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' Centre for African Studies

UNIVERSITY OF CAPE TOWN

AFRICA SEMINAR

THE CRISIS Of CAPITAL ACCUMULATION in

SOUTH AFRICA - ORIGINS, EFFECTS and

IMPLICATIONS for the FUTURE

BY

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12.40 PM OPPENHEIMER INSTITUTE BUILDING

THE CRISIS OF CAPITAL ACCUMULATION IN THE SOUTH AFRICAN
SOCIAL FORMATION - ORIGINS AND IMPLICATIONS FOR THE FUTURE
Section One - HISTORICAL BACKGROUND

1) South Africa's role in the Global Economy in the 1980s
11) International Trends and their effects on the South
African Economy. Debate on Globalism and "Regionalism"
111) How serious is the socio-economic crisis? Macro-trends
in Employment, productivity, investment (Private and
Public Sectors)

Section Two - Prescriptive - policy recommendation in
the light of today's debates.

The actuality of the crisis as negotiations phase opens
The labour movements mobilization and the crises of
expectation since Feb 2, 1990.

Balance of class forces today: Role of the State and
'outside' (Imperialist) forces in setting the 'agenda'.
Two scenarios or many alternatives?

a) The neo-liberal strategy of the "right" (gACOBICAH)
counterposed to:

b) The neo-keynesian strategy of the "left" (analysis
of the ANC's "nep")

Section three - Plan, Market, and Participation -
Economic Democracy in Theory and Practice For a
Democratic South Africa. Who decides the mix? How
to implement policy;

Some Prescriptive Conclusions: Not "what is to be done?",
but what is possible in the short-medium term" -

1) Immediate Steps to .Halt Capital Flow ,(Underklnemployment.
ii) Long term sectoral' Planning and Allocation:
consequences for growth and redistribution

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RESEARCH INTERESTS :

a) Processes and Problems of Institutionalizing Democratic Institutions and Practises in Africa

With the political winds of change blowing through the African continent, stronger in some regions than in others, and with the attendant question of a possible return to one-party state rule or military rule in many post-colonial African societies ever present, a pertinent question to examine would be the manner in which popular participation in decision-making and its institutionalization into the body politic of civil society can be achieved. Given the already significant political changes that have taken place in South Africa in the last two years, it would be necessary to monitor and investigate the institutionalization of democratic structures in South Africa in the nineties as one focal area. A related issue would be if the Scandinavian "models" and institutions of constitutional reform and social contract based on egalitarian principles, could in any way act as an inspiration for the problems of transition from authoritarian minority (or single-party) rule in Africa south of the Sahara.

b) Sustainable Development and Accumulation in Sub-Sahara Africa: Towards the Year 2000

Given the post colonial model of development in much of Africa and its own material heritage of monocultural production of minerals and cash crops for export, the state (in the absence of any other institutionalised mechanism) has become the instrument for regulating and organising the social fabric of society and for the management of the dysfunctional stresses and imbalances of the economy. The attendant phenomena of stagnation in agriculture, oil price increases in the 1970s, and the drastic decline in the terms of trade for exported products in the 1980s, coupled with the scarcity of foreign exchange, poor management and centralised marketing arrangements and the accusation of government inefficiency and corruption has led to drastic medicine being prescribed:

Structural Adjustment Policies and financial austerity programmes. Although the effects of these policies have been mixed and have affected various class forces differentially, the goal of self-sustaining and ecologically viable development (as indicated in the Brundtland Commission on Environment and Development) is still a long way off.

The related questions of which policies are most suitable for long term sustainable development which will at the same time provide employment, incomes and welfare for an increasing number, while also being cognisant of environmental concerns and the issue of human rights, will remain central to any research programme in the future. Alternative suggestions, like the creation of alternative marketing and producer co-operatives, should be critically investigated. Here again a knowledge of the Scandinavian experience would be invaluable.

0) Economic Integration and creation of a regional economic zone in Southern Africa

With the signing of the Convention for a Democratic South Africa (CODESA II) document by government representatives and representatives of the main liberation movements in South Africa, and the more recent multi-party talks in February 1993, it seems clear that South Africa has lost its pariah state status. Sanctions against South Africa have finally been lifted by Sweden and Norway, while many African states have of late established diplomatic relations with South Africa and have reopened trade links.

South Africa will now (as of April 1993) have regional representatives in Botswana, Swaziland, Lesotho, Namibia, Mocambique, Zimbabwe, Angola, zaire, Madagascar, the Commores Islands, the Ivory Coast and Morocco. Also, South Africa has established formal relations with Mauritius, Kenya, Rwanda, San Tome and Principe, Cape Verde and Togo. Zambia, the Camaroun, Congo, Senegal and Nigeria are expected to follow. While South African strategists see South Africa as the "locomotive of Africa" that will pull it out of its manifold crises, the reality is that there remain serious doubts as to whether a new regional bilateral trade zone can be created in the hemisphere. The questions which most readily come to mind are the following: many African states do not have the foreign currency to purchase South African goods at the moment (although credit line could be established) while these states do not produce any goods or services that South Africa itself does not already produce.

South Africa will still have the very real comparative advantages of a technically superior manufacturing sector and skilled workforce, relative financial stability and infrastructural (transport, telecommunications) networks which other African states do not possess. The decision to create regional COVoperation structures with the instalation of a democratic government in South Africa promises greater inter-regional trade and co-operation. To investigate such processes would be a necessary point of departure for any analysis of the changing political map of sub-Sahara Africa in the nineteen-nineties.

Further points of consideration:

I am conversant in the following languages: English, Afrikaans, Swedish and Norwegian as well as can understand and read Danish. As well as having a thorough knowledge of post-war Scandinavian social and economic policy, I have also researched the formation of the co-operative (Samvirke) movement in Norway.

As a participant in a people-to-people project in the Telemark district for the past eight years (through the Workers' Educational Association -AOF- and the Norwegian Peoples' Aid -NPA), I have obtained a grassroots perspective on development aid and social mobilization in southern Africa.