

Corporate Capitalism and South Africa

Nothing so testifies that the U.S. Position on South Africa is long, as the inability of the U.S. government to admit what its position really is. For almost 20 years, the U.S. has officially condemned the South African institution of apartheid, yet in that very time period U.S. corporate investment has experienced an economical increase. Similarly, in spite of U.S. laws disallowing military shipments to the South African government, the armed forces of South Africa – now the largest in the continent – have nevertheless been extensively supplied with United States weaponry. The paradoxical and hardly neutral position of the United States government with regard to the present South African regime is itself linked to larger developments which will be the focal point of this article.

In particular, I hope to show how the dynamics of capitalism and the institution of apartheid have been and continue to be inexplicably linked in South Africa. In so doing, I will refute the position taken by the *verligtes* – or white ‘reformers’ in South Africa – as well as by corporate apologists in the United States, namely, their argument that capitalism and apartheid have somehow been incidental to each other, that the political solution to apartheid is simply the further development of corporate capitalism in South Africa. This view has been succinctly presented in the *Financial Mail*, South Africa’s leading business weekly: ‘Every extra rand interested is thus another ray of hope for those trapped on the dark side of apartheid, every extra job created is another step toward the peaceful transition that the inexorable process of economic life will impose’ (11 September 1970).¹

In dealing with the present situation in South Africa, I will address several issues: *First* – what apartheid specifically entails, along with an examination of how it is interdependent with multinational corporate expansion: *second* – the way in which racial laws have been consistently installed to meet *economic* needs of the white minority in South Africa: *third* – the internal contradictions of the present system that show it to be as structurally doomed as the institution of apartheid is ethically abhorrent.²

1 An excellent refutation of the *Financial Mail* editorial can be found in Litvak, De Grasse and McTigue 1978, pp. 11–12.

2 For the internal contradictions, see especially Gelb and Saul 1981.

Apartheid as it now exists was instituted in 1948 when the Afrikaans-speaking whites (Afrikaners are South African whites of Dutch ancestry) won control of the South African parliament from the English-speaking whites. The victorious Nationalist Party, which has been in power ever since, codified the already existing racism into a specific social system. The ideology for this system is known as 'apartheid' – which in Afrikaans means 'apartness' – and it supposedly involves the total segregation of races, with a special programme for the separate development of each. Under this system, the native black African population has been denied local residency in all urban centres and in all 'white' rural areas, in spite of the fact that by 1948 over 25 percent of the black population was located in urban areas. Since then blacks have been forced to live only in designated African homelands – the so-called *Bantustans*. Although the blacks constitute around 75 percent of the national population, the Bantustans consist of only 13 percent of the land in South Africa – land which also happens to be the less fertile in the country. Thus, the other 87 percent of the land, which is both richer and far more developed, belongs to the whites, who make up around 16 percent of the South African population. In addition, the remaining 9 percent of the populace, that of the Asians and the Coloureds, is located in urban ghettos within the white reserves. *An immediate legal consequence of this land division is that three-fourths of the people in South Africa are relegated to the status of migratory citizens within almost 90 percent of their own country.*³

Although the institution of apartheid has separated *where* blacks and whites live, it has not totally segregated the races in accordance with the ideology of apartheid. Even in 1948, Dr. Hendrik Verwoerd, the major theoretician of apartheid, admitted that the ideal of total separation was simply not within the realm of possibility. The reason for this acknowledged inconsistency was simple. To have completely isolated whites from blacks would have undermined the white-controlled economic system, by eliminating the labour force upon which it was based. The human consequences of this contradictory system resulting from apartheid have been equally simple. Black Africans have been segregated from political power, social interchange, and educational rights even as they have been integrated economically within the system responsible for these deprivations. This process was aptly summed up in 1968 by then South African Prime Minister John Vorster: 'It is true that there are blacks working for us ... in spite of the ideal we have to separate them com-

3 See Litvak, De Grasse and McTigue 1978, pp. 16–25.