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Continuity or change since apartheid

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Chapter 1: Introduction

In April 1994 South Africa experienced what is arguably the most famous democratic transition in recent history: an unlikely transfer of power from a racist minority to a democratically elected, multi-racial government of national unity. Two years after *The End of History,* a capitalist ruling party peacefully turned the state apparatus over to a coalition united by its support for revolutionary socialism. A police state gave way to a social democracy. And one of the twentieth century's most ambitious social experiments came to an end.

Apartheid[1] did not end as a result of steady, sustained decline. Indeed, its last decades had been its bloodiest: starting in 1976 the anti-apartheid struggle became increasingly militant, with a commitment in the 1980s by the African National Congress (ANC) to make South Africa ungovernable. In 1977 a Department of Defense document identified a "total onslaught" against the apartheid state, and proposed a "total strategy" in response. The government called successive states of emergency from 1985, effectively suspending such limitations to state repression as had hitherto existed. This was only the culmination of a long process of growth in state repressive power; the apex of a trajectory of increasing centralization and militarization of the apartheid state. Furthermore the late 1980s and early 1990s were marked by vicious internecine conflict between organizations opposed to apartheid; some of which was the result of government infiltration and co-optation. In short, and to put it mildly, the conditions for a peaceful transition to democracy were less-than-ideal.

Furthermore, the heady optimism with which the end of apartheid had been greeted by much of the world now seems at least partly misplaced. Since 1994 South African government has been dominated by the ANC in alliance with the South African Communist Party (SACP) and the Coalition of South African Trade Unions (COSATU). These organizations vary in revolutionary fervor, both between and within them, but are in theory united behind the Freedom Charter, a 1955 document adopted as official policy by every major anti-apartheid organisation which announced that

[1] By which this paper means the *apartheid mode of regulation*, a politico-legal regime of racial domination, although it will show that apartheid cannot be understood without its corresponding regime of accumulation.

> “The People Shall Share in the Country`s Wealth!
>
> The national wealth of our country, the heritage of South Africans, shall be restored to the people;
>
> The mineral wealth beneath the soil, the Banks and monopoly industry shall be transferred to the ownership of the people as a whole;
>
> All other industry and trade shall be controlled to assist the wellbeing of the people;
>
> All people shall have equal rights to trade where they choose, to manufacture and to enter all trades, crafts and professions.” (*Freedom Charter*, 1955)

Indeed as of 1988 no segment of the South African national liberation movement was committed to bourgeois democratic revolution: all demanded socialist revolution of one form or another.

Yet South Africa remains enormously unequal, possibly more so than when apartheid ended, and poverty and unemployment have not declined. Although the nature of inequality is less starkly racial than under the apartheid regime, South Africa remains a society of the haves and the have-nothing-at-alls.

Thus there are two phenomena to be explained. First, the enormous institutional elaboration of the early 1990s represented most dramatically by the abrupt and total deracialisation of the political and legal system. Second, the reproduction of the structures or conditions of the South African economy that result in rampant inequality and poverty. Of course, at this stage it is merely a supposition that the latter is explained by institutional reproduction; however this paper will go on to show that this is indeed the case.

There is therefore a contradiction to be explained in the recent history of South Africa: enormous change accompanied by extensive continuity. This contradiction represents a challenge to a number of the dominant mainstream approaches to political economy. Contemporaneous liberal-modernist analyses of apartheid held that the racial domination of apartheid was the result of ideology, and in itself represented an economic inefficiency – an irrationality. Racist ideology is an independent variable, originating outside of economics. The rational, profit-driven capitalist economy would therefore inevitably result in apartheid’s demise. The corollary of this analysis is that the end of institutionalised racial domination should have resulted in a corresponding increase in economic efficiency and performance. This was not observed upon apartheid's demise, calling into question the theory of racial domination as economic inefficiency. Furthermore as later analysis will show, at certain times and in certain sectors of the South African economy institutions of racial domination were a great boon to capitalists, minimizing costs and boosting profits. The liberal-modernist view therefore fails to adequately explain the South African experience.

