

# Regionalisation, Federalism and the Reconstruction of the South African State

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It is widely agreed that South African capitalism has faced a sustained crisis of political legitimation and economic accumulation since the early 1970s. (1) The intensification of this crisis in the 1980s has generated a new sense of urgency within the ruling groups. The state's short-term response to the current crisis, and indeed its longer term reform programme, are directly subject to the changing balance of forces in society. However, even as the state and oppositional groups do battle on a "tactical" field of conjunctural action, elements within the ruling groups, both inside and outside the state, are attempting to map out a longer-term "strategic" terrain of action within which they hope to con-fine future battles. These more advanced reformers are look-ing to solutions that go well beyond those associated with Wiehahn/Riekert, the "Koornhof Bills", the new Constitution, and the confederation of ethnic states: that go beyond, in other words, the package of ruling group initiatives commonly referred to as "Total Strategy".

This paper will focus on one dimension of this process of reformulation: the search for new spatial co-ordinates for the restructuring of South African capitalism.

Ruling groups have indentified two major obstacles that need to be overcome before a capitalist form of state can be legitimated in South Africa and the process of capital accumulation rejuvenated. Firstly, the politicisation of social relations resulting from "excessive" state intervention in the provision of goods and services, coupled to the racially structured form of this provision and of the wider system of domination. Secondly, the "negative" economic effects of the interventionist and apartheid aspects of the capitalist state - effects which include the fiscal crisis, inflation and the

- regional policy -

inefficient utilisation of resources.

It is against this background that a consensus is now emerging amongst the most powerful elements in the state and capital over the importance of the following objectives:

1. The depoliticisation of society through a narrowing of the range of social issues subject to political contestation. This has two aspects:
  - a) The reduction of state involvement in the creation and distribution of wealth, employment and welfare. Both the state and capital currently argue that market forces can allocate resources more efficiently than the state.
  - b) The deracialisation of these state interventions and of certain formal institutions of political domination.
2. The decentralisation of policy formulation and implementation including the devolution of authority over welfare expenditures to regional and local government, and as far as possible the privatisation of such services.
3. The continued centralisation of powers concerned with the maintenance of order, as well as the retention of the capacity for "pragmatic" economic intervention by the central state to correct market failures.

As part of the search for more developed solutions, sections of the ruling groups have begun to explore the possibility of demarcating new spatial units of planning, administration and representation that cross-cut or by-pass existing, highly politicised spatial units - such as the bantustans and group areas. These existing spatial units have been identified as a source both of economic inefficiency and political instability. The purpose behind identifying new spatial forms would therefore be to disorganise oppositional groups that have challenged existing spatial boundaries and the systems of political representation predicated upon them; and to provide the spatial framework for a renewal of capital accumulation. A new set of "depoliticised" spatial concepts - like development and metropolitan regions - and new approaches to political representation predicted on these spatial forms - like federalism - have gained dominance in the strategic thinking of the ruling groups.

The objective of this paper is to analyse the ways in which the ruling groups - in their planning forums, academic institutions and commissions - are re-conceptualising spatial

forms, in order to facilitate and manage the development of new patterns of domination, exploitation and social reproduction. In addition, we will identify areas in which the restructuring of spatial forms has already begun. The post-1981 regional economic development package; evolving systems of local and regional government; labour and urban policy; even the confederation of states represent a substantial departure from the ways in which spatial boundaries were conceptualised under traditional apartheid. We will argue that these changes, and the conceptual reformulations informing and being informed by them, potentially constitute the beginnings of a wider-ranging reformist project.

### The ruling groups and regional-federalism

The crisis and questioning of the spatial assumptions of traditional apartheid is occurring across the entire field of state intervention in South Africa. Whether in the context of political representation, labour control and settlement policy or spatial economic planning, sections of the political elite have begun to organise opposition to existing policies, and to debate alternatives.

After 1979 reformers both inside the state and in the wider verligte and liberal communities, began to recognise that the Verwoerdian vision of parcelling South Africa up into independent ethnic states was unrealisable. It had become obvious that the bantustans - the essential pillars of apartheid - were unable to achieve either economic autonomy or political legitimacy. Economically impoverished and reliant on the South African economy, their re-integration into a common economic planning and political framework was increasingly seen as inevitable - notwithstanding the granting of independence to Venda in 1979 and Ciskei in 1981.

Publicly, the government has conceded to no more than the possibility of an ethnically based confederation - in effect an international agreement between supposedly independent ethnic states and South Africa. (2) However, important interests located inside and outside the state system have argued vigorously for a federal-type (3) state based on spatially reconstituted political units which would cross-cut, by-pass or supersede the provinces and bantustans.

