common complaints against councillors are that they take bribes for the allocation of houses and sites(101).

An allegation against Gwensa has the following background(102): Makhunga and Mabunda claim that they paid Gwensa R1 500.00 to secure the sites after they were introduced to him by relatives. Makhunga says: "The former councillor promised to allocate him a site at Emdeni's Extension provided he paid him R1500.00. However, Makhunga did not pay the money directly to Gwensa but through a relative. Gwensa later informed him that all the sites at Emdeni had been bought by a private developer. However, Gwensa assured him that he should not 'worry' as he had other sites available in Chiawelo. He lost all hopes of securing a site when Gwensa lost his seat in last October elections. He then tried to get a refund from the defeated councillor but he played 'hide and seek'.

Mabunda claims that he met Gwensa at the Soweto Council Chambers in October 1987 where he had gone to enquire about the possibility of getting a house. He was advised by Gwensa to see him at his Mofolo North home after hours as "it was difficult to get a house these days". Mabunda offered him a sum of R500.00 but he turned it down and demanded another R500.00 to "make things easy". When the time came for him to move into a new house he had been promised, Gwensa told him that "something" had gone wrong. Gwensa then promised to allocate him a site in Phiri but he never did.

3.5.4 Corruption and business sites

The abuse of office to further one's own interests is shown by numerous reports in the media. It is the same story that has been revealed earlier in this chapter. An ex-mayor of Dobsonville, Esaac Mashaba, who has been allocated a huge multipurpose business complex the size of Orlando stadium in Dobsonville, used his position as mayor to acquire this business site(105).

Malete(106), a multimillionaire who lives in the Vaal area, was previously a furniture salesman. Since his appointment to the community council, where he has held the following positions: Chairman of the Council

Chairman of the Executive Committee

Chairman of the Housing Committee

Chairman of the Appeal and

Disciplinary Committee,

his wealth has rapidly increased. Today he and his family control at least twenty bottle stores as well as other businesses estimated at a value of more than R15,000 00.00. It is generally accepted that he has used the influential positions cited above to acquire business sites and to establish monopolistic practices.

A further link has been made between Malete's new wealth and the rent boycott operative since 1985. During the rent boycott the township manager was prohibited from

- (a) that local authorities are government appointees and not representatives of their constituencies, and perhaps for this reason do not feel accountable to the people;
- (b) the enormous backlog in housing, due in part to apartheid policy, has set up an ideal climate for corruption;
- (c) the limits imposed by the Group Areas Act and the operation of the influx control regulations have encouraged people to contravene what they perceived as unfair law and to use whatever illegal avenues were open to them to further their interests, especially in the case of the middle class who have the necessary financial capacity;
- (d) some of those who did not have Section 10 rights were able to benefit in this climate of corruption and by bribery have been able to circumvent the laws. What is being implied is that buying power, a feature of class position, is the most important determinant in deciding who gets a site.

(b) Business

- (i) By law the traditional african middle class without Section 10 rights has no legal access to business sites in the urban areas. Thus they were forced to use illegal means to hire sites from those who legally possess them.
- (ii) Those who were in legal possession of sites had frequently circumvented the extensive red tape by use of bribery in order to acquire sites in the first place.
- (iii) The hiring of both sites and licences was illegal: one can conclude that there is much competition associated with this practice.
- (iv) The renting out of both sites and licences to generate an income was an illegal practice.
- (v) The involvement of officials and councillors in the corrupt allocation of business sites has been well documented in this chapter. In addition the use of office to acquire preferential access on one's own behalf has been shown.

(vi) In the CBD before the declaration of free trading zones the use of nominees, while providing a loophole in the legislation, also promoted corruption by way of "wetting fingers". While no evidence is presented it is well known that some people have set up as nominees in order to generate extra income.

(c) Hiring of business licences

During the reform period the state ignored illegal practices in the operation of businesses. This can be seen as part of the process to promote the development of the traditional african middle class. Some of the measures that were relaxed are:

- (i) the decline in the incidence of raids on houses to check on illegal tenants (i.e. people without lodgers' permits);
- (ii) the failure to inspect businesses in order to detect illegal operations;
- (iii) the relaxation on pass control measures, which should be seen in the context of the eventual abolition of the pass system in 1986.

(d) Purchasing of housing

(i) The cost of houses in Soweto is high and access to it is determined not only by whether one has Section 10 rights but largely by whether one has the necessary financial resources, i.e. it is a class issue.

(ii) The official channels by which houses can be purchased are complicated. People recognise the need to find other ways to beating the system. In this regard whether one has Section 10 rights or not is not very relevant; it is buying power that ultimately determines access.

(e) Renting of housing

(i) The traditional african middle class from the rural areas were not allowed to rent accommodation in the urban areas. They were forced to resort to illegal practices, such as living in backrooms, or on business premises, or else to find accommodation illegally in "white" Johannesburg.

(ii) Those who began by being employed by big business were able to use the influence of big business to get exemptions.

(iii) In the "white areas" traditional african middle class contravened the Group Areas Act. This was possible because of (a) contacts in big business who helped with getting permission; b) the use of nominees; c) the changing attitude of government. On the strength of this members of the traditional african middle class have rented or bought flats and houses outside the townships.

CONCLUSION

This chapter has provided an overview of the legal restrictions affecting black business and of the changes brought to the traditional african middle class by the relaxation of the restrictions from 1978. What mainly emerges is a picture of the ineffectiveness of the influx control regulations and the Group Areas Act in controlling the movement of determined business people from the rural to the urban areas and from the proclaimed areas to the proscribed areas. The steps taken by such people to make these moves possible involve:

1. the illegal hiring and operating of business;
2. using influence or illegal means to get accommodation;
3. using bribery in order to get preferential treatment in all areas.

This has demonstrated the weakness in the cheap labour power thesis(104) and in Hindson's critique.

While they advance our understanding of the workings of influx control with regard to the migrant labour system and permanent urban dwellers (those in possession of Section 10(1) a,b and c rights) they fail to take into account class variables especially during the reform period. Instead they emphasise the geographical division, i.e. rural and urban population groups.

The cheap labour power theorists base their analysis on stated government policy which denies the reality of a permanent urban black population and Hindson, while he correctly points out that there is in reality a de facto permanent black urban population in terms of Section 10(1) a, b, c rights, fails to take account of the existence of differentiated classes irrespective of whether they are rural or urban, i.e. both fail to really take into account the gap between stated policy and implemented policy as affected by class.

This chapter cites much evidence to demonstrate how the traditional african middle class from the rural area was able to establish themselves de facto permanently in the urban areas was possible because of their class position.

It is apparent that the traditional african middle class from the rural areas were at an advantage relative to both the rural and the urban working class.

To understand this we examined the role of the state and big capital in the active promotion of the establishment of the african middle class. From the reform period there has been an acceptance by government and business that apartheid must go. Factors that were considered are political instability and pressure on the government both internal and external.

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42. Government notice R2292 in the Government Gazette No.5795 of November 1977.

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44. Interviews conducted with people renting business licences in Orlando West in 1985 who wished to remain anonymous.

45. Hansard, : 27/06/1984 column 9960/2007 and 28/06/1984 column 10097/10; 02/09/1984 column 10324/10. Group Areas Act Amendment Act, July 1984.

46. This will be elaborated on later in this chapter in the section on corruption.

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48. An interview with R Khoza in Ormonde in 1989.

49. An interview with E Mafuna at his home in Bryanston in 1990.
50. Black Management Forum was established in order to enable black managers to fight racial prejudice affecting them in the work place.
51. Hansard, : 27/04/1984 column 9960/2007 and 28/06/1984 column 10097/10, 02/ /1984 column 10324/10
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52. An interview with Motlana in Diepkloof Extension.
53. When the CBD became a "free trading zone" blacks could legally lease property for business but not for accommodation. This was covered by "free settlement zone".
54. An interview with Del of Anglo American Properties in Johannesburg in 1989.
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57. An interview with Bernings of Anglo American Properties in Johannesburg in 1986.
58. An interview with Kgaba in Johannesburg in 1987.
59. An interview with Radebe in Diepkloof in 1988.
60. An interview with Sebesho in Diepkloof in 1990.
61. Name changed: interviewed in 1987.
62. Name changed: interviewed in 1985.
63. Name changed: interviewed in 1985.
64. Name changed: interviewed in 1985.
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67. Name changed: interviewed in 1985.
68. Name changed: interviewed in 1985.
69. Name changed: interviewed in 1985.
70. An interview with Mash in Soweto in 1990.

71. An interview with Lekgetha of Ebony Management in Johannesburg in 1986.
72. Interview with Hamid Kaka in Johannesburg in 1989.
73. Veli Zikalala accounting and bookkeeping interview in Diepkloof in 1986; Lekgetha of Ebony Management, Kaka of Equity Management.
74. Figures from the Urban Foundation: see section on housing later in this chapter.
75. A fictitious name is used because the consultant at the transportation board wanted his name to be kept anonymous. He was interviewed in Johannesburg in 1986.
76. Article in Sowetan 23/6/1989.
77. Interview from newspaper article Sowetan 23/6/1989.
78. Interview from newspaper article Sowetan 23/6/1989.
79. Interview from newspaper article Sowetan 23/6/1989.
80. An interview with a member of Diepkloof Taxi Association in Soweto in 1989.

81. Interviews with both affiliated and non-affiliated taxi licence holders during the period 1986-1990.

82. The Star 18/05/1988. 112 cars recovered with an estimated value of R300,000.00.

Sowetan 18/02/1989. Last year police recovered 4400 stolen vehicles in Soweto alone.

83. Sowetan 19/05/1988, Captain van Zyl.

84. Sowetan 23/11/1989.

85. Sowetan 18/01/1989.

86. Interview in Soweto in March 1990 with an illegal taxi licence holder whose taxi had been stolen. There is much reporting of violence in the press.

87. For example a multi-millionaire in Soweto who received no formal education and who is still basically illiterate spent considerable money on educating his children at overseas universities.