The major challenge to the liberal-modernist analysis, by radical scholars, is similarly flawed. Apartheid-era radical and Marxist analyses typically held racial domination to be central to South African capitalism: this is the theory of apartheid as Colonialism of a Special Type (CST), with white South Africa as the colonizing power and nonwhite South Africa as the colonized. The extractive relationship between the two, maintained by institutions of racial domination, resulted in development of White South Africa and underdevelopment of nonwhite South Africa. Thus by this analysis racial domination and apartheid were functional to South African capitalism; indeed, by some accounts South African capitalism was so dependent on racial domination that the latter could not end without the former: there could be no national liberation without socialist revolution. This conclusion is, with the benefit of hindsight, patently false: apartheid ended, capitalism did not. And even the weaker conclusion, of the functionality of racial domination to capitalism in South Africa, struggles to explain the economic continuity that has followed the end of racial domination: South African capitalism had to experience structural elaboration if one of its functional elements ceased to exist. Thus the radical/Marxist analysis similarly fails to explain the South African experience.

This paper will therefore be striking a different course: using the Regulation Approach. This theoretical approach will be more fully worked out in subsequent chapters, but for now it will suffice to outline in brief. The apartheid state, its repressive and regulative apparatus, and the racist ideology that underlay the system are a mode of regulation that corresponds to a broader regime of accumulation, made up of a particular class structure and relationships of the classes to the means of production. The mode of regulation serves to maintain and reproduce the regime of accumulation, which is inherently unstable; effective regulation delays crisis, although periodically the internal contradictions of capitalism overwhelm the regulatory structures, resulting in institutional elaboration or collapse. Although I will go on to problematise this oversimple account of the regulation approach, it will serve for now.

This paper will therefore present a counter-narrative of the democratic transition in South Africa. Apartheid can be understood as a set of state, social and ideological institutions of racial domination that regulated and operationalised a particular system of economic domination. The democratic transition was a major institutional elaboration, a shift in the mode of regulation, but the major elaboration in the regime of accumulation had happened in the 1980s with the advent of neoliberalism[2] in South Africa. This process resulted in the "obsolescence" of apartheid as a set of regulatory institutions for South African capitalism, allowing it to continue in its new, neoliberal form with nonracial regulation. The negotiated transition in 1994 was therefore not a revolution so much as a Bismarckian accommodation by the dominant social forces; a bait-and-switch by capital to appease the ascendant anti-apartheid movement with national liberation while withholding true economic reform.

There is much that this paper will not be covering. First, and importantly, is the origins of apartheid and racial domination in South Africa. Although a fascinating topic in itself, this is a distinct question: the structural *description* of apartheid that follows must not be mistaken for a functional *explanation* of the system, and indeed my analysis will fail to adequately explain the rise of apartheid. Some criticism that has been directed at material analyses of apartheid makes exactly this mistake. Nor will this paper be analyzing the origins of African, Afrikaner, or other identities and nationalisms: although it remains ontologically committed to the principle of situating these ideas materially, such an analysis is beyond the scope of this paper; these will therefore be treated as independent variables. Finally, this paper will not engage in an agentic analysis of apartheid and the anti-apartheid struggle; although the story of apartheid lends itself to agentic analysis – not least through its large cast of extraordinary characters – there simply isn't the space here. The structural account, although incomplete, will be sufficient to demonstrate the argument.

This paper proceeds through five chapters. Chapter 2 will present a critical review of the existing literature on the subject, and Chapter 3 will present a history of the Regulation approach, and do some theoretical work to overcome some of its limitations. The remainder of the paper follows, conceptually, Archer's morphogenesis of structure. Chapter 4 will analyse apartheid as a succession of nexuses of regimes of accumulation and modes of regulation, corresponding to Archer's structural conditioning. Chapter 5 will follow the analysis through the democratic transition in 1994, as structural interaction, and show the resulting political elaboration and

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[2] Neoliberalism is an under-theorised term (or perhaps an enthusiastically but ineffectually theorized term) and will not be used analytically in this paper: it serves here only as a heuristic and will soon be replaced with more useful concepts.

economic reproduction in the post-apartheid period. Chapter 6 will provide a concluding analysis.