- regional policy -

Amongst the various forms of federalism in discussion one conception, which we regard as particularly important, visualises the construction of the second tier on economically defined spatial units. The eight development regions (see Appendix A) presented by the state at the Good Hope conference in 1981 are being seen by many as the most suitable units for this purpose. (4) In this approach to federalism, development planning and administration within these regions - particularly controls over the spatial location of industrial and residential areas - would be tied in to the second and third tiers of government, and the fiscal systems corresponding to these levels. The installation of a regional-type federal system is regarded by its advocates as necessary both to resolve the crisis of african political incorporation and to re-establish conditions favourable to economic expansion.

Influential groups who are known to be pressing for federalism in one or another form include English-speaking reformers, several bantustan leaders, certain Afrikaner verligtes and organised mining and commerce.

The concept of federalism has a long lineage in the English-speaking reformist community. (5) The Progressive Party, associated since its inception with big business, advocated a federal formula as far back as 1962, following the recommendations of its internal Molteno Commission. The United Party (UP), adopted a federal programme in 1972, and its successor, the New Republic Party, has advocated a federal/confederal option for South Africa. (6) Both parties view african urbanisation as inevitable and accept as a corollary that sections of the african population must eventually be politically accommodated in some way within central political institutions. Backed by big business, both oppose the policies of influx control and state-induced industrial decentralisation as traditionally conceived and implemented by the National Party.

Impatience with the lack of substantial constitutional restructuring in the late 1970s led some English-speaking liberals to consider a regional-type solution for Natal/KwaZulu. The Buthelezi Commission, which reported in 1982, favoured a consociational (7) rather than federal framework as an interim solution for Natal/KwaZulu and South Africa. It argued for a regionally-based administration for Natal/KwaZulu superseding existing provincial and bantustan areas of jurisdiction. (8)

The report hinted that a federal system, in which Natal-KwaZulu made up one of a number of regional units, provided a better long term solution to the question of national political representation than did the consociational model. (9)

If ethnic confederalism has any natural supporters, they are the black elites in the bantustans. Indeed, some bantustan leaders - for example Sebe of the Ciskei and Mphahlele of Venda - have supported ethnic confederation and have resisted the idea of a spatially re-constituted federation in which bantustan independence would lose its "Verwoerdian meaning". (10) For a confederation to succeed, the central state would require that almost all bantustan leaders - and particularly strategically powerful ones like Buthelezi - accept independence and then agree to enter into an international arrangement binding them to South Africa. Such agreement has not been forthcoming and leaders of both "self-governing states" (KwaZulu, Lebowa, Kangwane, Gazankulu and Qwa Qwa) and at least one "independent" bantustan (Transkei) have openly rejected Pretoria's schemes for confederation - in favour of a federation. In July 1983, the leaders of these bantustans issued a declaration of intent in which it was stated that, in the event of their opting for a constitutional arrangement, they would structure it on a regional, non-racial and non-ethnic basis. (11)

As regards Afrikaner verligte reformers, there is at present considerable ferment, both within and outside the National Party. Although the term has come to embrace a wide range of groups, it is primarily those attached to the NP who concern us here: it is they who have most effectively used the apparatus of the NP to secure "change from within", and who enjoy the backing of Afrikaner-speaking and, in growing numbers, English-speaking big businessmen.

Within this group there is a debate between those favouring a broadly confederal solution for South Africa and those advocating a spatially re-constituted regional-type federation or even a unitary state. (12) A landmark in the conceptualisation of regional-type federalism within verligte circles is the Lombard Report, commissioned by the Natal Sugar Association to investigate alternatives to the consolidation of KwaZulu. This report recommended the establishment of a three level authority system within Natal/KwaZulu, the building

- regional policy -

blocks of which were to be "natural constituencies" defined as "collectivities of people with a high degree of shared values about matters which have political implications". The three levels are: 1) self-governing economically viable, local authorities; 2) three sub-regional authorities comprising KwaZulu, the "White-Rural Corridor Area" and the Durban-Pinetown area; 3) an integrated Natal-KwaZulu authority with legislative powers vested in an assembly elected from the three sub-regions. (13)

Associated with these different positions over the appropriate form of state is a dispute between those who see industrial decentralisation in traditional terms (as a means of propping up bantustans perceived as the future members of a confederation), and those who advocate the dispersal of industry as part of a regional development strategy (aimed at securing viable economic bases for the regional political units of a future confederation or federation). (14)

