PATHWAYS TO FREEDOM: CHAPTER PREVIEW

South Africa
Political and Economic Lessons From Democratic Transitions

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Civil Society, Markets, and Democracy Initiative
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Overview

With the end of apartheid in 1994, South Africa became a nonracial democracy with representative government extended to all its peoples. But the post-apartheid government has mostly failed to deliver on expectations of shared economic opportunity. Indeed, black poverty and white privilege remain largely entrenched, although political and societal strengths suggest that the country’s democracy will endure.

South Africa’s racial hierarchy was fixed in the centuries after the Dutch settled Cape Town in 1652. Whites—comprising the British and the Afrikaners, who were descendants of Dutch and other northern European settlers—were at the top. “Coloreds,” descendants of South Asian laborers who were imported by the Dutch and intermarried with other groups, were in the middle. So were Indians, descendants of other South Asians brought by the British. At the bottom were blacks.

Apartheid arose from Afrikaners’ fear of being swamped by the larger black population and their grievance over the British victory in the Boer War (1899–1902). The radically conservative Afrikaner party, the Nationalists, introduced apartheid as a formal segregationist system after winning the 1948 elections.

Apartheid’s primary feature, the physical separation of races into different territories, caused untold misery. Rural blacks were consigned to marginal lands and urban ones to townships and informal settlements often lacking basic services. Coloreds and Indians gradually lost their already limited political rights. Apartheid also reserved jobs for whites, and publicly financed affirmative action for Afrikaners largely eliminated white poverty.

Black opposition movements, including the African National Congress (ANC), arose starting in the early twentieth century. Black organized labor, too, subsequently played an important role in countering apartheid. The National government responded to the antiapartheid movement with repression. It imprisoned prominent leaders such as Nelson Mandela and met insurrections with bullets, including in the Sharpeville massacre of 1960 and the Soweto school boycott of 1976. Foreign governments came to associate apartheid with official violence, and South Africa gradually became a pariah.

Apartheid began to collapse in the late 1980s. Nationalist president F. W. de Klerk and other white leaders concluded that change was inevitable, and the liberation movements recognized that, although they could make the townships ungovernable, they could not defeat the government. The two sides struck a deal in 1993 providing for nonracial elections the next year and ultimately for a new constitution.

Several forces contributed to South Africa’s transition. The courts overturned some apartheid statutes, while a few clergy helped convince Afrikaners that apartheid was morally wrong. Western countries intensified sanctions and many corporations disinvested, hurting the economy and white pocketbooks. Also critically, the liberation leadership included genuine democrats devoted to human rights, not least Mandela.

The 1994 elections resulted in a black-majority government with Mandela as president. The ANC has maintained an overwhelming parliamentary majority ever since. This political reorganization, however, was not matched by economic restructuring. Such a restructuring was never on the table, and
most participants in the transition assumed that massive foreign investment would stimulate growth and reduce poverty without requiring radical redistribution.

Pathways to Freedom: Political and Economic Lessons From Democratic Transitions, a new book from the Council on Foreign Relations, explores South Africa’s progress and challenges in six areas of economic, political, and social development.

SOCIOECONOMIC EXCLUSION AND INCLUSION

As it was before 1994, South Africa’s economy remains characterized by gross inequality. In 2008, the aggregate income of blacks was 13 percent that of whites; in 1995, it was 13.5 percent. The government pays about 15 million people a subsistence allowance, which mitigates poverty but carries the risk of dependency and strains the small tax base.

Since 1994, ANC governments have made progress on housing and basic services in townships and informal settlements, but these areas remain far from employment centers. There is a shortage of skilled workers even as unemployment remains around 25 percent—and more than 40 percent for black youth in some areas. Nor have the Black Economic Empowerment (BEE) and affirmative action programs helped the majority of blacks grappling with globalization and the decline of extractive industries. To meet BEE goals of black corporate ownership, companies have often sold weak sectors, saddling new owners with debt and slow growth. Indeed, most of the expansion in the black middle class has come through public-sector employment, not private.