Chapter 2: Theory

This paper will be using a variant of the French Regulation school of theory. Regulationism arose in the last decades of the 20^{th} century among French economic planners, and sets out to explain the apparent paradox represented by capitalism's periodic crises yet persistent stability – although its research programme to begin with was much narrower.

This chapter will briefly sketch the development of the Regulation approach. It will then describe Regulation theory as this paper will be using it, and will conclude with a discussion of which elements of the approach will be emphasised or minimised in the rest of the RP, and at which points a departure will be taken from the Regulationist mainstream.

Development of the Regulation approach

Vidal (2001) describes the origins of Regulation theory as lying in the economic and intellectual atmosphere of France from the middle of the 1970s. According to him, Regulation theory was developed in three distinct phases, in each of which one of the crucial influences on the theory was adopted. First, economists such as Aglietta (1971, cited in Vidal, 2001) and Boyer (1976, cited in Vidal, 2001) showed that the economy had to be theorised as a set of changing economic structures, institutions and relations "whereas by its construction a model explains a process of economic evolution based on a system of relations considered constant" (Vidal, 2001, p. 19). In the second phase, Aglietta (1976, cited in Vidal, 2001) introduced the concept of Fordism, and drew on Marxist theory to explain shiftin economic structures in terms of contradictions of capitalism, and Lipietz (1979, cited in Vidal, 2001) showed that *contra* to structural Marxism (e.g. Poulantzas, 1969) a *diachronic* analysis of the economy was necessary. That is, an analysis of change over time. The third movement of the Regulation theorists was driven by a reaction against the esotericism of both Marxism and neoclassical economics, each of which relied on an ontology of the invisible "real" underlying the empirically observable. Furthermore the Regulation approach increasingly drew on the *Annales* school of historical research from which it borrowed a focus on explaining crises, and then explaining how crises shape history.

The history of Regulation theory obviously does not end here; for example from the 1980s it was increasingly applied to parts of the world other than North American and Western Europe and was shaped in turn by those bodies of data. But this abbreviated history gives us a sense of the geneaology of the body of theory. I will now examine Regulation theory as it exists today (at least by one interpretation), and particularly as it will be used in the remainder of this RP.

Regulation theory

Regulation is first a theory of capitalism. At its root is an observation that the capitalism of today is not the capitalism of the 1980s, which was not the capitalism of the 1940s, and so on. Despite each being capitalism of some form or another, exhibiting as they do market competition and the capital/labour distinction (Boyer, 2010), they nonetheless function in very different ways, are constituted by different institutions, have different effects and, crucially, are described in their functioning by different mathematical equations. The same must be said of the capitalism found in different countries or regions: they are the same but different.

Second, Regulation is a theory of how capitalism exhibits continuity through change. This is not just to say, as before, that it accounts for capitalism's different emanations at different times in the same place. Rather Regulation theory sets out to explain the nature and dynamics of changes in the capitalist mode of production. Regulation theory is thus a *diachronic* approach.

The **regime of accumulation** is the pattern in which commodities are produced and consumed. Importantly, it includes the class structure of the society; the relative income and assets of the classes. It is "the result of the constant efforts of capitalists to cheapen costs and obtain surplus profits, by increasing mechanization" (Gelb, 1987, p. 3) and is characterised by "the nature or intensity of technical change, the volume and composition of demand and workers' life style" (Boyer & Saillard, 2002, p. 38). The regime of accumulation is not inherently stable: by its nature capitalism results in class conflict and, crucially, overproduction (Boyer, 2010, p. 71): it has inherent "conflictual tendencies" (Jessop, 1988, p. 150), generating "endogenously recurring imbalances" (Boyer, 2010, p. 65).

The **mode of regulation** prevents these imbalances and conflictual tendencies from overwhelming the regime of accumulation, at least for a time. It is a set of institutions and structures which suppress conflict and provide stability, in part by ensuring "the compatibility of a set of decentralised decisions, without requiring agents to internalise the principles governing the overall dynamic of the system." (Boyer & Saillard, 2002, p. 41). It provides "means of institutionalising class struggle and confining it within certain parameters compatible with continuing accumulation." (Jessop, 1988, p. 150). According to Regulationist canon, there are five primary institutions that constitute the mode of regulation: the monetary regime, the wage-labour nexus, the form of competition, the method of insertion into the international regime, and the form of the state (Boyer & Saillard, 2002). However this paper will demonstrate that by Boyer's (2010) own concept of **coherence** (of which more later) one cannot exclude other institutions from the analysis.