More recently, this debate has focused on the issue of influx control. On the one side are those who adhere to the Riekert formulation whereby influx control is used to divide Africans in white South Africa from those residing in the bantustans. Those favouring a regional approach argue for a policy of "planned urbanisation" in which the entire workforce of a region is treated as part of a single labour market, albeit one segmented on both an intra-metropolitan and urban/rural basis. Population movement within and between these regions should, in this view, be regulated by means of industrial and residential deconcentration rather than traditional influx and pass controls. (15)

Planned urbanisation and industrial deconcentration measures, as conceived in this approach, imply vigorous state economic intervention to restrain the tendency for industry, commerce and people to concentrate in South Africa's metropolitan centres, and to encourage a more even geographical distribution of jobs, income and welfare. (16) Indeed, the reduction of extreme regional inequalities is seen to be an essential prerequisite for successful introduction of racially inclusive decentralised political structures because the persistence of regional economic inequalities would, in this view, fuel the demand for central state redistributive interventions which could threaten economic efficiency and profitability.

For its part, big capital, after some initial enthusiasm following the Carlton Conference announcement that the state was replacing traditional decentralisation policy with a focus on deconcentration, has become increasingly sceptical about the scale and form of industrial deconcentration policies implemented since 1982. (17) In late 1984 organised big business and commerce launched a campaign against the system of influx control, arguing that the consequences of unregulated african urbanisation can be more effectively dealt with within the metropolitan areas than in terms of either direct or indirect state controls aimed at keeping people out of them. (18)

Bitter opposition from black people to the tri-cameral elections of 1984, and the unabated urban turmoil since then culminating in the November 1984 stay-away, (19) has induced big capital to break with tradition and publicly call for african political accomodation within a unitary system. (20) This it now sees as an essential pre-requisite for long-term economic and political stability in South Africa. While it has not publicly backed a specific political blueprint, organised capital has privately voiced support for some form of federal solution. Some elements within capital see in the development regions the possible basis for an evolving second tier in a federal-type system, drawing on the USA as a model. Their conceptions differ markedly from the formulations discussed above in that they conceive of these regions as mutually competitive, and not as the objects of costly decentralisation policies designed to ensure a geographically even spread of population, employment and welfare. (21)

In conclusion, the call for federation could become the cornerstone of a new and wide ranging consensus amongst those favouring a reformist solution in South Africa. There is growing conformity between longer-range constitutional visions of certain reformers in the state, the English-speaking opposition, the conservative coloured and indian parties and some bantustan leaders.

This convergence could herald, firstly, the gradual elimination of differences between the advanced verligte wing of the NP, the NRP, the right-wing of the PFP and sections of the opposition press; secondly it is likely to intensify internal debate and conflict between those in the reformist opposition

## - regional policy -

favouring closer co-operation with the NP and those favouring an independent and radicalised stance; and finally, it could signal a shift within the NP towards a much bolder path of political and administrative restructuring than we have hitherto seen, albeit that the path leads through the minefield of South Africa's endemic social instability and has an uncertain destination.

It is the combination of the political ascendancy of the verligtes, and the relative stability of the mechanisms of state power over which they preside, that allows powerful reformers to engage in what some have interpreted as a politics of deception and of "hidden agendas". This should not imply that ruling group tactics are governed by a carefully worked out battle plan: ambiguities in policy usually have more to do with genuine indecision or internal disagreements among policy makers than with conscious strategies of deception on their part. Moreover, there is no single agenda but several, and the precise outline of the agenda that finally prevails will be determined by the balance of forces in the ruling groups and society; it cannot be anticipated in advance here. What this paper does is examine processes already in motion and expose some leading, still largely hidden, currents in reformist thinking. In this task we have one unifying concern to examine the practical restructuring, and still embryonic reformulation, of the spatial organisation of the state and political economy.

### Federalism and political restructuring

The constitutional planning branches of the state have already commenced the task of constructing decentralised political structures within parts of the state system. While at present these structures remain fairly tightly bound to the over-arching framework of territorial and residential segregation, there is evidence of a concern within ruling groups that these structures should constitute building blocks of a future political order informed more fully by the logic of federalism.

