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# *Afterword: Labour, Insecurity and Violence in South Africa*

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## Introduction

In this special issue of the *Journal of Southern African Studies*, the editors invite us to consider the long, historically mediated relationship of labour, insecurity, and violence in South Africa. They do so attending to both continuities and discontinuities with the *longue durée* – the times of slavery, colonialism, apartheid, and post-transition.

Structural transformations in the economy leading to widespread job insecurity and mass unemployment, beginning in the early to mid 1990s, set the stage for subsequent analysis. Yet the editors stress that, even as the transition to democracy inaugurated a parallel transition to post-Fordism, aspects of the old racial Fordism<sup>1</sup> persisted. Thus the disappearance of secure employment and the emergence of flexible and contingent arrangements would continue to rely on race and gender hierarchies more in keeping with the high watermark of apartheid waged employment.<sup>2</sup> How and why is this possible? How is it that South Africa's purported entrance into world markets – its 'reintegration', so to speak – has relied on the old racisms of the shop floor?<sup>3</sup> And to what end? To be clear, these continuities with South Africa's past are less than absolute. If white bosses previously managed their industrial and agricultural workforces through forms of direct control and disciplining, a new stratum of black managers and foremen have emerged since 1994 to take on those responsibilities that previously 'shaped apartheid-era incorporation into labour arrangements'.<sup>4</sup> Altered as the chain of command may be, violence and insecurity endure as determining experiences of the South African workplace for local and immigrant labour. We are reminded that the present remains both continuous and discontinuous with the past.

Throughout this special issue, we see that many employers have gone to some lengths to 'rehabilitate' the workplace in the era of black economic empowerment, presumably with the aim of shifting public perception. The mines are a case in point. Long a hallmark of South African capital generally, paternalism on the mines in the past organized the relationship between labour and management. Critical to the project of disciplining labour, the compound system involved the most intimate forms of surveillance determining how miners slept, ate, bathed, relieved themselves, and even engaged in sexual relations.<sup>5</sup> Today corporate paternalism

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1 See H. Wolpe, 'Capitalism and Cheap Labour-Power in South Africa: From Segregation to Apartheid', *Economy and Society*, 1, 4 (1972), pp. 425–56.

2 See S. John and S. Gelb, *The Crisis in South Africa* (London, Zed Books, 1981).

3 See P. Bonner, 'African Urbanisation on the Rand Between the 1930s and 1960s: Its Social Character and Political Consequences', *Journal of Southern African Studies*, 21,1 (1995), pp. 115–29.

4 M. Bolt and D. Rajak, 'Introduction: Labour, Insecurity and Violence in South Africa', elsewhere in this issue.

5 See D. Donham, *Violence in a Time of Liberation: Murder and Ethnicity at a South African Gold Mine, 1994*, with photographs by Santu Mofokeng (Durham, Duke University Press, 2011); also see D. Rajak, *In Good Company: An Anatomy of Corporate Social Responsibility* (Stanford, Stanford University Press, 2011).

has re-emerged through purportedly benign policies of corporate social responsibility (CSR). CSR is both disarmingly well-intentioned and aimed at controlling the workforce in ways that confuse and conflate the state's and capital's roles in the biopolitics of employee health and welfare, whether in the informal settlements (given new 'living out' arrangements), the HIV/AIDS clinic, or the administration of pensions – to cite only three domains over which the mining houses still retain some sort of oversight. Yet as several contributors argue, CSR, linked as it is to a partnership between the mining industry, the state, and, for that matter, shareholders, can also result in the deadly force and state-corporate mediated violence of a Marikana. As with the new colour-blind managerialism,<sup>6</sup> biopolitics in the mines underwrite the violence, dangers, and insecurities of work more than two decades into the new democratic dispensation.

Again we are reminded as readers that the present remains both continuous and discontinuous with the past.