In any case, "the stability of an accumulation regime or mode of regulation is always relative, always partial, always provisional" (Jessop, 1988, p. 151). The system is still subject to periodic crisis, due either to inherent shocks or to its inherent instability. Accumulation results in growth, and growth necessarily represents "upheaval in the methods of production and lifestyles" (Vidal, 2001, p. 24). Institutions represent crystallised compromises between classes, and "economic and social changes are accompanied by social and political conflicts" (Vidal, 2001, p. 24) which disrupt that compromise. Crisis thus results in institutional elaboration: in the mode of regulation, in the regime of accumulation, or (it is presumed, though not yet observed) in the capitalist mode of production.

Permanent crisis

Earlier incarnations of Regulation theory, and some today, use "mode of regulation" to refer to a discrete structure, which supersedes a prior mode of regulation and is itself in turn, and in time, superseded. Similarly for their use of "regime of accumulation". As an example of this analysis, the United States exhibited a discrete regime of accumulation (which has been called "Fordism") until some point in the 1970s, at which point it underwent structural crisis and moved to a "Post-Fordist" regime of accumulation. This paper will remain agnostic as to the case of the United States, and as to the general "periodisation" of these concepts (e.g. Jessop, 2001). However it will present an alternative. This periodisation is a synchronous analysis, which fits with the original problematic of Regulation theory: to explain why economic models hold for a time and then suddenly fail. Thus a particular Philips curve perhaps holds for Fordism, but another holds for Post-Fordism. But this is at best an heuristic, a simplification for the sake of modelling – not a worthless exercise in itself, but also not a strictly accurate portrayal of the world.

This paper will instead engage in a truly diachronous analysis: recognising that even in periods of relative stability, economic structures are changing and adapting. At any point in time, a particular regime of accumulation is at best dominant rather than universal in a given society: some firms continue to create their product or reward their workers in the old way, some are exploring new ways to do one or both. This is particularly notable in the South African case, where we will see that even the mode of production – capitalism – for a long time only partially penetrated the economy, and noncapitalist (but *not*, crucially, "precapitalist") modes of production obtained in ways that were important for the regime of accumulation. Similarly the mode of regulation, if it is to effectively stabilise the regime of accumulation, must adapt to this shifting regime of accumulation, and cannot properly be discretely periodised.

That is not to say that a synchronous analysis is now impossible; only that we must be intellectually honest about its heuristic nature. The point is that crisis of a greater or lesser degree is a constant in capitalism, and institutions are iteratively elaborated to cope with that constant crisis. There is thus "permanent crisis", and constant elaboration. We will see later that elements of the South African mode of regulation in the first period this paper has chosen, from 1948 to the 1970s, were in fact in place from before World War I: 1948 was in many ways a landmark year for the mode of regulation, but I must acknowledge that use of it to begin my analysis is an act of deliberate and unavoidable interpretation.

There are three main reasons to acknowledge the interpretative nature of periodisation, and with it permanent crisis: first, as mentioned, it corresponds to the messy and path-dependent nature of institutions. I am going to borrow the term "Garbage Can Model" from normative institutionalism: many institutions, especially those specifically created by policymakers, are based on what they fish from the garbage can of previous policies, and the mode of regulation proceeds in fits and starts, with many small tweaks to existing institutions that are as important to the analysis as the grand, New Deal-esque construction of new institutions.

Second, the theory of permanent crisis acknowledges the agency[3] of subjects in between periods of crisis. Regulation theory is determinedly agentic in its analysis, but it must be wary of confining its agentic analysis to times of periodic crisis when in fact subjects exercise agency often and unpredictably. Indeed, as so many structures are composed of norms and social consensus, their continued existence may be seen as the repeated exercise of agency by the people involved: every day the bureaucrat gets up and decides to do his job as instructed; every day the worker gets up and spends his paycheck as he wishes. These are not the acts of automatons, and the individual exercise of agency among millions of subjects aggregates to a constant revision of the institutions that we analyse. Thus the theory of permanent crisis is needed to fit this constant exercise of agency into our ontology.