INCOME AND RACE IN SOUTH AFRICA

ECONOMIC STRUCTURE AND POLICIES

The post-1994 government’s challenge was to foster inclusive growth to reduce poverty and right the apartheid era’s wrongs. The country has fundamentally adhered to the Washington consensus, which has worked well by conventional measures. Still, the economy has grown too slowly to meet the expectations of a growing population. In 1989, South Africa’s GDP per capita was $3,227 (in constant 2000 prices). By 2010, it was only $3,746.

Some on the left, such as former ANC youth leader Julius Malema, have called for addressing poverty by redistributing wealth from whites to blacks. Although he has been marginalized within the ANC, he retains substantial support in the townships. Others believe that slow growth is the result of labor union inflexibility. This probably has an influence, but factors such as inequality and inadequate education are at least as important. Corruption also complicates issues of inequality and growth. It is difficult to know whether corruption is more common now than under apartheid, but the widespread belief in its ubiquity undercuts the government’s moral authority. Many credibly assume that the few black millionaires owe their fortunes more to ANC connections than to productive activities.
Civil society organizations and the media were at the forefront of the antiapartheid struggle. Both publicized government abuses, and civil society groups often combated apartheid effectively through the courts. Together they convinced many South Africans (including whites) that apartheid was unjust. Since 1994, civil society and the media have continued to play a major role in national life, with organizations based in the townships growing over the past decade in particular.

The press is vibrant and its freedom constitutionally guaranteed, unlike in the apartheid era. Today’s media outlets, largely owned by whites, often function as an opposition to the ANC by exposing scandal and corruption. ANC figures regularly accuse the press of bias, while ANC opponents accuse it of soft-pedaling criticism to maintain good relations with the government. This tension played out in a recent debate over a proposed bill (since weakened) that would limit press freedom and impede whistle-blowing.

Legal System and Rule of Law

The rule of law has long been deeply entrenched. Indeed, apartheid was a legal system. Today, the post-apartheid constitution clearly defines South Africans’ rights, including social and economic rights such as access to water and housing. The 1994 negotiations also established the Truth and Reconciliation Commission (TRC), which contributed to post-apartheid political stability. If perpetrators publicly acknowledged their crimes, they gained immunity from prosecution. Although no regime or liberation leaders came forward, some smaller perpetrators of abuse did. Public TRC hearings also proved cathartic by allowing victims to tell their stories.
Critics maintain that some judges reflect the values of the ANC and its allies, but the judiciary is probably more independent now than under apartheid. No person is above the law, as repeated prosecutions and charges against President Jacob Zuma show. As for crime, South Africa’s murder rate is about six times the United States’. Most violence occurs within the townships, but concern over crime runs deep among all racial groups. The police, who served as apartheid’s first-line enforcers, today generally operate within the law. Staffing, training, and salaries, however, are low. Although crime statistics are slowly improving, the perception of danger remains, including among foreign investors.

**GOVERNMENT STRUCTURE AND DIVISION OF POWER**

Despite the relative strength of the opposition Democratic Alliance, some observers believe the line between the government and the ANC is growing blurry, raising concerns that South Africa is evolving into a one-party state. In reality, the party and the government (a tripartite alliance of the ANC plus its labor and communist allies) is internally divided. Civil society and the press are quick to expose corruption, and South Africa’s institutions and rule of law provide checks on the growth of an authoritarian ANC. Still, anemic growth and gross racial inequality provide fertile ground for the emergence of a new, authoritarian radical party, either as an ANC spin-off or from separate origins.

**EDUCATION AND DEMOGRAPHY**

The post-1994 government prioritized housing, electricity, and water above education. Although township dwellers may have preferred the opposite, it is unclear whether South Africa had the trained teachers necessary for an all-out education push. Today, despite reasonably high investment in schools, access to education remains as racially unequal as income. Thirty percent of blacks versus 75 percent of whites have finished high school, and black graduation rates from secondary and postsecondary schools have changed little over the last decade. Even the white graduation rate is too low for the emerging information economy.