88. City Press 18/05/1988.

89. Business Day 15/11/1989.

90. Business Day 29/11/1989.

91. The Star 22/10/1989.

92. Sowetan 23/11/1989: "8000 lose homes for failing to pay bonds".

93. For 90% not able to afford conventional housing (housing costing R35,000.00 or more) the Urban Foundation has formulated a scheme to divide this category into the three different groups on the basis of their capacity to afford housing. The groups are as follows:

a) Those able to afford "conventional" housing of the "core" or "starter" type (i.e. housing costing between R12 000 and R35 000.00). The implementation of this scheme will depend on its acceptability to financial institutions and on the willingness of the private sector or the public sector to build such housing. The Urban Foundation estimates that 30% of the black population needing housing could fall into this category.

b) Those in need of "incremental" housing (i.e. a scheme where a site and service is allocated and the dwelling is erected by the resident. It is estimated that 50% of the black population would fall into this category.

c) those in need of "welfare" housing an estimated 10%.

Information from a telephone interview with Mary Tomlinson of the Urban Foundation on 19/09/1990.

94. The Star 22/10/1989.

95. Telephone interview in March 1990 with Mzi Idiom, a reporter on Sowetan.

96. The local authorities have invited the government to appoint commissions of enquiry into the subject.

97. The Star 02/10/1989: "corruption growing in South Africa: professor".

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CHAPTER 4

THE NEW AFRICAN MIDDLE CLASS AND INFLUX CONTROL

4. INTRODUCTION

The major thrust of this study is to argue that while the movement of all africans from the rural areas to the urban areas has always been directly related to influx control there was a set of distinct features in the operation of influx control that affected the african middle class differently from and unequally to the way it affected the working class in South Africa. The availability of housing and accessibility to jobs in the urban areas has always played an integral role in this process and in the reform period became the main preconditions for the acquisition of Section 10(1)(d) rights.

Thus, the essential argument of this chapter is that the migration of africans to the urban areas was critically dependent on the availability of jobs and housing and this affected the new african middle class differently from the way it affected the african working class and the old african middle class.

It will be demonstrated, therefore, how the new african middle class was more privileged than the african working class as far as the access to housing and job opportunities

is concerned, indeed that class position largely determined access to housing and job opportunities.

The new african middle class for the purpose of this thesis is divided into two groups.

The first group is made up of african professionals who were exempted from influx control from 1923(1) and throughout the period during which influx control regulations were in force(2).

The second group is made up of educated people, e.g. university graduates, who were not exempted but who could use their educational background and qualifications to circumvent influx control especially in the reform period starting in 1978 and continuing throughout the 1980s until the abolition of influx control in 1986(3).

The chapter is organized as follows:

1. Section one gives an analytical framework showing how the first group of the new african middle class, namely, the exempted professionals, was affected by influx control.
2. Section two looks at the second group of the new african middle class, namely, the non-exempted new african middle class.

It became a major task of the government from 1978, the inception of the reform period, to promote and encourage the growth and development of the african middle class in South Africa for both political and economic reasons(4). It is argued that the reform policy broadened the scope and activity of the african middle class which had greater flexibility and capacity to meet the requirements needed to settle in the urban area.

3. Section three will give a structural framework for the examination of patterns of migration of the african working class to the urban area with special reference to problems experienced in finding jobs and housing in the urban area. This is in order to compare and highlight differences in the migration of working class and middle class africans to the urban areas. In other words, the privileges enjoyed by the african middle class can only be understood properly, when a comparison is made with the african working class. In addition a detailed case history of a typical worker is presented in order to allow the contrasts between the classes to emerge.

4.1 EXEMPTED PROFESSIONALS 1923-1986

4.1.1 Historical background

(a) The law

As early as 1923, a certain category of the african middle class was exempted from influx control. These africans were basically property owners and professionals(5). Later, in 1945, the number of categories of these exemptions was increased because, with the increase in african urbanization there was an escalating need for social facilities and services in the black urban communities(6).

According to the Native Urban Areas Consolidation Act No.21 of 1923, certain africans were exempted from influx control. The Act exempted the following people:

- (i) any native of the Province of the Cape of Good Hope who was a parliamentary voter;
- (ii) bona fide owners of land;
- (iii) chiefs and headmen;

- (iv) ministers of religion, teachers whose salaries were directly or indirectly, partly or wholly, paid by the government;
- (v) interpreters of court provided that they were approved in such a manner as was required.

In order to understand the circumstances which compelled the government to exempt professional africans such as priests and teachers from influx control during the period 1923-1945, it is necessary to digress from the main argument made in this section and to elaborate upon the historical conditions that have given rise to the exemption of african professionals.

These historical conditions have invariably been influenced by socio-political factors in the development of the economy of South Africa(7).

The factors that need to be examined in order to understand why a particular section of the african middle class was exempted will be dealt with under two headings: political and social factors.

(b) Political factors

Historically, the racial hierarchical division of labour has skewed significantly the composition of classes in South Africa. The white working class resisted fiercely the possibility of black and white competing with each other for jobs(8).

This is clearly illustrated by the 1922 white workers' strike. The white workers went on strike because capital wanted to replace relatively highly paid white workers with relatively cheap black labour in the mines. Even though the white workers' strike was violently crushed by the Smuts government, what the white workers could not achieve by means of the strike was achieved by means of the vote in 1924 when the Smuts government was outvoted and replaced by the Pact Government of the National Party and the Labour Party(9). The Pact Government received many, if not, most of its votes from the white workers, especially the "poor whites"(10).

The Pact Government felt a political obligation to safeguard jobs that belonged to whites by preventing blacks from taking over those jobs. To do this the government introduced laws which legalised the colour bar in the workplace(11).

Thus, the exemption of the new african middle class was structured in terms of the 1923 Act to benefit only those members of that class who were perceived as being able to provide necessary services for the rapidly growing black urban townships. In the light of this it is clear why, for example, priests and teachers (and in 1945 lawyers, doctors and nurses) were exempted while engineers, technicians and managers were not only not exempted but also not allowed to undergo training and to practise in these occupations.

It must be emphasized that this was a consequence of a political policy aimed at preventing the african middle class from competing with whites for jobs in white areas, and this policy as it stood, was intended to channel the African middle class into serving the african communities where they would not threaten any white jobs.

This policy prevailed during the period of segregation (pre-1948) during the apartheid period (1948-1978)(12), until the reformist period in 1978 when the aim of the government with regard to the black middle class underwent revision.

(c) Social factors

In 1920, for the first time in the history of South Africa, the government undertook as state policy to

build houses for Africans in the urban areas(13). This was done in terms of the House Act of 1920(14).

There had already been a large influx of africans into the urban areas by 1920. Later, in the 1930s there was a large increase in the migration of african people to the urban areas. Most of these migrants were illiterate and unskilled African labourers(15).

The migration of africans in the 1930s was accompanied by all the usual maladjustments that arise out of the inadequate provision of social facilities: overcrowding; shortage of housing; and the breakdown in family control over its members(16).

Thus, according to Mandy in a book on Johannesburg and its black townships "... provision of more schools was necessary in order to reduce or curb the neglect of children and juvenile delinquency that was rife in the black townships"(17).

It would appear that the exemption of the new african middle classes, such as teachers, occurred as a consequence of the social problems that had arisen out of early black urbanization.

Though there was an attempt by the government to provide social facilities in the urban areas this

proved to be inadequate. The financing of black education remained a low priority, providing only primary and lower secondary schools. This was bound to have an adverse effect on the size and the growth of the african middle class(18) and could help to account for the relatively small numbers in the black middle class up to the reformist period. The flood of africans to the urban areas and the inadequacy of social facilities in black locations posed a considerable problem for the government.

According to Gilliomae and Schlemmer, it has been the policy of successive governments to make the urban areas unattractive for blacks to settle in. The development of african educational facilities in the urban areas has been discouraged so that african migrants would not be tempted to bring their children to be educated in the urban areas(19). Note that the oldest high school in Soweto was only built in the 1950s; that the first teachers training college in Soweto was established after the Soweto riots of 1976 and then it was build by private enterprise, not by the state; and that this was in fact the first tertiary educational institution to be established in Soweto. Tertiary institutions, such as teacher training colleges, technikons and universities were traditionally built in the homelands or rural areas: this must be seen in the context of the policy of separate development.

It must also be noted that policies of successive governments implemented until 1986 were intended to limit and control the entry of africans into the urban areas. Local authorities were to exclude african women from entering urban areas unless proof was furnished that there was accommodation in such areas; this was intended to discourage family life for africans in urban areas(20).

It must be stressed that this policy was to encourage the system of migratory labour and to render africans temporary sojourners in urban areas. The government encouraged migratory labour and discouraged family lives for africans in the urban areas because of the financial burden it would incur for the state in providing enough housing and other social facilities(21).

Thus, at this stage, (i.e. up till 1978) the number of exempted african professionals was still small.

The study will now return to the main argument of this chapter which is that class plays a major role in determining who has access to the urban areas.

In spite of all the government impediments, the african people and their families had come to the urban areas to stay. As a consequence of this irreversible process

by which blacks were establishing themselves as permanent urban dwellers, the Native Urban Areas Act was amended in 1945(22).

The Native Urban Areas Consolidation Act No.25 of 1945 amended the 1923 Act and increased the number of exempted professionals. In addition to the previous exempted professionals, the amendment provided for exemption of the following: doctors, lawyers, court messengers, nurses and police(23). The central feature of this Act was that it actually increased the number of categories of exempted professionals beyond the number in 1923. (The number of exempted professionals also increased.) This was an attempt by the government to cope with the large number of africans in urban areas and to provide the increased social services that were needed in the locations.

This can be seen to indicate a realisation by the government that a de facto permanent black urban population existed and that steps needed to be taken in order to stabilize this population in the fields of health, education, law enforcement, religion, etc by the provision of the services of qualified people. But the extended exemptions must be seen as still limited to those professionals providing services strictly to the black township community and thus in no way posing a competitive threat to white jobs. This was in line with stated government policy.

Thus far this chapter has concentrated on those professionals which were exempted by law. It is therefore necessary in order to complete this discussion, to examine how the law exempting professionals worked in practice. This was the intention that guided my interviews.

The interviews illustrate how class operates in the movement of africans to the urban areas especially in the areas of employment and housing. For the sake of clarity, it is important to distinguish between interviews conducted with members of the exempted new african middle class and members of the non-exempted new african middle class because those enjoying exemption in terms of the law occupied the same status as people qualifying under Section 10 rights while those not exempted were by law penalised but economically had advantages that they used to circumvent influx control.