Until recently the basic organising principle of constitutional planning was the President's Council's (PC) recommendation for a "consociational democracy" for whites, coloureds and indians, existing alongside separate "homeland states"



for each african ethnic group. It was hoped that the political aspirations of africans would be satisfied by linking up the tri-cameral parliament to the bantustans through the ethnic confederation that began to take shape after 1979. This was designed to be a loose "international" alliance of states that would co-operate at the centre, while retaining sovereignty vis-a-vis their own territories. The imagery of the European Economic Community was invoked to give credibility to this vision. (22)

The ethnic-confederal solution, however, proved incapable of meeting two fundamental political challenges currently facing the state. Firstly the burgeoning trade union movement and mass based national political organisations (United Democratic Front [UDF] and National Forum [NF]) succeeded in making unviable the new constitutional dispensation and the bantustan-based confederal solution. By mobilising the workers, students, unemployed youth, and communities around the demand for political rights within a common South African nation-state, these organisations have forced elements in the state and capital to acknowledge that meaningful negotiations with the internal and, more especially, the external extra-parliamentary opposition cannot take place within the apartheid framework. Particularly urgent is capital's concern to depoliticise workplace struggles by the granting of political rights.

Secondly, the unprecedented depth of the 1984-5 urban crisis has brought home to the state and capital that, 1) urban blacks will not accept political rights at the local level without central state representation; and that, 2) black local authorities cannot be fiscally viable given that their only taxable bases are poor, largely working class, communities.

The Black Local Authorities (BLA) Act and the Orderly Movement and Settlement of Black Persons Bill were designed to create a privileged class of african "insiders" who could eventually participate in some way in the confederation. How this was to be made operational remained extremely unclear. State planners repeatedly rejected the idea of a fourth chamber for urban africans and toyed with the notion that african urban areas could become "city-states" with confederal links to the bantustans. The paralysis of the black local authorities brought about by the opposition of the urban social movements in 1984/5 (23) has greatly compounded the difficulty of

- regional policy -

resolving the issue of urban african political rights within the framework of ethnic-confederalism and racially separated forms of local government.

It is for these reasons that the state's reform momentum has begun to move away from the idea of an ethnic confederation, in the face of growing pressure to consider a more politically integrated federal-type state capable of preserving minority "group rights".

Those who have advocated a federal state as a solution to South Africa's constitutional problems have argued that it is based on two central principles which, if given expression, could provide a viable political foundation for the re-stabilisation of South African capitalism. Firstly, it theoretically allows for the creation of a new nation-state by the granting of political rights to all its subjects, while at the same time entrenching the "rights" of minority groups. Secondly, the federal-type state advocated by certain verligtes proceeds from the premise that the bantustans will not suffice as units of political representation for all africans because of the geographical dispersal of the african population. This conflicts with the idea of an ethnic confederation which is based on the assumption that african political aspirations can be channelled through the bantustans, and then be expressed at a higher level through confederal structures.

In order to accomodate "group rights" in a future federal dispensation, some elements of the ruling groups wish to begin by constructing local authorities on the basis of "natural constituencies", building up to multi-racial regional authorities. In this way the mythology of a single nation-people could be constructed simultaneously with the institutionalisation of some form of "ethnic pluralism". (24)

This is not to suggest that this federalist thinking is propelling South Africa towards a pre-determined constitutional order comparable to the advanced capitalist federal states - although a degree of similarity to such states cannot be ruled out. (25) The variety of possible outcomes has been the subject of intense debates within a wide range of forums, both inside and outside the state. (26) Furthermore, the existence of a powerful extra-parliamentary opposition means that the state will not be able to implement a reformist strategy on

terrain of its own choosing. The final outcome will be crucially determined by the way in which oppositional groupings interpret and respond to state initiatives.

State reconstruction at the third and second tiers of government now underway appears to be compatible with a federalist dispensation. Certain writers have explicitly suggested that the current "reforms" in South Africa are consistent with such a dispensation, and have advised the government to gear its programme, in a coherent way towards a federal outcome. (27)

### 1. The third tier

The Black Local Authorities Act (Act No 102, 1982) reversed a decades long trend towards centralisation of african administration, which culminated in the formation of the Bantu Affairs Administration Boards in 1971. However, it was the impact of the urban revolt of 1984-5 that forced the state to incorporate african local authorities into the Regional Service Councils (RSCs), until then envisaged as including only whites, coloureds and indians. (28)

The RSCs will be multi-racial bodies administering "general affairs" at the level of the metropolitan region, which includes different group areas. The ethnically segregated local authorities will handle the "soft services" that go under the label of "own affairs". Since this will allow the representation of urban africans at the metropolitan level, it is expected to be accompanied by a degree of redistribution of resources from white to black local authorities. This, the ruling groups hope, will help resolve the fiscal crisis of black local government.

