

# The Crisis of African Nationalism



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“Then everything includes itself in power,  
Power into will, will into appetite;  
And appetite, a universal wolf,  
So doubly seconded with will and power,  
Must make performe an universal prey,  
And last eat up himself.” – Shakespeare: Troilus and Cressida

“Seek ye first the political kingdom and all else will be added unto you –  
Kwame Nkrumah”

*With nationalist politics often underpinned by a shift towards populist economic policies, the ramifications of how this may manifest itself require exploration. Professor Charles Simkins explores the intersection between the ideological underpinnings of African Nationalism and the potential impacts of a shift towards populist economic policies in South Africa. Including a particular focus on current South African economic trends and challenges.*

## Introduction

Haruspication – the attempt to understand or foretell in obscure circumstances by means of signs – has been an enduring practice in human history. No Roman regiment would go into battle until an animal had been sacrificed and its entrails examined for good or evil omens. Russia watchers have long been reliant on Kremlinology, a style of analysis which, in the absence of reliable general information about the political system, seeks to make inferences from tiny and indirect, but visible, events. Such as positions in the reviewing stand for parades in Red Square. The financial community pores over the significance of small changes in successive central bank communications for future changes in the interest rate.

In our difficult and obscure circumstances, home grown haruspication takes the form of obsessive interest in the presidential succession, firstly within the African National Congress and then within the state. One can confidently predict an increasingly frantic reading of the entrails as the year wears on. In the end, of course, scheming, inducements and brawling will determine the outcomes. Before then, there will be no inside story to discover because the insiders will know no more about the final result than anyone else. Quite probably less. Recall the delusions of Mbeki supporters in 2007.

There have been calls by ANC elders for higher ethical standards, tinged by nostalgia for the 1990s, when it was possible simultaneously to claim the moral high ground, enjoy international approbation and pursue one’s interests. But that happy combination was a product of specific circumstances which will not occur again. Ethical behaviour on its own demands a level of austerity which few are ready to

accept. And the elders have also to reckon with the possibility that the next wave of indignant mobilization will be against the ANC, rather than for it. Just look around.

The sanest response to fevered speculation is a shrug – *que sera, sera* – and a brief thanksgiving that one is not oneself in the hell's kitchen of internal ANC politics. A more productive investigation will be to consider the reasons for the current crisis in African nationalism – present ever since its accession to power - with which any leadership will have to struggle. These reasons are tightly interlocking, but for the purposes of exposition they will be grouped under five headings:

- Political inclusion and exclusion
- Accountability
- Institutions
- Distributive issues
- Economic growth
- Political inclusion and exclusion

Symbol and gesture, as rhetorical devices, are always important in politics. They are particularly important in nationalist politics, as it struggles to define and realise an 'imagined community'. While there was a conscious effort at the symbolic level to make the 'imagined community' inclusive in the early post-apartheid years,

the scope of the 'imagined community' has become narrower, and increasingly policed by violence. It was no accident, for instance, that the Afriforum students (predominantly Afrikaners) at the abortive National Education Crisis Forum Convention in March saw quickly that they were neither wanted nor safe. Nor is it coincidental that some refer to a possible change in government, a consequence of democratic rule, as 'regime change', a change in the political system.

That view is incompatible with the acceptance of loyal opposition, hence charges of manipulation by sinister forces such as 'white monopoly capitalism', restoration of apartheid or the neo-colonial machinations of foreign powers. Ironically, some South African discourse echoes the worst aspects of American identity politics: the strength of an argument becomes less important than the identity of a person advancing it.

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It is the mark of populist strategies to divide citizens into the 'real people' and their enemies – the 'foreign', the fifth column, the manipulative special interests and so forth – and then to mobilise against the enemies while claiming an organic relationship between political leaders and the real people, based on lived experience and a common suffering at the hands of these enemies. What need, then, for constitutions and laws, for checks and balances? The organic link confers legitimacy in a way that no legally based system can, and leaders should be free to act in terms of it in any way they can.

Are there not populist straws in the South African wind? "Democracy was good in the past, but it is flawed and it no longer works",<sup>1</sup> 'If you give me just six months to be a dictator, things will be in order',<sup>2</sup> 'The time for talking is past'.<sup>3</sup> It is quite possible – and, in fact, usual - to have simultaneously populist mobilisation and a narrowly defined dominant elite held together by patronage, an elite prone to suffer from democracy fatigue.