In brief, the exempted middle class used the law to gain access to employment and housing in the urban areas, whilst the non-exempted middle class primarily used the support of capital, which needed their scarce skills because of shortages arising in the economy, to circumvent the law.

4.1.2 Interviews conducted with exempted professionals

In the following interview a number of issues became apparent.

1. Motlana, despite his rural origin, was able to establish himself as a student and doctor in the urban area.
2. Because of his middle class status he easily found and bought a house.
3. The changes in government policy over the period between the early 1950s and the late 1970s is shown. The abolition of the green pass reflects the government's intention to reduce all blacks to similar status as either rural or urban dwellers without any real distinction being made on the basis of class. This failed because on the one hand the category "middle class black" existed and could not simply be wished away and on the other the permanency of africans in the urban areas was irreversible and needed to be stabilised by the provision of services.
4. The independent states did not necessarily satisfy their needs for professional skills, but the "clearances", which were only supposed to be

granted when this skills quota had been met, did not seem to be difficult to obtain for those who applied. This indicates the failure of the policy.

Nthato Motlana(24) was born in Maraptjana (in Bophuthatswana) and came to Johannesburg in 1950 as a student in the Medical Faculty at the University of the Witwatersrand. According to Motlana, although he came from a very poor rural family, he was granted permission to study at the University of the Witwatersrand because of his academic abilities and because of his degree choice. After the closing of the so-called "open" universities potential black students had to apply for special permission from the Minister to be allowed to register at such institutions and the granting of permission was determined mainly by the acceptability of their profession. So Motlana, because the government perceived that there was a need for black doctors, was at an advantage even over people from the urban areas who might have aspired to study at the University of the Witwatersrand but whose degree choice did not qualify them to be admitted to the University of the Witwatersrand.

During the period he was a student he lived on campus and states that he did not experience police harassment. After he had qualified he found

accommodation as a lodger in a mission house in Orlando where he lived for seven years. As a qualified doctor, Motlana was entitled to a green pass, the colour indicating exempted status. Brown passes were issued to the ordinary people, both working class and unexempted professionals.

Shortly after Verwoerd became Prime Minister, he disposed of the green pass category because in Motlana's quoted words: "Verwoerd said: al die kaffers is maar diselfde"(25). This is an indication of the change in the policy of the government in the early 1960s in regarding all urban blacks as temporarily in the urban areas and in ignoring class differences among the black population. The cancellation of the green pass in practice did not affect those who had acquired exemption as a result of their professional status; they had to acquire a "special permission" where previously their exempted status had come automatically with the issuing of the green pass on presentation of proof of their professional status.

In 1963 Motlana bought Xuma's house in Dube in terms of the 30-year lease. In his words "I made the offer to buy the house because I was relatively the only one who could have bought the house". What is being said here is that the cost of a house such as Xuma's was such that potential buyers would be limited to middle class people.

In the early 1970s, the government started encouraging black doctors to go back to the rural areas. This, Motlana feels, was due to the establishment of the independent states which marked another phase in the policy of apartheid. The purpose was to make the policy of separate development a success by supplying the independent states with the necessary skilled and professional people. What happened was that professionally trained people who were "citizens" of the so-called independent status had to get clearance from their "homeland" government before the exemptions were applicable.

Motlana made the point that because of his green pass initially and later because of his status as a doctor he was not subjected to much harassment by the police. On one occasion when he was asked to produce his pass, which he did not have on him, his status as a medical doctor saved him from arrest.

Motlana's position as a doctor and earlier as a medical student put him at an advantage in comparison with the ordinary person of working class status both from the rural and in the urban areas. He was able to move comparatively freely without being subjected to the conditions of holding Section 10 rights; he was able to acquire a surgery from which to operate professionally and also to buy a house without being on a long waiting

list, i.e. financially and bureaucratically Motlana was more fortunate than people of non-middle class position.

The case of Mphahlele(26) illustrates some interesting differences not only in the privileges enjoyed by people of middle class status but also highlights how the regulations changed from the early days of National Party government to the seventies.

Mphahlele had qualified as a teacher by the early 1950s(27) and was soon afterwards involved in the campaign against the introduction of Bantu Education. As a result of this political activity, he was forced to leave South Africa. He returned from exile in 1977 as a professor in the Department of English at the University of the Witwatersrand.

He began teaching in the 1950s at which time teachers and other exempted people used to carry a document called a poll tax receipt. On the poll tax receipt, there was a section containing information about occupation. "On my poll tax receipt", said Mphahlele, "... under occupation, the word 'teacher' was written... Whenever a policeman stopped you and asked for your pass, when he saw under occupation on your receipt that you were a teacher by profession, he would let you pass...".

Mphahlele was involved in the campaign against Bantu Education as it had been formulated by the Eiselen Commission report(28). Because of this political activity he was not granted exemption automatically. He recalls being sent from office to office because of problems which perhaps were deliberately aimed at delaying the granting of the exemption. Finally he was dismissed from his teaching post and was forced into exile(29).

It emerges from the Mphahlele's experience in the 1950s that while the law automatically permitted him as a teacher(30) to be exempted from influx control and to enjoy relative freedom of movement and the right to certain other privileges, his political involvements, caused him to be subjected to harassment and delays by the officials in whose power the de facto granting of the exemption documents lay. It may be concluded from this that the exemptions and privileges granted to these categories of blacks not only during the 1950s but also right up to the abolition of influx control in 1986 should not only be seen as reflecting their economic and social status but also be seen against the background of the government's attempt to use exemptions as a privilege with which to control blacks politically. From 1978 there is a further motive, namely to create a political identity among this class which would alienate them from the interests and problems of the ordinary blacks.

During the 1950s and part of the 1960s the ordinary black in possession of a brown pass book was subjected to a curfew that operated in the prescribed areas. Contravention of the curfew without a special concession or a letter from one's employer could mean arrest and a large fine. Those who were exempted from influx control because of their occupational status as indicated in the poll tax receipt (or green pass a little later) were exempted from the curfew regulations and were thus able to move about relatively freely.

Mphahlele used to carry the poll tax receipt when travelling from Roodepoort to Pretoria to visit his wife and whenever he was challenged by the police he would show them his poll tax receipt and so be allowed to proceed.

A further privilege is highlighted by the following quote from Mphahlele. "... the poll tax receipts were also used for buying beer and spirits because then, blacks were prohibited from buying alcohol. Only professionals like teachers were exempted from that prohibition and they would now and then produce this receipt whenever they wanted to buy liquor from a bottle store"(31).

One of the measures introduced by the National Party government during the period when Verwoerd was Minister

of Native Affairs was the prohibition of selling and serving of so-called "white" alcoholic beverage to blacks. This law also specified the prohibition of the sale of methylated spirits to blacks. Mphahlele was able, again because of his occupational status, to buy liquor and also to obtain methylated spirits which he used for lighting his house in the days before the electrification of the black townships. "Exemption for the buying of liquor" said Mphahlele, "was also a privilege for those who had passed standard six which was then a very high standard. Many of the professions were studied after standard six such as teaching, nursing and the priesthood".

On his return from exile in 1977, a year before the reform policy was officially adopted in South Africa, Mphahlele had to follow the procedures laid down by the influx control regulations because he had originally came from Lebowa which is a "homeland" in the Northern Transvaal and he did not therefore qualify to stay in an urban area. This is in keeping with the policy of influx control that people without Section 10(1)(a, b, c) rights belonged to the homeland of their birth.

Two avenues were open to him which would permit him to live in an urban area: either to acquire Section 10(1)(d) rights; or to be granted exemption as a professional (i.e. Section 10(1)(b)). Because of his

history of political activity the exemption that should have applied to him as a teacher/lecturer/professor did not automatically apply (refer to (e) of National Labour Regulations) and he needed the backing of the University of the Witwatersrand before finally he was able to obtain the the Section 10(1)(b) rights which allowed him to be permanently in an urban area and to buy a house. (Even at this late stage government policy still regarded all Africans in the urban areas as temporary sojourners without any security of tenure. In practice the reversal of the organisation process once people had acquired houses seemed unworkable).

How did he in fact obtain Section 10(1)(b) rights?

Armed with a letter from the University of the Witwatersrand stating that he was an academic employee, he went to the labour bureau office where he was granted Section 10(1)(d) rights which gave him permission to be temporarily in the urban area (only for as long as he was employed at the University of the Witwatersrand) and furthermore did not allow him to buy or rent a house. (People who usually have Section 10(1)(d) rights are contract or migrant workers who stay in hostels.) Mphahlele was not happy with Section 10(1)(d) status because he wished to have permanent residence in Soweto. He again approached the

University and with its support was granted exemption from influx control and was able to buy a house in Pimville. It was possible for him to get this exemption because lecturers and professors were among those exempted in terms of the Black Labour Act of 1965 but he still needed the backing of the University to get his rights granted.

The question is: why was Mphahlele allowed to return to South Africa in 1977? Given his history of political activism one may infer that his internationally recognised status as an academic played a role in influencing the decision of the government to re-admit him. Another factor that needs to be considered is that Mphahlele had been an outspoken opponent of Bantu Education from its inception in 1953. Perhaps the government, under siege from the Soweto uprising of 1976 which was an attack on this same system of Bantu Education, believed that Mphahlele as an educationalist and intellectual would be able to contribute to finding a solution to the crisis in black education. Since his return in 1977, Mphahlele has played an active part in the debate on education and has been a pioneer in alternative education structures.

The chapter will now examine exemptions to influx control as applied to the nursing profession.

What emerges from the following interviews is:

1. nurses from the rural areas were automatically allowed to come to the urban areas to study and as part of this they were provided with accommodation. This opportunity for study was not automatically extended to every category of student, for example, a person from the rural areas wishing to study at primary or secondary school would not be allowed to study at an urban institution unless he/she had Section 10 rights.
2. After qualifying nurses were given preferential access to accommodation because of the shortage of nursing staff. With the onset of the reform era housing subsidies, mainly available to middle class people employed in the public sector made the purchase of housing possible.