'Against viewing employment as the simple counterpoint to insecurity',<sup>7</sup> the editors and a variety of contributors stress both the ways in which those who are employed confront precarity and the ways in which the introduction of a whole apparatus of social assistance ensures, in part, a general level of well-being for those without formal work; some, presumably, labouring within the informal sector.<sup>8</sup> Whether the state's machinery of welfare alleviates poverty or merely keeps hunger and desperation at bay is much debated,<sup>9</sup> not least because precarity and insecurity are so widespread even among the nominally employed. In part, a long history of legislated discrimination affecting access to work, housing, education, and opportunity informs the ways in which large numbers of South Africans continue to labour in a vast informal sector. This is a sphere of activity that cannot be productive of value in any strictly formal sense, but a sphere of activity, none the less, in which the forms of life and conditions for specific forms of life are sustained and daily renewed. As in other parts of the continent, the informal sector has a decades-long history hinging on a detachment from the state as the 'antithesis of the state-made modern economy'.<sup>10</sup> And yet, as Keith Hart observes, this is a sector teeming with life activity.

Elsewhere I have argued that the turn to finance and the expansion of financial services, insurance, and real estate (FIRE) industries,<sup>11</sup> which now account for 23 per cent of South Africa's gross domestic product (GDP),<sup>12</sup> must be understood as directly connected to and even causative of deepening informalisation. And by informalisation I mean those economic activities and occupations existing beyond the formal economic sector as well as those conditions of life sustained through informal settlement and an ever-expanding sphere of life on the edge of

6 Cf. M. Burawoy, *Manufacturing Consent: Changes in the Labor Process Under Monopoly Capitalism* (Chicago, University of Chicago Press, 1979).

7 Bolt and Rajak, 'Introduction'.

8 See J. Ferguson, *Give a Man a Fish: Reflections on the New Politics of Distribution* (Durham, Duke University Press, 2015).

9 See A-M. Makhulu, 'A Brief History of the Social Wage: Welfare Before and After Racial Fordism', *South Atlantic Quarterly*, 115, 1 (2016), pp. 113–25.

10 See K. Hart, 'Informal Economy', in K. Hart, J-L. Laville and A. Cattani (eds), *The Human Economy: A Citizen's Guide* (Cambridge, Polity Press, 2010), p. 145; see also K. Hart, 'Informal Income Opportunities and Urban Employment in Ghana', *Journal of Modern African Studies*, 11, 1 (1973), pp. 61–89.

11 A-M. Makhulu, 'The Conditions for After Work: Financialization and Informalization in Posttransition South Africa', *PMLA*, 127, 4 (2010), pp. 782–99; see also S. Ashman, B. Fine and S. Newman, 'The Crisis in South Africa: Neoliberalism, Financialization and Uneven and Combined Development', *Socialist Register*, 47 (2011), pp. 174–95.

12 See OECD/AfDB, *African Economic Outlook*, available at <http://www.oecd.org/dataoecd/48/38/1826412.pdf>, retrieved 16 June 2016. After the 2008 financial crisis, the sector decreased its share of annual GDP. And by 2011, the National Treasury report 'A Safer Financial Sector to Serve South Africa Better' estimated that the financial sector, comprising banks and insurers as well as public and private pension funds, constituted only 10.5 per cent of annual gross domestic product. But as of 2016, that sector has once again expanded, Patrick Bond, personal communication, Johannesburg, 9 May 2016.

the majority of South Africa's cities.<sup>13</sup> Cape Town, as one example, is home to approximately 3.7 million people;<sup>14</sup> its largest informal settlement, Khayelitsha, accommodates slightly over 400,000,<sup>15</sup> while official municipal statistics indicate that fully 21.6 per cent of all households in Cape Town reside in informal dwellings.<sup>16</sup>

Again we are reminded of both how little and how much things have changed. If the 1970s marked redoubled efforts on the part of the state to contain black urbanisation, black migrants redoubled their efforts to settle in peri-urban areas on the limits of South Africa's cities. Then, as now, informal settlements expanded beyond the capacity of the state to contain them.