### 2. The second tier

The bulk of evidence points towards the eight development regions set out in the industrial decentralisation package becoming the basis for a second tier of government within a federalist dispensation. A substantial planning infrastructure is being built around them, including, the Regional Development Advisory Committees (RDACs), the Regional Liaison Committees (located in the six development regions that include parts of Transkei, Bophuthatswana, Venda and Ciskei [TVBC states]), the planning branch of the Department of Constitu-

- regional policy -

tional Development and Planning (CDP), and possibly even the Development Boards (successors to the Bantu Affairs Administration Boards) (29). It is the Department of CDP which presides over the nexus between regionally based development planning and the restructuring of representation.

In July 1983 the Department of CDP wrote to all state departments requesting them to restructure their regional offices to accord, where possible, with the eight development regions (30) It is clear that the development regions, or some similarly defined spatial units, are being seen as potential rivals to the geographical demarcations presently located on the second tier, ie. provinces and the bantustans. There is also evidence that Natal/KwaZulu is being seen by many reformers as the laboratory for units of representation appropriate to the second tier within a federalist schema. The Buthelezi Commission, at first dismissed by the government, is now being seriously reappraised. (31)

### 3. The first tier

Until recently the government has insisted that urban africans should be represented through an ethnic confederation and not in the central state. Since then much has changed. In February 1983 the government announced the formation of a special cabinet committee to look into the question of political representation of africans outside the bantustans. In January 1985 the State President replaced the special cabinet committee with a para-statal negotiating forum. This announcement was accompanied by signals that the constitutional future of africans would not be resolved within the apartheid framework, and that non-bantustan africans would be given political rights in the central state. It may also be significant that the declaration of the intention to set up a negotiating forum was followed closely on its heels by the conditional offer to release Mandela, although the show trials now under way warn against any over-estimation of the state's willingness to bargain with leaders enjoying wide popular legitimacy.

Precisely what all this is pointing to remains unclear. The existing tri-cameral framework, representing racial groups rather than spatially demarcated entities, hardly seems compatible with any vision of a regionally based federal order;

nor can it easily be extended to encompass africans. This could mean that it will eventually be superseded by forms of central state representation more compatible with a regional-federal framework.

Two principles presently underly the construction of the three tiers of government. Firstly, the distinction between "self-determination over own affairs" and "co-responsibility for general affairs". The "general affairs" structures are intended to be "depoliticised" multi-racial bodies that would wield considerable powers without being directly accountable to an electoral base. (32) Insulated from popular pressure, they could be relatively easily manipulated by corporate and other powerful sectional interests. Direct representation would be limited to the relatively marginal sphere of "own affairs", and "politics" confined to struggles over parochial issues.

While the "own affairs/general affairs" distinction may appear to represent no more than traditional apartheid, it in fact provides a framework for superseding race as the primary formal organising principle of political representation. This it does by constructing "own affairs" structures on the basis of racial distinctions, while simultaneously transferring real power to the multi-racial "general affairs" structures. The "own affairs" structures, therefore, exist only as formal bodies whose main function is to preserve the ideology of "self-determination", without letting it become an entrenched organising principle. Replication of this framework at second and first tier levels would further ensure that race ceased to be the primary basis for reconstructing forms of political representation on federal lines. Forsyth has suggested that the "own affairs" structures could form the basis of a senate-type body representative of "group rights" at central state level, and the "general affairs" structures could provide the basis for a lower house made up of representatives elected by the enfranchised citizens of a single South African nation. (33)

The second principle is, in Lombard's terms, "the decentralisation of welfare functions, and the centralisation of order functions". (34) In order to legitimise the provision of welfare services the state is attempting to devolve control over them to local and regional authorities, while simultaneously

- regional policy -

extending political representation in these bodies to all racial groups. At the same time, the state is centralising control over key functions such as monetary policy, the judiciary, the military and the police, in order to insulate these order functions from political contestation.

The ruling groups hope to construct a federal system based on these two principles in order to avoid the alternative of a majoritarian unitary state. This kind of state would attempt to establish its legitimacy by introducing multi-racial forms of representation, without democratising control over regional and central state institutions.

## REGIONALISATION AND CHANGES IN INDUSTRIAL DECENTRALISATION AND INFLEX CONTROL POLICIES

### 1. Industrial decentralisation

Decentralisation policy traditionally sought, inter alia, to give economic and political credibility to the bantustans, which were treated as development units in their own right. When, in 1975, the physical planning branches of the state divided the South African space-economy into 44 planning regions defined according to geographical and economically "functional" considerations, it was forced to take as its starting point the continued centrality of bantustan development and "homeland" policy.