A matron(32), whose task it was during the time of her employment at Baragwanath Hospital (i.e. from late 1960s until mid-1980s) to recruit nursing staff stated that the hospital never needed to recruit nurses by means of radio, newspaper, television or even employment agencies because nurses would apply directly for jobs at the hospital. Applications came from all over South Africa. Baragwanath Hospital and other hospitals in the urban areas had more vacancies for

student nurses than small hospitals in the rural areas; this largely explains why Baragwanath Hospital did not need to actively recruit student nurses. Student nurses who were admitted to Baragwanath Hospital did not have problems with the police while they were in the urban area because they were given permits by the hospital which indicated that they were students. These they would carry around whenever they went to town or when socializing in the locations.

Accommodation also presented no problem because the nurses' home accommodated all admitted student nurses. Apart from the fact that a nurse could produce a hospital permit, the uniform itself assisted her as police would not stop her when she was outside the hospital premises.

On completion of their training, nurses would be automatically granted an exemption in terms of Section 10(1)(b) to live in the urban areas. Some nurses would get married to a man from urban areas and would therefore also qualify under Section 10(1)(c). As soon as a nurse qualified, she would be entitled to rent or own a house in the urban area. Recently, during the 1980s, nurses have been able to apply for government subsidised housing bonds. Those who are not interested in buying a house, can afford to rent a flat in town because of their salaries.

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The matron recalls there was a problem at the time of Transkei's independence. The Transkei authorities accused Baragwanath Hospital of "draining its brain power" and since then all nurses applying from the Transkei have had to obtain a clearance certificate from the authorities in the Transkei. She says that in all cases that she knows of nurses have been granted a "clearance" to study and work without any problems.

This is consistent with the policy of the government which sought to limit black professionals to serving only their own communities. This was intensified during the 1970s when the government was attempting to establish independent states within South Africa of which all blacks would be citizens and in which all would have permanent residence so that their stay in white South Africa would be for working purposes and therefore temporary.

A woman from Pietersburg which was then part of Lebowa Bantustan applied to study nursing at Baragwanath Hospital(33). She says that her reference book indicated that she was allowed to stay in Johannesburg for the duration of her studies. Whenever she returned from Pietersburg after a vacation she had to reapply to the Bantu Affairs Commissioner in Pietersburg in order to get permission to come back to Johannesburg for study purposes but this was granted automatically. On

completion of her training in 1968, she married a man who, though originally from Pietersburg, was exempted from influx control because he was employed in the South African Police. As a consequence of his exemption, they were able to rent a house in Diepkloof from the west rand administration board for which they paid R5.00 per month rent. As a qualified nurse who would in any case have been granted an exemption.

Another case involves a nurse who also came from Pietersburg and started training at Baragwanath Hospital in 1978(34). After completing her training in 1981, she was automatically exempted from influx control and granted Section 10(1)(b) rights. She enrolled for a post-graduate course at UNISA. Her intention in getting this further qualification was in order to find a post as a nursing tutor at a nurses' training college and thus to be able to work normal daytime working hours. It also meant an improvement in her professional status and her salary. In 1985 she applied for a housing loan and she is at present living in Diepkloof Extension in her own house which she acquired under 99-year lease. She qualifies for a government subsidy of R550.00 per month.

The last few interviews in this section are with people in other professions and they are included because they demonstrate the same points made in previous interviews about exemption on the basis of qualifications.

One interviewee who did not have Section 10 rights completed an MA in Theology at the University of Roma in 1974(35). In 1978 he came to live in Soweto. He says that in spite of the fact that he did not have Section 10 rights he was exempted from influx control because he was a priest and was entitled to live in the mission house which was on the church premises in Tladi, Soweto. After leaving the priesthood he became Director of Adult Education at Funda Centre. He applied for a housing bond which was approved and is at present staying in a house in Soweto which he took on a 99-year lease. It is of note that while his exemption was awarded because of his position as a priest, it was not forfeited when he changed his profession.

The wife of a certain teacher in Diepkloof confirms that they were automatically granted Section 10(1)(b) rights when they arrived from Transkei in 1959(36). She says that although they did not have children, they were given a four-roomed house instead of the usual three-roomed house. Regulations were that four-roomed houses were to be given to bigger families. Their neighbours who had bigger families, complained that they had been given a four-roomed house because the husband was a teacher. She acknowledges that they were given Section 10 rights immediately after their arrival in the urban area because of her husband's profession.

These interviews have a special explanatory value in the sense that they illustrate how the exempted professionals could easily gain access to housing and jobs in the urban area.

Housing has been in short supply in South Africa ever since the early days of african urbanisation(37). However, the african middle class which enjoys exemption has had preferential access to housing despite the long waiting lists of urban working class people who have applied for houses.

This point needs to be emphasized: that the exempted african middle class would take preference over the urban african working class. The former was at an advantage not only to the working class from the rural area, but also to the working class in the urban area.

There are undoubtedly social inequalities determined by class that manifest themselves between and within racial lines.

It would be an oversimplification if not a falsification to fail to realise the extent to which the black middle class was subjected to the overall repressive laws based on the racism of the South African government(38). The crucial points to be made are:

1. the exempted professionals enjoyed the lifting of legal restrictions which usually prohibited africans from settling in the urban areas unless certain conditions were met(39);
2. the law was relaxed for these exempted africans thus enabling them to gain access to jobs in the urban area as distinct from both the rural and urban african working class(40);
3. due to exemption from the laws they were in a position to rent or own houses in the urban areas immediately instead of waiting for ten or fifteen years as was the case for other africans in South Africa.

In the next section the non-exempted new african middle class from the rural areas will be examined. This group were not exempted because of their professional status but they were able to use their qualifications to circumvent influx control regulations.

SECTION TWO

4.2 THE NON-EXEMPTED NEW AFRICAN MIDDLE CLASS AND INFLUX CONTROL

4.2.1 Introduction

This section deals with the new african middle class who did not enjoy automatic exemption from influx control but nonetheless still used educational qualifications to circumvent influx control.

This section seeks to trace the course of the more recent events in South Africa, in particular, the conditions that have shaped the reform policy during the 1980s.

This period marks a turning point in the history of South Africa. The argument in this chapter is organised around two issues: one is that the african middle class was now allowed to compete for jobs with whites, in particular, in industry and commerce; the other is that influx control affected the non-exempted new african middle class differently from the way it affected the working class in terms of housing and job opportunities.

I shall examine the lifting of job reservation first. Of great significance was the change in policy modifying the racial hierarchical division of labour, for example in 1980 job reservation was abolished(41).

As a result of this change in the law blacks had access to certain occupations for the first time. Blacks could now occupy, for example, managerial and supervisory positions which had previously been reserved for whites only.

We must not lose sight of the fact that there were still problems in the practical application of this policy.

Eddie Webster argues (42) in an unpublished article that in practice informal apartheid still continues to exist, especially in the areas of recruitment and promotion. Despite this there has been a significant flow of africans into middle class occupations in industry since the abolition of job reservation in 1980.

The removal of job reservation, for example, allowed black engineers to practise. In the interview that follows, the position of engineers prior to the change in government policy is illustrated.

The main points that emerge are:

1. the special circumstances under which permission was granted to study and practise engineering during the early 1960, a profession prohibited for black until 1980; and
2. the changes by the 1980s.

Lefakane studied civil engineering at the University of the Witwatersrand and qualified in 1961(43). Prior to that he had matriculated from Orlando High School in Soweto. Originally he wanted to study medicine because medicine was a very obvious career opening for blacks, but he could not get a bursary. Because the Johannesburg City Council had a project to build housing in Soweto it had set aside funds to provide for bursaries for blacks to study for degrees in civil engineering on the understanding that these blacks, after qualifying, would be employed in the Engineering Department of the Soweto Municipality.

"I had no option but to take this available bursary and study civil engineering", said Lefakane. After he had qualified in 1961: "I went back to the Johannesburg City Council to offer my services. I was told that this would only be acceptable if I was prepared to work in Soweto. The salary would be substantially lower than

my white counterparts would earn. My former white classmates were going to earn one hundred pounds a month while I was offered forty pounds a month". When he complained about the wage gap the bursary contract he had signed with the Johannesburg City Council was waived and he was told that "he could find a job elsewhere he would not be bound by the contract. "So I got another job in Daveyton(44) as a municipal engineer, where they were offering me sixty pounds a month. There was a slight difference in my wage although working conditions were basically the same as those in Soweto. I worked in Daveyton for a year and thereafter I went to Swaziland and worked as a roads engineer". He worked in Swaziland for three years during which time he was offered a scholarship to study for a masters degree in engineering overseas.

When asked why he had not applied for a job in the private sector in the light of the dissatisfaction he experienced with wages and conditions in the public sector he replied, "... in South Africa this was out. I was told in no uncertain terms, that, the existing consulting engineering firms were, for one thing, not allowed to employ black engineers. Even the railways and harbours which were employing quite a number of white students were not employing blacks at the time".

A point to be noted is that even his employment with the Soweto and Daveyton municipalities was possible on the basis of a special exemption granted to the two municipalities during the 1950s and the 1960s when the state was resettling blacks from the old townships like Sophiatown to newly established townships such as Soweto. (Daveyton on East Rand was also establishing new townships.) Engineers were needed to assist with the development of infra-structures such as lighting, sewerage and roads.

After completion of his masters degree in the United States of America Lefakane sought employment there but he was barred from working because foreign students were expected to return to their countries of origin.

He realised that his chances of obtaining a job as an engineer in South Africa were non-existent even with his qualifications because blacks were still not entitled to practise as engineers.

He therefore started a degree in medicine in 1971 which he completed in 1974. In 1976 he returned to South Africa with the intention of practising medicine. "Essentially it was just home sickness": he realized that he would still not be able to get a job in civil engineering. He is certain that at the time of the interview (1990) he would not have had a problem in

those with extraordinarily good academic performance (e.g. Cadet Scheme of Anglo American Corporation(50).)

Apart from the advantage to the company of directly recruiting students there are advantages for the aspirant new black middle class from the rural areas. The usual procedure as laid down by law would be for them to enrol at a tribal labour bureau office in the rural area and to wait for a response from the prospective employer. By circumventing this process both the company and the prospective employee could save time and money. It is important to note that because of 1 illiteracy or lack of formal education and the high level of unemployment this procedure is not available to the working class. In addition, the exposure of students to various companies while at university means that prospective employees have some choice in selecting their place of employment. Furthermore, such exposure to companies opens the channels for direct job applications.