## Post-Fordism

The withdrawal of capital from fixed, large-scale, labour-intensive production and the transition to an economy concerned with the circulation of capital<sup>17</sup> characterises the transformation of many national economies from the 1970s and 1980s on.<sup>18</sup> But the consequences for South Africa have been both rather different and possibly more punishing, not least, at times, deepening enduring race, gender, and other forms of discrimination in the labour market. Noting just such a relationship in late 2010, Nic Dawes, writing in the *Mail and Guardian*, argued that South African regulators and analysts, and former finance minister Trevor Manuel himself were seemingly ignorant of the relationship between financialisation and redundancy, as the 2008 crisis spread to South Africa, wiping out 'more than a million jobs [and] about five years of employment creation'.<sup>19</sup>

Now, more than ever, the new 'mode of globalised economics ... produces socioeconomic growth without a commensurate increase in regular wage-paying work'.<sup>20</sup> If 19th-century peasant farmers were dispossessed of land and subsequently moved of necessity into the orbit of industrial labour, in the 21st century the mechanisms of dispossession are different.<sup>21</sup> Marx had already noted the ways in which processes of 'fictitious capital' formation wrung value from an immiserated labouring class, value that appeared to be 'automatically valorized by its [capital's] own powers'.<sup>22</sup> Attending to the case of interest-bearing capital, Marx described the mode of circulation in which, M-C-M' was transformed, such that money begat money or, as he characterised it, money became worth more money, acquiring a value greater than itself<sup>23</sup> (M-M').<sup>24</sup> Today that transition from a focus on production to a focus on exchange

13 A-M. Makhulu, *Making Freedom: Apartheid, Squatter Politics, and the Struggle for Home* (Durham, Duke University Press, 2015).

14 See Statistics South Africa, 'City of Cape Town', available at [http://www.statssa.gov.za/?page\\_id=1021&id=city-of-cape-town-municipality](http://www.statssa.gov.za/?page_id=1021&id=city-of-cape-town-municipality), retrieved 26 June 2016.

15 See City of Cape Town SDI and GIS, '2011 Census Suburb Khayelitsha', available at [https://www.capetown.gov.za/en/stats/2011CensusSuburbs/2011\\_Census\\_CT\\_Suburb\\_Khayelitsha\\_Profile.pdf](https://www.capetown.gov.za/en/stats/2011CensusSuburbs/2011_Census_CT_Suburb_Khayelitsha_Profile.pdf), retrieved 26 June 2016.

16 See Statistics South Africa, 'City of Cape Town'.

17 See E. LiPuma and B. Lee, *Financial Derivatives and the Globalization of Risk* (Durham, Duke University Press, 2004).

18 See, for example, D. Harvey, *A Brief History of Neoliberalism* (New York, Oxford University Press, 2005).

19 See N. Dawes, 'The Map is Not the Territory: The Financial Crisis is an Opportunity to Rethink South Africa's Place in the World', *Mail and Guardian*, Johannesburg, 13 December 2010–6 January 2011, p. 17.

20 See M. Murray, *City of Extremes: The Spatial Politics of Johannesburg* (Durham, Duke University Press, 2011), pp. 149–50.

21 See A. Muehlebach, 'On Affective Labour in Post-Fordist Italy', *Cultural Anthropology*, 26, 1 (2011), pp. 59–82. Cf. M. Samson, 'Accumulation by Dispossession and the Informal Economy: Struggles Over Knowledge, Waste and Being at a Soweto Garbage Dump', *Environment and Planning D*, 33, 5 (2015), pp. 813–30.

22 K Marx, *Capital, A Critique of Political Economy, Volume III*, trans. David Fernbach (London, Penguin Classics, 1991), p. 597.