Third, the periodisation model denies or at least minimises the contradictions which exist within a given regime of accumulation or mode of

[3] I use "agency" in a straightforward sense to mean "free will by subjects".

regulation. This suffers from the same problem that the Regulationists identified in their ahistorical economic models: there is no sense of the internal contradictions of the capitalist system. The contradictions do not suddenly appear at moments of crisis: they always exist, and always have effects, and the mode of regulation constantly elaborates to deal with them. The contradictions may be more or less grave, and the elaboration may be greater or lesser, but it is always present.

A lesser but nonetheless important point is that permanent crisis helps us to avoid the modernist fallacy in our analysis. By this I mean the claim that there are a number of determined "stages" to development, and we can expect a given society to proceed in an orderly manner through them. Although the major Regulation theorists have long accepted that there is no single path of development, the Fordism model may still result in a temptation to explain *why* and *how* other countries, particularly developing countries, have deviated from this course. This could be what lies behind Gelb's (1987) concept of "Racial Fordism" for South Africa. Whereas if we instead take as our problematic the variety of political economies that exist across the world and through history, we are liberated from the need to explain deviation from an imagined "ideal" (which, like General Equilibirum, Regulation theory should be rejecting as unnecessary esotericism) and are free to examine each regime of accumulation and mode of regulation on its own terms. And the theory of permanent crisis, by problematising the ontological realism of discrete regimes of accumulation and modes of regulation, reinforces the antimodernist position.

Against determinism

As mentioned, this paper will be careful to make room for agency at all stages of its analysis. Similarly, it will make every effort not to fall into the trap of determinism. When working with Regulation theory there is a danger of suggesting that it was *necessarily the case* that the mode of regulation successfully adapted to prevent crisis or minimise contradiction in the regime of accumulation. Similarly there is a danger of presenting the resolution to crisis as inevitable: Post-Fordism *spontaneously and inevitably* arose in response to the failures of Fordism. Note I do not accuse Regulation theorists of doing this: I only mean to say that it is important to establish what one means when one describes institutional elaboration.

Institutional elaboration is the result of agentic decisions, which are often uncoordinated and always the result of some individual's or individuals' judgement. This appears to be belied by the fact that we often observe such institutional **coherence** (Boyer, 2005) at a given moment of analysis: the mode of regulation so effectively meets the demands of the regime of accumulation that it could not have been created by the uncoordinated actions of many individuals. This resembles the watchmaker fallacy, that upon finding a watch on the beach one can only conclude that such a complex instrument was created by a watchmaker. In our case, the watchmaker we might be tempted to credit for institutional coherence, or might forget to discredit, is some form of determinism. But in fact when we see a coherent mode of regulation, we must recognise first that it is only coherent to a point, and contradictions nonetheless abound; and second that it was arrived at by many individuals acting both according to their perceptions of economic structures and by a process of trial-and-error. For example, a policymaker who sees oncoming crisis and modifies an institution to deal with it will do so according to her perception of the prevailing economic structures – which may be very accurate and thus lead her to a successful institutional elaboration. But in any case if her perception is off or the elaboration is for any other reason unsuccessful, the crisis will not be resolved, the institutional elaboration will be identified as unsuccessful and either undone or supplemented by further elaboration. Meanwhile, a firmowner may be aware of this institutional elaboration and react accordingly, say in the pay structures of his employees. And other actors change behaviour in other ways. An observer stuck at the level of economic structures may only see oncoming crisis and then many institutions changing to meet the crisis, eventually successfully (although successful elaboration might take some time, see Financial Crisis 2008-ongoing, and is not assured). The teleological analysis would see determinism, but the more careful examination would reveal that many actors in their individual and institutional capacities changed behaviour in an iterative way until relative stability was once again achieved. Thus there need be no determinism in our analysis.