A recruiting officer at International Service Machines (ISM) (International Business Machines (IBM) before disinvestment) explained how she recruited a large number of graduates to commence work in 1990(51).

faculties at the universities. Other companies also ran schemes which recruited students directly from high school.

Anglo Vaal Limited is one such company that recruits students on the basis of academic merits from high schools countrywide. One student(57) who is at present studying engineering at the University of the Witwatersrand said he was recruited by Anglo Vaal Limited at high school after matriculating with distinctions in Physical Science and Mathematics. He was invited for to interview in Johannesburg. Air tickets to fly from Kroonstad to Johannesburg were provided and hotel accommodation was booked for him.

He said "for the few days during which I stayed in Johannesburg I never touched soil". In the morning a car would pick him up from his hotel. After he had completed the day's tests and interviews he would be driven back to the hotel.

He also said that he was sponsored by the company during his student days. He received pocket money of R500.00 a month. During vacations he worked part-time for Anglo Vaal Limited and he has a guaranteed contract of employment as soon as he has completed his degree.

certificate". This would be provided if he did not owe tax and if his services were not needed in the rural area. (In all the interviews conducted clearance certificates were allowed).

(iii) The last step would be to take the clearance certificate to the urban labour offices where he would finally be granted Section 10(1)(d) rights. Section 10(1)(d) rights needed annual renewal.

The working class from the rural areas experienced severe restrictions whenever they wanted to work in the urban area. Problems experienced were usually in recruitment, availability of jobs in the urban area and in particular, access to accommodation in the urban areas.

These issues will be explored later in this chapter in the section on the case study written up in the final section.

What will be shown in the rest of this section are the relative advantages enjoyed by the new african middle class because of their education and the scarcity of suitable applicants for professional, managerial and technical posts (white collar

acquiring a job as an engineer because of the changes in government policy to allow black competition with whites.

He currently specializes in Paediatrics and he has a consulting rooms in the prescribed area of Johannesburg.

This case study reveals the waste of resources. It is costly to train an engineer and if after training the acquired skills cannot be used productively in the economy because of a racial policy this is a waste both in monetary and human terms. This echos the liberal school's argument about the essential irrationality of racial policies and their negative consequences for economic development in South Africa.

Originally Lefakane had chosen to study medicine because he was aware that it would guarantee him employment. He became an engineer because although blacks were not permitted by law to qualify and practise as engineers, exemptions were made when it suited the government to alter these regulations and Lefakane was awarded a bursary at a time when there were pressures on the Rand municipalities to provide housing for the rapidly increasing urban black population. It can be inferred that the exemption of black engineers was aimed at minimizing the cost of

providing housing and other infra structure facilities. This can be deduced from the wage gap that existed between black and white engineers with the same qualifications. It must also be noted that black engineers could not find jobs in the private sector where they could have competed with whites.

Lefakane mentioned dissatisfaction with working conditions. This refers particularly to the sensitive issue of race relations. Lefakane was being supervised by non-qualified whites because at that time it was not possible for a black to occupy a managerial or supervisory position in terms of the existing legislation.

After the inception of the reform era Lefakane was able to establish consulting rooms in a prescribed area where in terms of the Group Areas Act he should have not been permitted to practise. He has bought a house in Mayfair, a suburb reserved for whites. These changes illustrate the altering political climate brought about because of the changes in government policy.

I now turn to the question of influx control and how the non-exempted new african middle class was affected by it.

Before the reform period the exempted professionals were, in terms of the legislation, drawn in from the rural areas to work solely in the townships. Since the inception of the reform policy, blacks have been allowed to work at and occupy status jobs which had in the past been reserved for whites(45). Through this extension of job opportunities the new african middle class gained greater access to housing in the urban areas.

Thus, largely due to the abolition of job reservation, the non-exempted new black middle class now has greater flexibility in circumventing influx control in the area of employment.

In the sphere of housing the non-exempted new black middle class could circumvent influx control because changes in policy with regard to the buying of property(46) by blacks made it possible for the middle class to use their financial resources to finance accommodation thus meeting one of the requirements laid down by the influx control regulations(47).

The new black middle class could afford the rentals charged in town for flats in areas such as central Johannesburg, Hillbrow, Berea, Yeoville and other white areas. Third, they could buy houses under the 99-year

lease plan. Such properties are usually located on the periphery of townships and they are called "views and gardens" such as are found in Prestige Park, Spruitview and Marimba Gardens. Lastly, they could also afford to rent or purchase houses in exclusive white areas such as Sandton and Lower Houghton.

Though the Group Areas Act still exists the government seems to be turning a blind eye to the occupation of accommodation in the white areas by black middle class.

On the other hand, the majority of the african working class from the rural area can at best be accommodated legally in hostels or illegally in shacks. Before the abolition of influx control in 1986, these shacks were frequently raided and destroyed by the police(48); since 1986 there have been a softening of attitudes towards "squatter shacks".

This chapter now examines personal histories in order to illustrate how educational qualifications and financial resources have enabled the new african middle class to circumvent influx control.

4.2.2 Interviews conducted with the new black middle class

In this section, instead of using a case history approach, I have broken down the procedures involved in

circumventing influx control into a number of processes and the information collected from interviews is organised under these components. The processes are as follows:

- (a) registration;
- (b) recruitment; and
- (c) accommodation.

(a) Recruitment

An interview with a personnel officer(49) who works for British Petroleum South Africa revealed that companies usually recruit the new black middle class by means of radio, newspaper and television advertisement and by consulting employment agencies. This is possible because the new black middle class is literate and has access to newspapers, etc, even in the distant parts of the country. In addition because of their educational qualifications and networks they are in a position to exchange information about possible employment opportunities.

The personnel officer explained that they have a programme whereby they recruit students in their final year at universities. Some students are recruited directly from high school, especially

The recruiting officer travelled to universities all over the country for the purpose of finding sixty suitable graduates. "When we are recruiting on a large scale, we actually go out to the universities, unlike when we recruit singly", said the recruiting officer. Thereafter, application forms were left behind at the universities for interested students. For recruiting individuals they would usually use agencies. "Because often when you place an advert in the newspaper or radio the phone never stops ringing and you then have to check and select the people. Employment agencies do the interviews and selections for us and most of all newspaper advertisements are terribly expensive".

The case studies which follow illustrate how individuals have used their educational qualifications to assist them to find jobs, and thus to be entitled to enter and reside in the urban areas.

A woman(52) from Pietersburg who is now working for one of the schools which caters for street children in Hillbrow, completed a BA (Honours) in Social Work at the University of the North in 1982. She applied directly to the school in Hillbrow in 1986. After she was appointed, she was assisted to register as a social worker.

A BComm graduate(53) from the University of the North, who completed his degree in 1982, applied for jobs in various companies in 1983. Because he comes from Pietersburg, he was not entitled to live in Johannesburg until he had found a job. He was employed by Shell South Africa, after a successful interview.

A BSc Pharmacy graduate(54) of the University of the North who came from Pietersburg started working for a pharmaceutical company in Johannesburg in 1983 after he had been recruited by the company personnel officer who visited the university to find suitable recruits.

Ron Mmusi(55) from Hammanskraal was recruited during 1981, his final year as a BCom student at the University of the North. Because of the boycott he was unable to complete his degree that year but despite this the company that had recruited him employed him for the first half of the year and gave him study leave during the second half in order to allow him to finish his degree.

Anglo American Corporation ran the Cadet Scheme(56), which recruited students directly from high school for placement in various

The significant points emerging from this information are:

- (i) the role of class as indicated by educational qualifications in finding employment; and
- (ii) the overriding of influx control measures by companies.

(b) Registration

Registration is the bureaucratic process by which a person obtained Section 10 rights.

The standard procedure for an african from the rural areas to register as a job-seeker, was as follows:

- (i) First he would have to submit to the urban labour bureau office: a letter from the company indicating that he had been employed; his reference book; academic qualifications, where applicable; and a lodger's permit.
- (ii) Next the applicant would go to the rural labour office to get a "clearance

occupations). Thus the support offered by companies in circumventing influx control further divided the new african middle class from the working class both urban and rural.

An example of this is the custom for a white collar employee to be accompanied by the personnel officer of the company for whom he was working during the registration process. The personnel officer would have arranged an appointment with the labour bureau officer. This would be an advantage because the applicant would not be sent from one queue another and from one office to another(58).

Dennis Sebesho's experiences in getting registered are typical. When he went to the labour bureau office he was accompanied by a personnel officer from his company who had in his possession a letter, the contents of which indicated the following:

- (i) his qualifications;
- (ii) his salary;
- (iii) the kind of job being offered;
- (iv) lastly, the point that the company had tried to recruit locally but without success and so had to recruit him from

Pietersburg as the most suitable applicant(59).

In addition he required proof of the availability of accommodation. The township manager whom he consulted advised him to get a lodger's permit. He took this document to the labour bureau office and thus satisfied the two main requirements: housing and employment.

Next he went to the rural bureau office where he got a clearance certificate without any problems; and finally he returned to the urban bureau office with the clearance certificate and he was registered as a temporary urban dweller under Section 10(1)(d), which is annually renewable.

The main problems in being registered would normally occur during the first steps in the process. It is at this point that the new african middle class accompanied by a company officer who knows the procedure, is able to overcome the red tape that stops most people from getting Section 10(1)(d) rights.

c) Accommodation

The other condition that has to be satisfied before one is granted Section 10(1) rights is to show proof that there is accommodation available in the urban area(80). Because of the backlog in the provision of housing, finding accommodation is a major problem. The avenues open to a person are: to rent a room and be put onto a lodger's permit, to rent a house, to buy a house, to live in a hostel, to live in rented or bought accommodation outside of the proclaimed areas (e.g. flats). Since 1986 there has been recognition of the de facto existence of squatters' camps, which include shacks created on business premises or in backyards and which are strictly illegal.

One's class position plays a role in determining what kind of accommodation one is likely to be able to find. The working class did not have the financial resources and the contacts to be able to get access to legal accommodation before the relaxation of the control over squatting.