23 K. Marx, *Capital, A Critique of Political Economy, Volume I*, trans. Ben Fowkes (London, Penguin Classics, 1990), p. 257.

24 In the 'General Formula for Capital', M-C-M' represents the circuit of production through which money – M – invested in the production process produces a commodity – C – which is then exchanged enabling the making of surplus value, namely money prime, or M'. With the dissolution of labour-intensive industrial production and the transition to financial speculation, C disappears and the formula is rewritten as M-M'. Money takes on the appearance of something with the capacity to produce more of itself.

or circulation seems without alternative. But in South Africa, where a long legacy of racially specific deskilling is still keenly felt, the mismatch between the skills required for the new economic conditions and the realities of a workforce primed for mining, manufacturing, and agriculture present structural problems on an unprecedented scale. Lest we forget, those inducted into Bantu education and restricted in employment opportunity through apartheid job reservation policies made up the bulk of the workforce in 1994.

In this special issue, contributors grapple with the consequences of the shift from production to exchange and from the making of things to the making of money through financial speculation. Many of the essays note not only the immediate consequences of redundancy, but some of the circumstances and conditions of the market itself: the high rates of profit and diminished wages; the supremacy of shareholder value; the sky-rocketing debt in households both rich and poor; bottom-of-the-pyramid lending and microfinance; the violence of the state, the violence of capital, and the violence that emerges from their collaboration. These and many other aspects of the new money economy define the conditions and consequences of financialisation without perhaps going so far as to theorise the intensification of pre-existing uneven relations. Indeed, as specific circuits of capital expand at much faster rates than others, in so doing they create two quite distinct arenas – the one speculative, the other given to contraction – together defining the new method of accumulation by dispossession.<sup>25</sup>

For those engaged in speculation, perceived investment risks must be secured through a process referred to as securitisation, which takes illiquid assets or groups of illiquid assets, restructuring them in such a way as to become securities to be traded. This, I want to argue, lies at the heart of the new financial regime: a regime that sees risk as divorced from the insecurities of a precariat, the risks of on-the-job injury and illness, or the risks of contingent and contractual employment. Rather, the dual logic of ‘risk’ and ‘securitisation’ encourages the privatisation of pension plans that place beneficiaries at risk while advancing the interests of financial institutions and their shareholders. This is precisely the means by which social grants come to be administered by corporate entities listed on both the Johannesburg Stock Exchange and the National Association of Securities Dealers Automated Quotations System (NASDAQ),<sup>26</sup> whose commitments to pure profit threaten or disregard the purported aim of social grants. By the same measure, shareholder value encourages profit-taking at the cost of workers’ security; it also, if indirectly, brings high rates of return in line with high rates of interest charged on the extension of unsecured credit to perilously underpaid employees. All in all, financial procedures bring security to investors and insecurity to those labouring to make profit for them. This, above all, is perhaps the highest contradiction of early 21st-century capital.

## Conclusion: ‘The Violence of Abstraction’

In this manner the labour objectified in the values of commodities is not just presented negatively, as labour in which abstraction is made from all the concrete forms and useful properties of actual work. Its own positive nature is explicitly brought out, namely the fact that it is the reduction of all kinds of actual labour to their common character of being human labour in general, of being the expenditure of human labour-power.<sup>27</sup>

In Chapter 1 of the first volume of *Capital*, Marx famously sets out the two-fold nature of the commodity – its use and exchange values – and, in so doing, defines the labour that produces the commodity and the two-fold nature of that labour, which is both concrete and abstract. For Marx,

25 See P. Bond, ‘Debt, Uneven Development and Capitalist Crisis in South Africa: From Moody’s Macroeconomic Monitoring to Marikana Microfinance Mashonisas’, *Third World Quarterly*, 34, 4 (2013), pp. 569–92.

26 NASDAQ, the first electronic exchange where investors can buy and sell stock, is both an exchange and an index, made up of approximately 4,000 stocks.