Multiple reasons explain this failure. Rural areas have too few teachers and schools. Many teachers are poorly trained and supervised, and strong unions make them largely unaccountable. The country has tried to improve access for all races to elite former white high schools. But such schools pose challenges for low-income families, including fees and uniform requirements. Less-elite schools remain underfunded, with a similar pattern in primary education. Meanwhile, access to higher education has improved slightly for blacks, but most attend historically black or newly amalgamated universities, not the historically white institutions of international standing.

**CONCLUSION**

Educational shortcomings, a growing population, and a heavy disease burden help explain the continued lack of empowerment among black South Africans. The question is whether the country can respond soon enough to demands for economic and social change. Its policy options are limited. But the durability of the 1994 transition bargain, the enduring strength of political institutions, and the activism of civil society justify optimism that South Africa will continue to evolve in a democratic direction.
Timeline

1948: National Party Adopts Apartheid
The Afrikaner-dominated National Party imposes a policy of apartheid, a widespread system of racial segregation meant to preserve white privilege. Black, white, colored, and Indian South Africans are required to live in defined territories, with blacks relegated to poor-quality rural lands and urban townships often lacking basic services. Apartheid also reserves superior jobs, education, and health services for whites. The National Party develops a publicly financed affirmative action program for Afrikaners, largely eliminating white poverty. Indeed, by the 1960s, some observers say that white South Africans have the highest material standard of living in the world, whereas blacks have one of the lowest.

1960: Sharpeville Massacre Occurs, ANC Banned
In the years after the 1948 election, the African National Congress (ANC), a leading liberation movement dominated by blacks, protests apartheid through civil disobedience. The government responds with repression. The Sharpeville Massacre occurs on March 21, when several thousand people gather at a police station in the Sharpeville township to protest pass laws, which restrict the movement of blacks. The police violently repress the insurrection and open fire on the crowd, killing sixty-nine black demonstrators. Later that month, South Africa’s government bans the ANC. However, the organization continues to operate underground and outside the country through armed opposition groups.

1964: Mandela Sentenced to Life Imprisonment
Nelson Mandela, a prominent antiapartheid activist and ANC leader, is sentenced to life imprisonment on June 12, after being convicted of sabotage and treason. He spends more than twenty-five years in prison before his release in 1990. During his imprisonment, the ANC continues to contest apartheid through civil disobedience and guerilla tactics. Though it builds the capacity to make the townships ungovernable, it lacks the military strength to defeat the government, requiring a negotiated settlement to eventually end apartheid.

1990: ANC Unbanned, Mandela Released
South African president and National Party leader F. W. de Klerk lifts the ban on the ANC on February 2 and releases Nelson Mandela from prison on February 11. Mandela’s release is broadcast live around the world. After leaving prison, he makes a historic speech in Cape Town. Speaking “in the name of peace, democracy, and freedom for all,” Mandela urges a continued fight to end apartheid.

1993: Agreement Reached to End Apartheid
South African party leaders meet at Kempton Park outside Johannesburg to negotiate the end of apartheid. They reach a deal for nonracial elections to be held in 1994, followed by a transition period with shared executive authority among the largest parties. Leaders also write a
new constitution that takes effect on February 4, 1997, and includes perhaps the most elaborate protection for human rights anywhere in the world.

The ANC wins South Africa’s first nonracial elections in April and Nelson Mandela becomes the first president of the postapartheid era. A government of national unity is formed, with the participation of the Afrikaner-dominated National Party. Former president F. W. de Klerk serves as deputy president under Mandela until June 1996. The elections cement blacks’ full participation in politics and their representation at the highest levels of government. However, the transition to nonracial democracy does little to address the country’s wide economic disparities.

1996: Truth and Reconciliation Commission Begins Hearings
The Truth and Reconciliation Commission (TRC), established by the 1994 transition negotiations and chaired by the Anglican archbishop of Cape Town, Desmond Tutu, begins public hearings in April 1996. The TRC addresses human rights crimes committed by the former government and liberation movements during the apartheid era. The process is designed to provide a modicum of justice while offering closure on the past, and it contributes to political stability in the period following the transition.