The noneconomic and the economic

Apartheid comprised a great number of institutions many of which on face value had little to do with the economy. For example, the Mixed Marriages Act (1948) and Immorality Act (1948) which banned marriage between members of different races, and sex between members of different races, respectively. Although it would be disingenuous to suggest that these had only an economic role in the apartheid system, with a little analysis we can understand the role they played in the mode of regulation.

The apartheid regime of accumulation was, as we will see in later chapters, largely designed to deliver cheap African labour to white capital. To this end the apartheid government implemented the Population Registration Act (1948) which formalised racial categories and assigned them to people. This made it possible for the government to, for example, limit the movement of

African people through labour bureaux and the Group Areas Act (1948), which (as shown later) kept wages low. Thus the Population Registration Act represented part of the mode of regulation. Influx control (as control of the movement of African people was known) kept wages low by keeping African wives and children in rural homelands, but allowing African husbands to take migrant work in the cities. Thus it was predicated on intra-race marriage: hence the Mixed Marriages Act also served as part of the mode of regulation. And once racial categories were designated, it was necessary (for the continued functioning of the system) to ensure that racial distinctions obtained in subsequent generations, which would be threatened by interracial relationships; hence the Immorality Act served as part of the mode of regulation. As shall be discussed later in this paper, even these "noneconomic" measures of apartheid were deliberately implemented so as to serve white capital.

Chapter 3: The Apartheid Mode of Regulation

This chapter will argue that apartheid was a particular mode of regulation corresponding to a regime of accumulation dominated by mining and agriculture, with a "second economy" of subsistence farming that cross-subsidised the reproductive costs of African labour. Specifically, apartheid was "the system of legalised, institutionalised race discrimination and segregation that… were extended and systematically tightened by the National Party (NP)" (Lipton 1988: 52) from the time it took power in 1948.

The regime of accumulation

After the Second World War, the South African economy was dominated by mining and agriculture (Lipton, 1988). These sectors' interests were enough aligned, and its political cooperation such, that it has been referred to as the "gold-maize alliance" (Lundahl, 1989). The gold deposits of the Witwatersrand are marked by ore with a very low gold content: with an average of five grammes of pure gold produced per tonne of mined and processed ore (Fine, 1995). Thus a huge quantity of ore had to be dug up, from enormous depths: up to five kilometres below the surface. The mines were thus extremely dependent on unskilled labour (Lundahl, 1989). Furthermore little capital equipment was produced locally, leaving all industry dependent on imports. This meant that improvements in capital technology were wielded only for increases in productive capacity in this period; not to replace existing capital equipment: thus "capital-deepening (increased capital intensity) occurred primarily as part of capital-widening (extending production capacity)" (Gelb, 1987). As a result "the increase in the capital-labour ratio was limited compared to the ACCs [Advanced Capitalist Countries] where implementation of new technologies generally involved scrapping of existing equipment." (Gelb 1987: 5-6).

Mining and agriculture shared the important property of being heavily dependent on a) cheap unskilled labour and b) foreign markets; and were thus particularly suited to profit from apartheid, at least until the 1960s (Lipton, 1988). Importantly, unskilled African labour was scarce throughout southern Africa in this period (Lipton, 1988), meaning that apartheid's measures of labour control were essential for the performance of these industries – especially considering that African peasant production was a viable alternative to working for White capital: "it was thus difficult to secure the requisite labor without simultaneously raising wages" (Lundahl 1989: 829). Furthermore the immobility of the international gold price until 1970 meant that mining capital had to be aggressively minimize costs.

Such was, in broad terms, the regime of accumulation of South Africa's "first economy" (Mbeki 2003 quoted in Bond 2007). The "second economy", however, was just as vital: this was the noncapitalist production that took place in parallel, in the areas designated as African "homelands" many decades before. These had been established as sites of exclusively African, predominantly subsistence agriculture with the Natives Land Act (1912)[4]. South African capitalism developed both depending on, and destroying the noncapitalist relations of production that already existed (Wolpe, 1995): peasant agriculture in the homelands cross-subsidised the costs of African labour, sparing White capital the expense of reproduction: the young, the sick, those with disabilities, and the too old to work were all supported by homeland economies. "When the worker was ready to retire, the employer typically left him a pittance, such as a cheap watch, not a pension that allowed the elderly to survive in dignity." (Bond 2007: 8). But the extraction of labour from the homelands led to severe underdevelopment. By the 1920s, the homelands could no longer compete with White commercial farmers; surpluses had dried up. Thus apartheid "can best be understood as the mechanism… of maintaining a high rate of capitalist exploitation through a system which guarantees a cheap and controlled labour force, under circumstances in which the conditions of reproduction (the redistributive African economy in the reserves) of that labour force are rapidly disintegrating." (Wolpe 1995: 67-8).