27 Marx, *Capital, Volume I*, pp. 159–60.

the utility, purpose or usefulness of a given skill – much like the concept of use value attributed to a yard of linen or a coat – represents something apart from labour understood as collectively organised within a system of exchange, and thereby reduced to its ‘common character’. I take this sense of labour in the abstract in two ways: on the one hand as exemplifying the necessary and total abstractions of the market, but also, on the other, following Derek Sayer, as denoting a process that is deeply violent. To be sure, Sayer’s claim about abstraction arises from his understanding of the potential theoretical reductions of Marx’s historical materialism. In *The Violence of Abstraction: The Analytic Foundations of Historical Materialism*,<sup>28</sup> Sayer attempts to rescue Marx from an orthodox Marxism that had long fetishised concepts such as base and superstructure, forces and relations of production, without reference to the empirical data from which they were originally drawn. After all, Marx’s rich empiricism itself defines *Capital* as both a work of critical political economy and rich history.

To offer a critique of abstraction in contemporary South Africa – to stress the financialised and securitised nature of the violence it inflicts – would require a much fuller understanding of the processes by which financialisation reduces all forms of value to itself: a ‘politics of subjection’,<sup>29</sup> following Lazzarato, that is spreading across the globe. But, in concluding, I want to offer a glimpse of what that might look like and a sense of the critique of the mechanisms of money-making that ought to be central to clawing back control of the economy from those who most manipulate it.

In a National Union of Metalworkers of South Africa (NUMSA) media release in 2010, the union drew important connections between prevailing conditions of contingency, un- and under-employment, and the central banking system, concluding that the lowering of interest rates and a tightening of exchange controls might ameliorate the problem of an economy opened up to global risk.<sup>30</sup> NUMSA would go on to highlight the dramatic rise in unemployment and deepening urban poverty since 1994, observing that, ‘with the exception of 2004, every year since liberation in 1994 until 2009’, profit rate increases had far exceeded wage increases.<sup>31</sup> This is a point that Thomas Piketty has very publicly made and one that, he has argued, quintessentially characterises the historical unfolding of capitalism generally, and, more narrowly, the course of those post-industrial economies in which finance has become so significant. For in as much as the rate of return on capital ( $r$ ) always exceeds the rate of growth of income ( $g$ ), the share of the social surplus enjoyed by labour is necessarily wont to decrease.<sup>32</sup> This, for Piketty, is the central contradiction of capital. In South Africa, however, this inverse relationship between work and remuneration points to a much longer history of super-exploitation, and to ‘a colonial society where profit came from coercive exploitation of cheap, unskilled labour’.<sup>33</sup>

To recognise this last in terms other than those of labour’s right to organise and to strike, and consequently perforce to die at the hands of the state, and instead to begin to think about the nature of violence committed at the hands of the financial system might well be a new starting point. NUMSA only begins to reckon with the ways in which monetarist policy places labour in the most precarious of situations, never mind those who exist in almost perpetual redundancy. But perhaps NUMSA’s strategy is a starting point in the ongoing struggle against the financialisation of everything.

28 D. Sayer, *The Violence of Abstraction: The Analytic Foundations of Historical Materialism* (Oxford, Basil Blackwell Publishers, 1987).

29 See M. Lazzarato, *The Making of the Indebted Man* (Amsterdam, Semiotext(e), 2011).

30 See ‘The Treasury and SARB are Failing to Manage Our Economy to Promote Growth and Development – We Need Much Lower Interest Rates and Tighter Exchange Controls!’ NUMSA Media Release, 1 November 2010.

31 *Ibid.*, p. 2.

32 See T. Piketty, *Capital in the Twenty-First Century* (Cambridge, Mass., Harvard University Press, 2014).

33 See H. White, ‘A Post-Fordist Ethnicity: Insecurity, Authority, and Identity in South Africa’, *Anthropological Quarterly*, 85, 2 (2012), pp. 399–400.