The following cases show how the new african middle class solved the problem of housing.

Khoza(61) was accommodated in an international status hotel for eighteen months by the company that employed him because he was not able to find satisfactory legal accommodation and later, it was with the assistance of that company that he was able to get the exemption (Section 10(1)(b) rights) which enabled him to buy his own house.

ISM(62) built accommodation in the form of townhouses and flats in the townships specifically for employees from the rural areas.

"We try our best to find them accommodation and we went as far as applying to the minister to exempt some of them to qualify to own houses" said the personnel officer.

In addition, ISM has a housing scheme to assist their employees who have been awarded housing bonds by building societies.

ISM is not the only company with such schemes. Anglo American Corporation provided accommodation not only for some of their employees but also for students who hold bursaries at the University of the Witwatersrand.

Nkadimeng(63) from Pietersburg was appointed as a personnel manager at Shell South Africa. Because he was not able to rent a flat/house in Soweto on his own behalf as he did not have permanent urban status, the company provided him with accommodation in flats built by the company to solve such problems. These flats are in Pimville, Soweto.

The engineering student(57) with a bursary from Anglo Vaal Limited tells the following story:

"I stayed on campus in a University residence. The University has residences in Braamfontein, Berea, Hillbrow and other areas. These residences accommodate both white and black students irrespective of Group Areas Act".

As soon as he had registered at the University he was issued with a student card. "The student card was very helpful especially when I met the police because I did not qualify for Section 10 rights. I am sure without a student card I would have been arrested for being unlawfully in the urban area".

Kekana(64) a manager from the African Bank in Diepkloof, Soweto, who originally came from Potgietersrus in the Northern Transvaal, said that

he had only been able to get his exemption in terms of Section 10(1)(b) rights after the African Bank had assisted him in his dealings with the labour bureau offices at Johannesburg. Hence he was able to purchase his own house.

The social worker(65) lives in a flat in Joubert Park in Johannesburg. Joubert Park has become a "grey area". According to her whites and blacks pay different rates for the same standard of accommodation. She pays R295.00 per month while she says that whites having the same size and quality of flat would only be charged in the region of R140.00 per month. However, because she did not at that time have full Section 10 rights and thus could not rent or own a house in the townships, she expressed gratitude that her educational qualifications placed her in a financial position to be able to afford to pay such a rental.

The pharmacist(54), who originally came from Rustenburg and who did not have Section 10 rights, felt so strongly about the influx control regulations that he ignored the suggestion of the personnel officer to be registered as a hostel dweller in Alexandra (even though he was not going to live there) in order to qualify as a legal temporary urban dweller.

One day while on his way to Pretoria he was arrested for not qualifying to be in the urban area. The following morning after his manager had spoken to the police over the phone he was released. As a result of his arrest, he decided to go and acquire a lodger's permit(60) and he acquired this at the hostel by means of a bribe because he was not going to stay there. He then used the lodger's permit at the labour office to satisfy the second precondition.

He was awarded Section 10(1)(d) rights and sub-rented a backroom in Alexandra. Since the abolition of influx control measures he has now acquired a housing bond and he lives in East Bank on the periphery of Alexandra.

Mmusi(55) was able to use his contacts, made as a result of his appointment to the Alexandra Liaison Committee as a part-time accountant.

Although he was not entitled to exemption, as a result of his contacts with the committee he was granted his exemption in 1984 and was thus able to rent a house in Alexandra and later to purchase property.

Apart from such favours being done for one's friends the african middle class could also use bribery to acquire Section 10 rights at the labour bureau offices.

One lady councillor in Soweto used to work at the pass offices until she resigned in 1972(67). "During the days of the pass while I was still working at the pass office in Albert Street, we used to make a lot of 'bread' by qualifying passes. ('Bread' means money received through bribery).

She said they were granting people Section 10 rights for a fee of about five hundred rand (R500.00). Usually Section 10 rights were granted to the african middle class who could afford to pay this bribe.

Maseleka(68) who worked at a company in Johannesburg as an engineer paid a bribery fee at the pass office of five hundred rand in order to acquire Section 10(1)(b) rights which qualified him as a permanent urban black.

The Section 10(1)(b) clause did not just enable him to stay permanently in the urban area, but it also enabled him to buy or rent a house in the

urban area. In the early 1980s he took a housing bond and built a house in Selection Park(69).

d) Interpretation

With regard to recruitment, the direct approach by companies to students or to graduates in the rural areas as well as the ability of such potential employees (because of their educational backgrounds, their access to advertisements on the various media and their contacts with other professionals) to directly approach potential employers in the urban areas saves the new african middle class from the procedures of registering as work seekers at the tribal labour bureau office. This point will be elaborated upon in the section on the working class later in this chapter.

One of the major problems facing anybody attempting to get permission to move from the rural to the urban areas previous to 1986 was obtaining the 'clearance' certificate. The new african middle class had the following advantages over all other groups. In the first place, there has been a scarcity of qualified people to meet the demands in the workplace. Second, while the legal position was that qualified people from the

rural areas could only be employed in the urban areas provided their services were not needed in the rural areas and while employers were expected to give employment preference to qualified people already resident in the urban areas, in fact this did occur. Employers employed 'the best qualified person', irrespective of his place of origin. In addition, one must note that there was scarcity of jobs in the rural areas despite the government's attempts to implement industrial decentralisation(70).

In dealing with officers at the labour bureau the new african middle class had definite advantages over the working class. Apart from the assistance provided by the company personnel department, which may well have involved the extension of special concessions to a particular company, the new african middle class was able to deal with the official on equal terms because of his financial and educational status and his fluency in the language of bureaucracy(71).

When it comes to housing the new african middle class is in a financial position to afford more expensive accommodation than the average working class person. Thus the scarcity of housing would not affect the middle class in the same way that

affected the working class. Furthermore the middle class is in a position both financially and in terms of "know how" to find ways to manipulate the system, whether it is by finding a place to live in a so-called 'white' area or whether it is by using bribery to jump queues.

This chapter on the new african middle class and how they circumvented influx control will be incomplete if a comparison is not drawn between the middle class and the working class from the rural areas. Thus, a brief picture of the african working class from the rural areas and how it was affected by influx control will be sketched in order to conclude this chapter.

SECTION 3

4.3 THE RURAL AFRICAN WORKING CLASS AND INFLUX CONTROL

4.3.1 Introduction

No member of the working class has ever been exempted from influx control. The first section of this chapter has indicated how the law exempted a certain section of the new african middle class, namely, professionals such as doctors, lawyers, teachers, nurses and others.

In contrast, at no point in the history of influx control from 1923 until 1986 has there been any circumstances under which a single member of the African working class has been granted exemption from influx control in terms of the law.

Due to the severe legal restrictions that were imposed on the African working class it was impossible for them to circumvent influx control. Those who attempted to migrate to the urban area illegally would often end up in jail serving sentences upon completion of which they would be released and sent back to the rural areas(72).

To start with, even those who were legally employed in the urban areas used to undergo a long and tiresome process of recruitment.

4.3.2 Recruitment

In the previous section the usual procedure to be followed by people from the rural areas seeking jobs was outlined. We will now examine how these procedures affected the African working class.

Unlike the new African middle class who could apply directly to companies in the urban area or were even recruited directly from the universities, the African

working class was forced by the law to wait in the rural areas until jobs were offered to them through the rural or tribal labour bureaux(73).

The process of being recruited from the tribal labour bureaux was an unbearable and devastating process for the desperate working class especially during periods of economic recession and high rates of unemployment(74).

Many africans in the rural areas live far away from the tribal labour bureau. They have first to travel long distances in order to register at the bureaux as job-seekers. They are then sent back home because they are told that they will be informed as soon as jobs are available.

Transport facilities are inadequate and even where transport is available many cannot afford the high fares. Those travelling on foot may experience problems, for example, during rainy seasons rivers cannot be crossed(75).

An enormous number of the African working class end up not being recruited. According to Jeremy Keenan unemployment rates and statistics in South Africa are unreliable(76).

"At the labour bureau officials are instructed by the government to reduce the number of registered job-seekers by five hundred as soon as they reach a certain undesirable amount"(77).

This means that for as long as unemployment rates increase, some people will be eliminated from the registration lists of job-seekers. This is an attempt by the government to hide the extent of unemployment in South Africa, in particular from the international community. Thus, the labour bureau in the rural areas has served as an obstacle that has curtailed or even prevented the african working class from migrating to the urban area whenever such a policy has been implemented by the government.

Women have also complained of being sexually abused in the rural labour bureau. In turn, favours would be offered for preferential recruitment for jobs in the urban areas.

4.3.3 Accommodation

The other common problem for the working class in the urban areas is accommodation. Unlike the african middle class, the working class cannot afford the high rates charged for rentals and ownership of houses, flats and backrooms that are usually available for

anyone with means in the urban area(79). Usually, the african working class is accommodated in compounds and hostels in the urban areas(80). Some would find accommodation where best they could. Conditions of shack building arose out of a desperate shortage of accommodation in particular for the african working class in the urban area.

Shacks have a history of being raided and destroyed by the municipal police. Compound and hostel life has been criticized as being of a very poor standard. As institutions they are said to be inhuman, because of workers living singly without their wives for the whole year, insanitary conditions, overcrowding and lack of facilities, such as cooking, heating, washing, etc.

The african working class from the rural areas have always been subjected to strict influx control regulations. Before they could qualify to rent or own a house in the urban area, they had to have worked for one employer for ten years or if they changed employer, to have resided in one urban area for fifteen years(81).

The new african middle class had an advantage because it was either exempted or it could circumvent restrictions as laid down by influx control.

4.3.3(a) Case history of a typical migrant worker from the rural areas

The following case history(82) traces the problems typically experienced by the working class migrant labourers.