The migrant labour system led to widespread African poverty, conflict over wages and social structure, repression, and political resistance. In the 1940s 1 684 915 African man-hours were lost – nearly tenfold as many as the decade before – and the period was marked by squatters' movements, bus boycotts and the formation of mass oppositional movements of Africans, Coloureds and Indians.: "these were some of the signs of the growing assault on the whole society (and the structure of cheap labour power which underpinned it) which confronted the capitalist state in 1948." (Wolpe 1995: 79). English capital – especially mining – and the United Party were for resolving the contradictions in the system by allocating greater surplus to Africans from the White working class. However Afrikaans labour and capital instead supported greater control and repression of African labour (and others, such as Indian labour and petit bourgeoisie). This was the platform, named *apartheid* or "separateness", on which the National Party came to power in the 1948 election.

[4] These Acts have been renamed to replace "Native" with "African" since the end of apartheid, but I will be referring to them by their contemporaneous names.

The mode of regulation

Although racial domination had existed in South Africa in one form or another since at least the formation of the South African state, it was only under the National Party's policy of "apartheid" that it was systematized as a coherent policy programme.

From the very beginning, apartheid was constructed to serve the economic interests of Whites (Posel 1991 cited in Worden 2000). While hardliners within the NP had called for total, radical segregation with no interaction between the races, the faction that prevailed instead set up a pragmatic system, build on the existing migrant labour system, which served to enlarge the supply and reduce the cost of African labour. The Population Registration Act (1950) formalized racial categories and created a national register of people by race, and the Group Areas Act (1950) segregated cities by race. The Bantu Authorities act created state-controlled chiefdoms to exercise authority over African reserves, and the Abolition of Passes and Coordination of Documents Act (1952) in fact extended the pass laws to every African citizen, giving the government control over where every African lived, worked and traveled. To the same end labour bureaux had been established in 1951. From 1953 African workers could no longer strike, and in 1955 the Natives (Urban Areas) Amendment Act removed the residence rights of any African for any town unless they had been born there, or had worked there for fifteen years or ten years with a single employer. The Colour Bar reserved skilled work for White labourers.

Other apartheid acts, however, were not directly concerned with economics. The Mixed Marriages Act (1949) prohibited marriage between members of different races, and the Immorality Act (1950) made it a criminal offence to have sex with a member of a different race. These elements of the mode of regulation have to be understood not in terms of their direct effects, but for the role they played as part of a wider system. The Population Registration Act (1950) and other laws attempting to categorise South Africans by race were based on sociologically and biologically dubious theories of race and racial purity, which were undermined by the enthusiastic miscegenation that had happened in South Africa for at least three hundred years: after all, if White and African (or a person of any other colour) could fall in love, then perhaps the social or cultural differences between the two were not as great as had been imagined; and if the child of parents of different colours could be as healthy and as capable as her parents, or any other child, then perhaps the biological difference or incompatibility between the races had been overstated. Finally, and pragmatically, if people were not of distinctly different colours, it would be more difficult to institutionalize differential treatment: as it is, the apartheid state was forced to come up with a number of "measures" of race, none of which were based on science.

For example, the "pencil test" was used to distinguish between African and coloured [5]people: a pencil was placed in the person's hair and they were instructed to shake their heads. If the pencil fell out they were coloured; if it stayed, they were African; and their rights were determined accordingly.