Moreover, many of the old nationalist tropes have become antiquated and worn out with use. ‘We led you out of Egypt’ no longer works as well as it did,<sup>4</sup> and ‘a good story to tell about service delivery less plausible at a time of declining living standards. The way to deal boredom with political speech is the way in which producers of a tired TV soap prolong its life. You have to spice it up, often outrageously. The effect is usually temporary; the more gothic a TV soap becomes, the nearer it is to the end. But entertainment is one thing, politics another. The way of prolonging the stimulus of outrageous political speech is to take outrageous action, for which an authoritarian political environment is needed.

## Accountability

The Constitution embeds the principle of accountability firmly, the words ‘accountable’ and ‘accountability’ occurring more than fifteen times in the Constitution.<sup>5</sup> Yet it is weakly represented in South African practice. It can be enforced legally, but the law takes a long time and it is expensive. Normative acceptance is needed,<sup>6</sup> along with better institutional design.

The weaknesses are found at several levels. The first is the relationship of Parliament to the people. Section 46(1) embodies the principle of proportional representation, but the form which we have effectively makes parliamentarians accountable to party leaders rather than constituents. It is not impossible legally to change the balance<sup>7</sup>, but it is very difficult to change it politically. The second is the accountability of the executive to the legislature. It is not politically unacceptable that Ministers do not regard their appearance before parliamentary committees as taking priority over all other business. Equally, strong conventions about the neutrality of the Speaker are lacking and insufficient efforts are made to prevent walkouts, even in the face of provocative behaviour by the EFF.

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Administrative accountability is also weak, partly for reasons discussed in the next section, and partly because of arrogance and cover-ups of incompetence, irrationality and corruption.<sup>8</sup> Additionally, cadre deployment, when applied to administrative rather than political appointments, is toxic. It fatally undermines lines of accountability, blurring the lines between state and party.

## Institutions

One clear theme arising from the renewed interest in growth theory in recent decades is the importance of institutional development for economic development. The corollary is that institutional decay damages development, the thesis of Francis Fukuyama’s *Political order and political decay*, published in 2014.<sup>9</sup> How do things stand with us?

Certainly, and predominantly in the early post-apartheid years, there was institutional development in the fields of co-operative governance and public finance, and the formation of specialist agencies to perform new functions. But there have also been developments – severe of late – leading to institutional decay, caused by the following interlocking factors:

- *Churn.* There is a remarkably rapid turnover of directors-general and chief executive officers of state owned enterprises.<sup>10</sup> This is a consequence of unresolved conflict between political and administrative heads, resulting in

intrigue, breakdown of relationships and early terminations of contracts, usually accompanied by substantial pay out settlements.

- *Loss of institutional memory.* This is partly a consequence of churn, and partly a consequence of strong affirmative action in the public sector at senior administrative levels.
- *The piggy bank effect.* In February 2016, the Minister of Finance, Pravin Gordhan warned that the Treasury was not a piggy bank for state entities to dip into. ‘What you have is the phenomenon of state capture where basic control mechanisms are lost,’ he said.<sup>11</sup>
- *The consequences of strong men.* Apologists for authoritarian systems like to emphasise that they are efficient in ways that democracy cannot match. The reality is often quite different, with a chaotic competition between institutions and elites for strong man approval, while the strong man himself disrupts institutions which stand in the way of his interests.

One casualty of institutional disarray, sometimes overlooked, is political party coherence.

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## Distribution

Distributive issues are at the heart of politics everywhere. The particular form taken by conflict over distribution takes depends on history and current configuration of the social system. One possible outcome is revolution, though that depends on collapse of will and coercive capacity of the *ancien regime*. Another is social democracy, in which the costs of a revolutionary strategy are apparent, particularly in the form of a sharp dip in national output lying between existing circumstances and benefits accruing to the winners.<sup>12</sup>

The best forms of redistribution we have seen is the delivery of housing and associated services and the social grants system, reaching many beneficiaries. Two aspects of the distributive struggle have been more problematic: wrangles about the racial pattern of ownership and employment equity. It is difficult enough to estimate total wealth – Credit Suisse puts it at one trillion US dollars in 2016<sup>13</sup> – and practically impossible to determine its distribution by race. Ultimate beneficial ownership is filtered through ownership of shares in public companies, members’ interest in long term contractual savings schemes, such as retirement annuities, and trusts and the like. These create veils that are impenetrable. The Land Audit – quite apart from the fact that it could not find records of ownership of large parcels of land – was frustrated in its attempt to determine the racial distribution of ownership because much land is owned by trusts and companies, to which it was impossible to ascribe racial identities. What the promised pre-colonial land audit will come up with is anyone’s guess,<sup>14</sup> though the intention is to amend the constitution to permit land restitution without compensation following its findings.<sup>15</sup>

In any event, at the end of the day, assets end up in the hands of those willing to hold them, as companies with employee share ownership programmes know. Many allocated shares will be sold to reduce debt or augment consumption, and more will be sold for portfolio diversification reasons. It is this fact which has engendered the

current stand-off about the ‘once empowered, always empowered’ principle in the mining industry, the resolution of which will have a major impact on its future.