Mokoena aged ± forty eight years from the Hammanskraal district in Transvaal registered to work as a gardener at the local labour bureau in 1959. He had to report each week to check if employment had been found. This meant a long ride on his bicycle and a number of hours waiting at the labour office. During the time that he was registered he noticed that a number of people were favoured at his expense: this, he explains, occurred because those favoured people were relations or clansmen of an official or clerk and so had their names moved up the waiting list. Eventually in 1962 he found employment in Randburg and was assisted annually by his employer to be re-registered automatically. He stayed with that employer until 1967, hiring a room in the yard. During this time he remembers police raids but since he had a pass and Section 10(1)(d) rights he was not arrested. During 1967 he left that job and became self-employed as a painter doing piece jobs. This meant that he was not entitled to be in the urban

area and during the years 1967-1970 he was arrested about seven times, sometimes on his way to work and sometimes in the room that he stayed in with his wife who was legally employed as a domestic worker. These police raids occurred at any time of the night and seemed to be carried out without the permission or the knowledge of the house owner. After being arrested he would stay in gaol until the backlog of people who had been picked up for pass or other petty offences had been resolved and then he would appear in front of the magistrate at the court in Alexandra Township. If he was employed even though not registered, his employer would sometimes pay a fine and have him released immediately. He recalls that he was treated as a first offender each time he came up on a pass offence. This indicates two things: (a) the lack of adequate records being kept by the courts and (b) the vast numbers of pass offenders who were being processed.

In 1971 he found another job as a gardener and his employer assisted him with registration. From 1972 onwards he worked for one employer on an annually renewable contract and thus in due course became eligible for permanent rights (Section 10(1)(b)) in terms of having worked for one employer for longer than 10 years. The officials attempted to turn the application down on the grounds that a period of

sick leave constituted a break in his service. During the 10 years when he was on an annually renewable contract and therefore had to provide proof of legal accommodation he was obliged, because his employer did not have accommodation for him, to register as a hostel dweller.

In practice he lived with his wife, at her place of employment. On one occasion, during a period when his wife went home for long leave, he had no place to stay and he moved among his friends who were able to offer him illegal accommodation.

Mokoena remembers the times at the tribal labour bureau as being very troublesome: he feels that explains why so many people choose to avoid the legal procedures of being registered and instead come illegally to the urban areas, where even after arrest and deportation they persist in returning. Economic insecurity, the lack of jobs, food, the costs of family, clothing, schooling, housing, etc are the main factors that force people to leave the rural areas.

When asked why he did not acquire a house in the townships after he obtained his Section 10(1)(b) rights he replied that he prefers to live in the rural areas for a number of reasons: (a) his

family has lived on the farm for three generations; (b) he therefore feels secure in his ownership of the house and land; (c) he lives free there and even when he is old and cannot work he will still be secure there while in the urban areas, he fears that he may lose the house he rents should he not be able to pay and in any case the house would not be his own.

4.3.3(b)

Analysis of case study

This history is common and reveals the following facets:

The tribal labour bureau office

- (i) Due to the economic underdevelopment of the rural areas, including the failure of the decentralisation programme, people are forced by economic necessity to migrate to the urban areas in search of work.
- (ii) After registering at the office in 1959 it took four years before a job became available. During this period he had no means of generating a cash income.

- (iii) During these four years he had to travel long distances under difficult conditions by bicycle every week to check whether employment was available.
- (iv) The delay in finding employment gives some indication of the high rates of unemployment and the elimination of some people from the registration lists as discussed earlier in this section.
- (v) In addition the practice of "favouritism" which emerges indicates the potential for corrupt practice that exists in the structures set up to control influx.

Registration

- (vi) When assisted by an employer, there are fewer problems in the urban areas.
- (vii) But some employers tended to be reluctant to go through the red-tape process needed to register a worker and thus the worker, as an illegal urban dweller, was subjected to police harassment. In the early 1980s heavy fines were imposed on employers who employed workers illegally, perhaps in an

attempt to get employers to register their employees and perhaps to attempt to make it impossible for unregistered people to remain in the urban areas. This needs to be considered in the light of the Riekert Commission Report(83) which stated (i) that accommodation had to be available for an employee; and (ii) preference would be given to urban people before any rural person would be employed.

One must not lose sight of the advantages in terms of cheapness of wages and acceptance by the workers of bad working conditions to the employer using an illegal worker.

Accommodation

(viii) Even with a job and after being properly registered to be in the urban area, accommodation remained a problem. This reflects the shortage of accommodation for working class blacks not only in the townships but also in the white suburbs where many were employed as domestic workers or gardeners.

(ix) The refusal to live in hostel accommodation is indicative of the undesirable living conditions, the disruptions of normal husband wife relations and the high level of personal danger associated with hostel life.

(x) After qualifying with Section 10(1)(b) rights the proportion of the working class (a) that could afford to rent or buy a house and (b) that, given the long waiting lists, could have found alternate means, such as bribery, to get accommodation to a house or site is small.

General

(xi) The preparedness to be arrested and imprisoned and to be deported indicates the high level of desperation in the conditions in rural areas.

(xii) In Mokoena's case, his ties to the rural areas seem to be mainly due to economic realism and not sentimental attachment to his rural home and the way of life in the rural areas.

(xiii) This needs to be considered in the light of the following factors: Mokoena is $\pm$ forty eight years old. This means that he was about sixteen years old when he registered as a job seeker in 1959 and he has been working and living the urban areas since 1962 when he was $\pm$ twenty years old, i.e. most of his life has been spent living in the urban way. It may be inferred that he will spend another twelve to seventeen years working in the urban areas before he will be in a position to retire and able to receive a state pension. Mokoena, in other words, will have spent his entire period of economic activity living in the urban areas and he will only be able to retire to his home when he is no longer employable and/or he is in receipt of a pension.

(xiv) At the rural labour offices one registers to find a certain category of employment and this places limits on the availability of jobs. During periods of recession in certain sectors (e.g. the building industry) certain people then are at a disadvantage because of their job classification.

CONCLUSION

Influx control and its elements of oppression affected africans in different ways. Influx control affected the african middle class differently from the african working class.

Because of the problems involved in the areas of jobs and housing, the african middle class was at an advantage over the african working class. The african middle class was and is still less affected by shortages of jobs and housing in the urban area than the african working class. In addition some of the african middle class were exempted from influx control. This meant they could gain access to jobs and housing in the urban area as soon as they had qualified for certain professions (teachers, nurses, lawyers, doctors, etc). Not a single member of the african working class was ever exempted from influx control.

The new african middle class which was not exempted from influx control could still use its class position to circumvent influx control. They could gain easy access to housing and jobs in the urban area through the support received from capital.

Recruitment procedure for the new african middle class was very "convenient". They were recruited from universities, through direct applications, employment agencies, newspapers, radio and television, while the african working class had to undergo a torturous recruitment process especially in the absence of well developed infrastructural facilities needed in the rural area for

communication between the tribal labour bureaux and working class job-seekers.

The african middle class occupied status jobs which were high-paying and as a consequence they could afford expensive accommodation.

While the new african middle class had the advantage of being a limited resource and therefore in demand, the working class were too numerous for jobs available and so experienced economic pressures ("the industrial reserve army"). It is generally accepted that due to the patterns of economic and political development in South Africa there is a skills shortage which has resulted in the flow of blacks into middle class positions (for example, managerial, supervisory, administrative, clerical) which previously had been reserved for whites. The supply of whites for white collar positions is said to be saturated. In the case of working class blacks however the situation is different. The high rate of unemployment affects this class but at the same time the falsification of the unemployment statistics has meant that the extent of the problem is not fully disclosed. The chase after jobs has placed the black working class and especially those from the rural areas in a position of vulnerability to exploitation. Historically the migrant labour system and the programme of Bantu Education has meant that the working class has failed to develop the skills needed for coping with an increasingly sophisticated industrial economy. For long periods it was not in the interests of employers to invest in on-the-job

training schemes and it was against government policy. Since the late 1970s during the reform period, the Wiehann Commission Report has urged both government and capital to provide training and other incentives to upgrade the working class(84).

Other factors, such as sanctions, the debates around the shortage of skilled labour, etc, need to be considered in assessing why the black working class has been so disadvantaged relative to the black middle class but this is beyond the scope of this thesis.

FOOTNOTES

1. Native Urban Areas Consolidation Act No.21 of 1923 Section 12. See Chapter 2 for elaboration.
2. Abolition of Influx Control Act No.68 of 1986.
3. Ibid.
4. Sarakinsky, M: "The changing urban african class structure in South Africa 1970-1985". A dissertation submitted at the University of the Witwatersrand, Johannesburg, October 31, 1988.
5. Native Urban Consolidation Act: op cit.
6. Urban Areas Act No.25 of 1945, Section 29.
7. Saul JS and Gelb S:
"The crisis in South Africa". Monthly Review Press. revised edition, New York, 1986.
8. Ibid.
9. Ibid.

10. Wolpe, H : "Capitalism and cheap labour power in South Africa from segregation to apartheid", in Economy and Society, Vol.1, 1972.
11. Ibid.
12. Ibid.
13. Mandy, N : "A city divided". MacMilan and Company, Johannesburg, 1984.
14. Native Housing Act No.35 of 1920.
15. Legassick, M: "South Africa: forced labour, industrialisation and racial differentiation", in R Harris (ed.), The Political Economy of Africa. John Wiley and Sons, New York, 1975.
16. Tabane, J : "The origin and development of African education in Sophiatown, Martindale, Newclare and Western Native townships. From their inception to their establishment 1905 to 1963". A research report submitted to the Faculty of Education at the University of the Witwatersrand, Johannesburg, 1986.

17. Mandy, N : op cit.

18. Tabane, J : op cit.

19. Gilliomee, H and Schlemmer, L:

"Africans defences, poverty, passes and privileges in South Africa". David Phillip, Cape Town and Johannesburg, 1985.

20. Mandy, N : op cit. It could be argued that since 1978 the government has accepted the existence of middle class urban dwellers shown by the provision of better housing facilities, for example. However state educational facilities were not improved and it was only in the 1980s that non-racial schooling became possible.

It should be further noted that after the abolition of influx control in 1986, when in fact all classes could by law migrate freely to the urban areas, the facilities (schooling, housing, etc) were more accessible to the middle classes than they were to the working classes.