I repeat a point made in the introduction: this is not an account of the origin of racist thought in South Africa. While there is reason to believe that the architects of apartheid were cynical enough to use their racism to construct a system of economic exploitation, they did not devise racism in order to make that system work; their racism was sincere. The point is that economic racial discrimination existed in a wider ideological framework, which was supported by the teachings of the Dutch Reform Church, the studies undertaken by racist academics, and the actions of Afrikaner Nationalist organisations such as the Broederbond, the Afrikaner Weerstandsbeweging (Afrikaner Resistance Movement) and the Ossewabrandwag (Ox-Wagon Brigade). In other words racial economic domination and beliefs of racial hierarchies *cohere* (Boyer, 2005): each is more likely to exist as a result of the other. In fact they exhibit institutional *hierarchy* (Boyer, 2005): economic racism in some sense depends on, though does not necessarily entail, racial hierarchy. While it is unlikely that the National Party could have constructed a system of racial economic exploitation without the belief, of the electorate if not themselves, that African people were inherently inferior or at least fundamentally different, there were sincere proposals from those who thought Africans were inferior that there should ne no social or interaction between races whatsoever. This is what the hardline wing of the National Party called for in the 1940s – total segregation, without exception, with Africans banished entirely to the reserves – but they lost out to the pragmatists who instead built a system of direct racial exploitation (Posel 1991 cited in Worden 2000). Thus the apartheid mode of regulation included a set of ideological institutions that cohered with, complemented and underpinned its more directly economic institutions.

The gold-maize alliance

Rather than categorizing the entire South African economy, for example as "Fordist", it is important to understand the numerous and contradictory relationships between parts of the regime of accumulation and elements of the mode of regulation. In the South African example, these relationships

[5] Considered a separate race, "coloured" referred to people of historically mixed heritage. The coloured community in South Africa has a distinct cultural identity to this day.

broadly break down by sector; and the crucial alliance was until the 1960s between mining and agriculture.

Commercial agriculture was Afrikaner-dominated, and unlike English-speaking minebosses represented the electoral base of the Nationalist Party. We can see the results of this in how thoroughly farmers' interests were served by apartheid. White farmers had lobbied hard for early segregationist laws such as the Land Act (1913) which reserved 86% of the country by area for Whites and the remainder for Africans, and early pass laws which controlled the movements of Africans. Measures that restricted the access of Africans to urban and industrial centres were known collectively as "influx control". These laws enlarged the supply and reduced the cost of unskilled labour outside of cities, by keeping Africans from following higher wages to the towns. Influx control therefore directly benefited the farmers, insulating them from competition by other fractions of capital. Furthermore, farmers frequently managed to evade the Colour Bar that reserved skilled work for White workers. The Colour Bar, designed to maximize employment of White labour – another key constituency of the Nationalist Party government – had the effect of raising the cost of labour. But not on the farms, where skilled and management positions were frequently occupied by African and Coloured workers. This is an important reminder that institutions *as they are implemented in fact* are more important when examining the mode of regulation than *de jure* institutions.

Mining too benefited from apartheid, but in different ways. The minebosses supported the Land Act and other measures which kept African labour "plentiful, cheap and rightless" (Lipton 1988: 56). However they could not escape the Colour Bar; when they tried, the conflict with White labour was enormous: for example the bloody 1922 Rand Rebellion. "The fact that mine owners went to such lengths to challenge the job bar is an indication of its high costs to them." (Lipton 1988: 56). Farmers' preferential access to African labour meant the mines relied on labour from other countries that was more difficult to stabilize. A migrant workforce made investment in labour risky, little technological innovation leading to labour-intensity, and the fixed price of gold until 1970 meant profits had to be maximized by minimizing wages; thus instead the mines' interests were in keeping labour as cheap and replaceable as possible, and thus in an "exceptionally repressive and highly institutionalised form of apartheid" (Lipton 1988: 56). "The whole system hung together" (Lipton 1988: 56); that is, exhibited extensive institutional complementarity.

Conclusion

Thus we can see that from 1948 to 1960, apartheid was constructed as a politico-legal system so as to maximize the profitability and the stability of a particular configuration of the economy. That is to say, apartheid existed primarily as a mode of regulation to govern, to regulate, a particular regime of accumulation that maximized profits by relying on an abundance of cheap African labour guaranteed by the various structures of apartheid.

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