If disputes over ownership threaten to destabilise the economy, the approach to employment equity sets itself up for perpetual disappointment. The reason is that it uses the national race and gender composition of the economically active population as a standard to assess the actual race and gender composition of top management, senior management, and professional and technical employees. But that is not the appropriate standard. What matters is the composition of qualified people who present themselves at the factory gate, and the composition of people within the organization by qualification and experience. Both are likely to be sharply different from the EAP standard. Doubtless, this is, in substantial measure, a result of inequality of opportunity in earlier stages of formation, but inequality needs to be tackled where it occurs. Loading it all on to employment equity is both inefficient and unjust. One consequence has been the demobilisation of human capital held by minority groups – capital which, by its nature, cannot be redistributed.

Matters are not helped by a stubbornly high Gini coefficient before taxation and expenditure, though a redistributive fiscal configuration means that the coefficient after taxation and expenditure is considerably lower.<sup>16</sup> A lower market-based Gini coefficient requires reduction in unemployment and reduction of increased dispersion in the upper half of the wage distribution,<sup>17</sup> for which a more plentiful supply of skilled labour is a necessary condition.

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## Growth

The material backdrop to all the rest is lacklustre growth. Based on an index of 100 in 1994, IMF estimates and projections put the output of emerging market and developing economies in constant US dollars at 508 in 2021. The corresponding projection for South Africa is 143. And we are currently in the middle of a particularly dismal period. Real per capita GDP has been declining since 2013 and it is not expected to reach the 2013 level by 2021.

While growth is not a sufficient condition for the reduction of poverty and shared prosperity, it is surely a necessary one over the longer term. South Africa has not been short of advice about how to improve its growth performance. But almost none of this advice has been taken. Why?

For two related reasons. The first is a nationalist intuition that, despite a highly redistributive fiscal system and despite black economic empowerment, there are still resources to be gained by sufficient pressure and that investing in this pressure will produce larger gains in a shorter time than growth. The intuition was given a powerful boost by the fact that a few people grew rich as Croesus in the immediate post-apartheid years by just these means. Where’s our cut? goes up the cry. One can see it among university students. The money’s there! What we have to do is apply the pressure necessary to pop it out. The result ranges from increasingly inefficient policies, such as preferential procurement, to brazen corruption, all of which raise costs in the private and public sector alike.

Secondly, as both the World Bank and Ricardo Hausman, the chair of the International Panel on the Accelerated and Shared Growth Initiative that advised

the South African government between 2004 and 2008, have pointed out, South African growth is critically dependent on export growth. This means competition in global markets, not compatible with a high domestic cost structure from which rents are continuously being extracted. A counter-impulse of economic introversion develops. Keep the money here – circulating within South Africa, and within preferred communities. The downside is the failure to exploit the gains of trade, including the ability to break out of narrow domestic markets.

While efficient small business development is highly desirable and finds support in the private and public sector, differential treatment of business by perceived racial identity is not. Michael Spicer, in *FOCUS 78*,<sup>18</sup> has set out the history of the dysfunctional relationship between government and business, in substantial measure a consequence of the salience of race, sapping the will and ability to build a unified future.

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Growth studies have found that economies can bounce back after large scale destruction of financial and material capital, but that destruction, or absence, of human capital has more severe consequences.<sup>19</sup> And, in fact, despite the conclusion in the 2016 Employment Equity Report that transformation is moving very slowly, the report finds that Black/African professionals now outnumber their White counterparts. Of the four categories, change is most rapid among this group and it shows that higher education, with all its problems, has been producing results, Until now. More resources allocated to the sector will only help when disruption comes to an end, and the longer it goes on, the more extensive will be the haemorrhage of human capital from the universities, and the drop in community support.

At the same time, technical and vocational education and training colleges are struggling to cope with the rapid rise in enrolments in recent years, with consequent very high student to staff ratios. This sector is more poorly organised than the universities. Greater attention is being paid to getting learners through senior secondary school, though the jury is out on net value added to skills.<sup>20</sup> General education (Grades R to 9) is a swamp where the effects of poverty are exacerbated by one of the most widespread forms of rent extraction: teacher consumption of leisure on the job, and associated school disorganization. In this, African nationalism contrasts strikingly with Afrikaner nationalism where community pressure on the school system worked.