21. Mandy, N : op cit.

22. Urban Areas Consolidation Act No.25 of 1945, Section 29.

23. Ibid.
24. An interview with Motlana, at his home in Diepkloof (Prestige Park) in 1989.
25. Though Verwoerd said these words, professionals were still exempted from influx control.
26. An interview with Mphahlele in Soweto at Funda Centre in 1989.
27. Mphahlele was granted exemption from influx control after completing his training outside the urban area, i.e. his right to work in the urban areas only came about as a result of his qualification.
28. Eiselen Commission Report. Report of the Native Education Commission UG 53-1951.
29. Mphahlele, E: "Down Second Avenue". Faber and Faber, 1959.
30. Access to education in the urban areas was not available to all. Except for those "professional" categories at tertiary level which carried an automatic exemption to be allowed to study in the urban area, all other levels of schooling and training were only permitted to study at institutions in the urban areas if they already were in

possession of Section 10(1)(a)(b)(c) rights and even then there was no guarantee that this would occur. In fact no such training facilities existed in the urban townships until after the Soweto riots. Some people undergoing tertiary education were fortunate enough to be granted permission to study at "whites only" universities: the rest had to qualify at the "bush colleges" located in the rural areas.

31. Only those exempted could buy the prohibited goods.
32. A telephone interview with a white matron now resigned, who lives in a convent in Edenvale.
33. A questionnaire that was completed by a qualified nursing sister at Baragwanath Hospital in 1989.
34. Another questionnaire completed by a qualified senior nursing sister who works at Baragwanath Hospital, 1989.
35. Reverend Sibidi, Director of Adult Education at Funda Centre, interviewed in 1990.
36. Interview at her house in 1989.
37. Minister of Home Affairs speech on "Radio Today South Africa", in 1989.

38. To say that the african middle class enjoyed privileges over the working class does not necessarily mean that it was not politically oppressed.
39. These conditions are as stipulated according to Section 10 rights of Urban Areas Act No.25 of 1945.
40. This is due to the fact that highly qualified blacks, e.g. engineers, were for the first time allowed to compete for jobs with whites, in particular, in industry.
41. Industrial Conciliation Amendment Act No.94 of 1979.
42. Webster, E : "Removing racial discrimination in the work place: a sociological perspective". An unpublished paper" delivered at the Five Freedoms Forum Conference on South African business and the future, August 1987.
43. An interview with Lefakane at Medical Centre in Johannesburg, 1989.
44. Daveyton is on the east of the Witwatersrand, it is a township.
45. Industrial Conciliation Amendment Act No.94 of 1979.
46. E.g. introduction of 99-year leasehold in 1978 according to Sheena Duncan cited in Chapter 2.

47. The peripheral black middle class residential areas are found throughout South Africa. They are in the townships in big cities and in the townships around small towns.
48. The municipal police used to raid and destroy these shacks because they were among other problems a health hazard. In some yards there are four to five shacks.
49. Interview conducted with a personnel officer at company head office in Parktown in 1989.
50. Anglo American Corporation used to have a cadet scheme which recruited students from high school. Other companies had similar schemes.
51. An interview with International Service Machine's personnel officer, Lonny Brown in Johannesburg in 1989.
52. An interview conducted at Twilight with a social worker in 1989.
53. An interview conducted in 1987.
54. An interview conducted in 1989.
55. An interview conducted in 1985 and a second interview in 1988.

56. See footnote 50.

57. An interview with Elias Motlouni who stayed on campus at the University of the Witwatersrand, Johannesburg in 1985.

58. The working class which is not usually assisted with registration by companies end up being pushed around at the urban area labour bureaux. This is another proof that there are not enough jobs in the homeland. Therefore, the policy of decentralization seems to be failing.

59. There were four documents required at the labour bureau offices in the urban areas, as a first step of registration.

60. No african was allowed to come to the urban area without proof of availability of a job and accommodation.

61. An interview conducted in 1980.

62. See footnote 51.

63. An interview conducted at his office in 1986.

64. An interview conducted at the bank in 1988.

65. Referred to previously.

66. A lodger's permit was one of the requirements at the labour bureau office. Before one could acquire Section 10(1)(d), there was to be availability of accommodation. Lodger's permit was proof of accommodation.

67. Interviewed at her home in 1988.

68. Interviewed at his office in 1987.

69. Selection Park is the first african middle class residential area in Soweto.

70. The african middle class from the rural area would be selected for jobs even though there were urban people seeking the same job.

71. Language of bureaucracy refers to (i) the middle class code of formal grammar and vocabulary and (i) facility in using either English or Afrikaans at this level.

72. Any member of the african working class who did not qualify to be in the urban area was to be deported to the rural areas.

73. Communication methods in the rural areas are usually hazardous.

74. This is the period when jobs are scarce.
75. Rivers flow through roads and the unavailability of property constructed bridges is usually a problem.
76. Keenan, J and Sarakinsky, M:
"Black poverty in South Africa", in South African Labour Bulletin, Vol.12 NO.3, May/June 1987.
77. Keenan, J and Sarakinsky, M: *ibid*, 1979.
78. Keenan, J and Sarakinsky, M: *ibid*.
79. The african working class cannot afford housing loans which would enable them to move into middle class residential areas.
80. Hostel life has been one of the important rallying points when using migrant labour system to summon the international communities for disinvestment in South Africa. Tutu, for example, has used migrant labour system for disinvestment in South Africa.
81. Section 10(1)(b) of Urban Areas Act No.25 of 1945.
82. An interview conducted at employer's hose in 1990.

83. These preconditions were in accordance with the recommendations of the Riskert Commission Report. Commission of Enquiry into Legislation affecting the utilization of manpower, RP32/1979.

84. Wiehahn Commission Report. Commission of Enquiry into Labour Legislation, 1979.

CHAPTER 5

CONCLUSION

This study has examined the policy of influx control and its application to the african middle class with particular reference to the reform period (i.e. from 1978 to 1986). The investigation takes issue in several respects with previous scholars' understanding of the relationship between the policy of influx control and the supply of african labour.

According to research conducted during the reform period it has been demonstrated that this period has had an important effect in restructuring the demand for african labour.

It has been argued in this dissertation that the promotion of the african middle class during the reform period coupled with the previously existing exemption of this class warrants a class analysis of influx control. The previous analysts of influx control focused on the division of african labour along rural and urban lines which fails to cut across the racial and geographic division in the supply of labour.

Historically influx control seemed to exhibit a distinction in the supply of labour along rural and urban lines but in the last decade or so an increasingly significant aspect of the supply of labour has been the emergence of a class factor, namely the emergence of the black middle class from the rural area. For

this reason it is argued in this thesis that the class variable previously omitted by analysts, needs to be examined both in terms of its past effects as well as in terms of the changes occurring in South Africa.

One of the central issues that has divided the liberals from the Marxists in the apartheid-capitalist debate is the question about the nature of urban capitalist interests on the one hand and their relationship to state influx control policy on the other.

In the early 1970s Marxist scholars such as Wolpe and Legassick(1) elaborated an important critique of the view prevalent amongst many liberals that the nationalist party policy on migrant labour was economically irrational and therefore rendered itself at odds with capital's interests.

One of the main arguments of the liberals like Lipton and Horwitz(2) is that the migrant labour system burdened industrialists with unstable, inefficient and unproductive workers.

Wolpe and Legassick in their critique of the liberal scholars, drew attention to the striking economic growth rates of the 1960s as evidence to prove the compatibility that existed between the apartheid policy and capitalist interests. In their view government entrenchment of the migrant labour system through influx control provided secondary industry and commerce

with an abundance of cheap labour which contributed profoundly to the development of the country's economy in these sectors.

Hindson's(3) analysis of the interest of manufacturing and commerce in the 1950s is an advance on both positions and points to their common failing, namely, that neither sector takes account of manufacturing industry's and commerce's need for a differentiated work force which was part migrant (i.e. temporary) and part urbanised (i.e. permanent). In other words the process of industrial expansion during the 1940s had generated a growing demand for more stable semi-skilled labour (i.e. urban black proletariat) in addition to the cheap unskilled labour (rural migrant labour). While industrialists were content to draw on migrant labour for unskilled work, urbanised workers were more stable and therefore a preferred source of semi-skilled labour.

Therefore, according to Hindson, the influx control system implemented by the Nationalist government which provided both for a migrant unskilled labour supply and for a semi-skilled permanent urban workforce served both facets of the differentiated labour demand. These analyses of influx control take no account of the effect of influx control on the African middle class.

Posel(4) in criticising Hindson, has shown that manufacturing and commerce had exhibited a marked preference for migrant labour. This contradicts Hindson's view that these sectors

preferred stable urban labour. Posel argues that in many instances migrant and rural labour was more stable than permanent urban labour because urban labour was said to be "cheeky", arrogant, and not in need of continuous employment in order to remain in the urban area while on the other hand the migrant labourer was considered more stable because to remain legally in the urban area he needed to be continuously employed. Furthermore it was to his advantage to remain with one employer as a precondition to qualify for Section 10 rights which would enable him to remain permanently in the urban area. Thus migrant labour was tolerant of low wages, heavy work and other bad working conditions. However Posel, in agreement with Hindson on this point, argued that preference for urban labour would rest on the urban worker's fluency in Afrikaans and English, literacy and numeracy which improved communication in the work place and enabled further training for skilled and semi-skilled occupations.

I have shown in this dissertation that historically some of the middle class (e.g. teachers, priests, nurses) enjoyed exemption from influx control. In addition to this exempted category there was another group of the middle class from among whom individuals were granted special exemption based on ministerial discretion especially during the reform period and finally that even those who were not exempted gained leverage through their educational qualifications and/or business activities so that by access to jobs and housing they could circumvent or contravene influx control.

This concludes the summary of the theoretical context and base of this dissertation. In the next section I shall examine the class patterns of the old and new middle class based on the findings emanating from the empirical research, and finally shall go beyond the evidence to speculation in terms of the changing political and economic climate in South Africa.

1. The law and its operation

My findings confirm that the laws involving influx control operated differently for different classes of people. The working class from the rural areas were never granted exemption from influx control, the obstacles to their migration to the urban areas were greater than those affecting the middle class, for example the housing shortage particularly affects the working class, and the high rates of unemployment also placed more severe limitations on the working class than on the middle class. In addition to these inter-class distinctions, findings indicated intra-class differences in the way that influx control affected the old and new middle classes respectively.

In the case of the new middle class their position as qualified and professional people, employed by capital or the state, allowed them to find ways around the laws which may have involved an implicit contravention of the law. Among the new middle class were people who by virtue of