2002: Unemployment Hits Record High
Unemployment reaches a record high of 30 percent, up from less than 17 percent in 1995. It remains above 22 percent through the present, with rates higher than 40 percent among black youth in some areas. However, with low educational attainment and a lack of apprenticeship programs, there is a shortage of workers in many skilled trades, even as unemployment stays high.

2004: Broad-Based Black Economic Empowerment Act Adopted
The Broad-Based Black Economic Empowerment (BEE) Act of 2003 takes effect on January 9, 2004. BEE aims to redress the inequalities of apartheid by allowing blacks to participate more fully in South Africa’s economy. While South Africa develops a sizable black middle class and high-visibility black millionaires, the country fails to alleviate its gross racial inequality in income. In 2008, the aggregate income of blacks is 13 percent that of whites; in 1995, it had been 13.5 percent.

2007: Zuma Wins ANC Party Leadership
In December, Jacob Zuma wrests the ANC leadership from President Thabo Mbeki, who had taken over South Africa’s presidency from Nelson Mandela in 1999, when Mandela did not seek reelection. The move sets the stage for parliament to elect Zuma president in May 2009 after the ANC’s electoral victory in April. Zuma had long been dogged by corruption charges, with the National Prosecuting Authority dropping a final case against him just before the April 2009 election.
2009: Despite Some Gains, Education Lags
Fifteen years after the end of apartheid, South Africa’s education system struggles to remedy the effects of racial inequality and prepare students for the modern economy. Thirty percent of blacks versus 75 percent of whites have finished high school, and fewer than 3 percent of blacks but more than 22 percent of whites have had some university-level education. South Africa devotes a relatively high percentage of its public spending to education, but apartheid’s legacy and a rapidly growing population strain its efforts.

2011: Populist Leader Suspended from ANC, Later Expelled
Julius Malema, the populist leader of the ANC’s youth league, is suspended from the party for five years in November 2011 and expelled in February 2012. Malema had called for the seizure of white-owned farmland without compensation and its distribution to black farmers. He had also urged the nationalization of the big mining houses and the overthrow of Botswana’s democratically elected government. Despite Malema’s marginalization within the party, his views are widely held among the dispossessed, and he retains substantial support in the townships.

2012: Labor Unrest Roils Mining Sector
In August, wildcat strikes erupt at the Marikana platinum mine in South Africa's North West province, reflecting both the poverty of black workers and growing divisions within the labor movement. Protesters initially seek higher wages, but the unrest is exacerbated by the militancy of a new, radical union. Forty-six people die during six weeks of violence, including thirty-four miners killed by police on August 16. In September, Marikana miners return to work after accepting a 22 percent pay raise from the mine’s operator. However, strikes spread to other platinum, gold, and coal mines throughout the fall, ultimately costing the country an estimated 0.5 percent of GDP.
Further Reading


A book on how the African National Congress has built and maintained power in postapartheid South Africa.


A senior U.S. official's account of the diplomacy surrounding such issues as sanctions against apartheid-era South Africa, civil wars in Angola and Mozambique, and Namibia's struggle for independence.


A collection of cartoons from a humorous series on the lives of a white South African woman and her black housekeeper.


A book telling the story of President Thabo Mbeki’s family and of today's South Africa more broadly.


An article examining South Africa's political, economic, and social challenges eleven years after the end of apartheid.


A book by an Afrikaner related to one of apartheid's main figures that grapples with the effects of apartheid on both black and white South Africans.


An autobiography by South Africa's iconic leader recounting his personal and political journeys, including his long imprisonment and the process that led to apartheid's end.


A book analyzing South Africa's policy choices since the end of apartheid and its ongoing racial inequalities.

A report analyzing debates over economic policy within the African National Congress and in its Tripartite Alliance with the South African Communist Party and the Congress of South African Trade Unions.


A book that analyzes the first years of South Africa's postapartheid experience and considers its future.


A book chronicling the history of apartheid and the views behind it, starting from the beginning of white settlement in South Africa.


A book exploring the relationship between citizens and the police in South Africa, especially in Johannesburg’s townships.


A book that explores apartheid, the liberation movement that fought it, and the factors that produced a largely peaceful transition to nonracial democracy.