Another feature of our system is the difficulty the political system has in dealing with low growth. The reason is best expressed by Woody Allen:

A relationship, I think, is like a shark, you know, it has to constantly move forward or it dies, and I think what we got on our hands is a dead shark. - Annie Hall

The patrimonial shark has to keep moving. It becomes particularly aggressive when new food is scarce.

## Conclusion and prospects

The sixth round of the Afrobarometer survey, administered in South Africa, in

2016 found that 64% of respondents held that democracy was preferable to any other form of government, with 15% saying that they were indifferent and 17% saying that in some circumstances non-democratic government can be preferable. However, in response to the question: If a non-elected government or leader could impose law and order, and deliver house and jobs, how willing would you be to give up regular elections and live under such a government? 32% replied they would be very willing and a further 30% said that they would be willing. This points to an ambiguity in popular support for the Constitution: was it simply a means for removing white hegemony, or is it widespread commitment to the democracy for which it is the framework? Certainly, there are voices saying that the Constitution was an acceptable compromise in the mid-1990s, but that it has now served its purpose. On this view, the Constitution is regarded as needing radical revision, or even suspension.

The African nationalist project is more unstable now than at any time in the past twenty years, and it may well lurch into the direction of a populist adventure, especially in the context of stalled globalization and rising authoritarianism round the world. If it does, the experience of Latin America is that it could result in a lost decade, and the experience of Africa indicates that the damage could last longer still. Hugo Chavez's populist experiment in Venezuela was underwritten by high oil prices. Once they collapsed, it was in trouble. We don't have that cushion: prices for our commodity exports may improve modestly over the coming years. More than that we cannot rely on. So populism would lead to further and immediate economic decline. Significant elites can see this, but to foresee is not necessarily to be in a position to forestall.

There is an alternative. Struggling to emerge in a dominant party democracy is a multi-party configuration, based on interest rather than symbol, struggling to emerge. Multiple parties are normally promoted by proportional representation, in which interests compete for popular support in elections and then negotiate coalitions in parliament. There are risks: democracies have failed because of the inability to compromise and adjust. But a multi-party system would ventilate issues more thoroughly among the public and in parliament, reviving a partially moribund institution. It would contain more checks and balances. A necessary condition for its emergence is a change in the pattern of electoral support.

One thing is for certain: we cannot continue as we are.

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#### NOTES

- 1 Hlaidi Motsoeneng
- 2 President Jacob Zuma
- 3 Fees Must Fall
- 4 We remember the fish, which we did eat in Egypt freely; the cucumbers, and the melons, and the leeks, and the onions, and the garlic: but now our soul is dried away: there is nothing at all, beside this manna, before our eyes. Numbers 11: 5-6
- 5 Sections 1, 41, 55, 70, 92, 93, 116, 133, 152, 181, 195, 196, 215, Schedule 6: Annexures B and C
- 6 'Write all these thy laws in our hearts, we beseech thee'. Response to the reading of the Ten Commandments, Book of Common Prayer 1662
- 7 See 'In defence of proportional representation', HSF Brief, 20 September 2016
- 8 We have moved too little from the apartheid days when letters to a Minister could receive the reply: 'The Honourable the Minister directs me to tell you that he is not interested in the least in your opinions.'
- 9 Francis Fukuyama, Political order and political decay: from the industrial revolution to the globalization of democracy, Farrar, Straus & Giroux, 2014.
- 10 On this see Millions spent on out of work DGs, Mail and Guardian, 20 September 2014.
- 11 As reported in Gordhan asks public to help keep SOEs in line, Business Report, 26 February 2016
- 12 See Adam Przeworski, Capitalism and social democracy, Cambridge University Press, 1985
- 13 Credit Suisse, Global Wealth Report 2016
- 14 On this, see Aninka Claasens, Pledge of precolonial audit is a way to distract from fruits of patronage, Business Day, 9 March 2017
- 15 SA News, Government to conduct per-colonial land audit, 15 February 2017
- 16 On this see, Ingrid Woolard, Rebecca Metz, Gabriela Inchauste, Nora Lustig, Mashekwa Maboshe and Catriona Purfield, How much is inequality reduced by progressive taxation and government spending?, Econ 3x3, 2015.
- 17 See Martin Wittenberg, Analysis of employment, real wage, and productivity trends in South Africa since 1994, Conditions of Work and Employment Series No. 45, International Labour Organisation, 2014
- 18 The business-government relationship: what has gone wrong?
- 19 See Daron Acemoglu, Introduction to modern economic growth, Princeton University Press, 2009
- 20 When the number of learners progressed from Grade 11 (i.e. allowed to enter Grade 12 without passing) able to achieve Bachelors passes in the National Senior Certificate in the next year is substantial, some questions must be asked about the reliability of assessment.