Several years later, in 1981, Prime Minister Botha unveiled a development plan premised on the division of South Africa into eight development regions. This time the boundaries of the spatial planning units cut across bantustan boundaries as part of what has been termed the "soft-borders" approach. The "soft-borders" approach entailed the planning of economic development within coherent regions free of the constraints imposed by political borders. The corollary of this was the "multi-lateral" decision-making structure to co-ordinate development between South Africa and the TBVC states; the Development Bank of Southern Africa; and the setting up of RDACs to identify planning priorities within regions.

The new approach to industrial decentralisation was intended by state planners to provide the basis for the future polit-

ical and economic map of South Africa, whether defined in federal or confederal terms. As the Buthelezi Commission remarked, "through its new approach towards regional development the government is taking the economic route to power sharing rather than the political one, which is unacceptable to its constituency." (35) Moreover, the supposedly apolitically defined economic regions would thus provide one possible basis for the future construction of a federal state that transcends the bantustans.

The eight regions are not simply abstractions superimposed on the map of South Africa. Rather, they correspond to changes in the spatial reproduction patterns of capital and labour that have been taking shape since the late 1960's. The development regions define the contours of emergent labour supply and demand areas which have become interconnected through the growth of bantustan towns and informal settlements abutting the suburban peripheries of key metropolitan areas in "white" South Africa. Cross-border commuting between these supply and demand areas, and the relative decline of long-distance oscillatory migration across regions, are leading to the occupational and residential stabilisation of the african working class within such regions: in short the formation of regional proletariats.

These changes are in part the unintended result of previous decentralisation policies which, more out of practical necessity than philosophical conviction, ended up promoting suburban industrial development in places such as Hammarsdale, Brits and Rosslyn. They are also the historical legacy of the National Party's policy of limiting the expansion of african urban settlement in "white" South Africa, and promoting the growth of bantustan towns.

The metropolitan-centredness of industrial development in South Africa has generally been taken as evidence for the validity of spatially dualistic theories. In the radical literature bantustans are believed to be the product of a process of underdevelopment related to the expansion of the capitalist centres of industrial activity. Generalisations of this kind take as their starting point the notion that bantustans occupy a uniform position within a national division of labour. In reality the bantustans are highly differentiated entities, if in fact they can be regarded, economically, as

- regional policy -

constituting coherent entities at all. (36)

In our view, metropolitan expansion since the late 1960's has entailed a process of integration of sections of the bantustans into the metropolitan space-economy. This more persuasive interpretation allows us to grasp the border and bantustan industrial areas as locations or places within an emerging spatial division of industry and labour. (37)

The expansion and dispersal of capital has in fact involved the spatial extension of metropolitan-controlled and centred industrial activity through a process of dispersal of production which integrates new spaces into the sphere of the metropolises. The process of integrative dispersal of capitalist production, rather than having re-enforced dualist spatial differentiation by entrenching the division between countryside and town and between bantustan and "white" area, is weakening these distinctions by transforming and integrating spatially disparate production processes and enmeshing and urbanising rural populations. The outcome of these processes is the establishment of a new spatial reproductive economy.

The new industrial decentralisation policy takes cognisance of these changes. Firstly, it seeks to ensure that the growth of metropolitan regions is not unnecessarily limited, and attaches considerable importance to deconcentration points (growth points relatively close to existing metropolitan complexes both inside and outside the bantustans). Secondly, it encourages the dispersal of capital to "industrial development points" (selected outlying areas with the potential for further growth) rather than primarily to remote industrial points. (38) This policy bases itself on the notion of "balancing growth poles", which involves taking advantage of the growth potential of existing towns in the various development regions in order to counteract the historical tendency (which operated at least until the late 1960s) for employment to concentrate in certain metropolitan centres.

The new emphasis on deconcentration is one of several measures designed to encourage private sector participation in industrial decentralisation. Capital has certainly responded to the upgraded decentralisation incentives, but sections of organised industry continue to view the state's decentralisation programme as an artificial attempt to redistribute re-



sources between regions rather than allowing regions to compete freely against each other. Free inter-regional competition could, in the view of the FCI, "...lead to the revitalisation of the South African economy", (39) whereas induced dispersal is viewed as imposing intolerable costs on industries based in the metropolitan heartlands. Industrialists have recently expressed opposition to the indirect fiscal controls which the state now intends using to encourage industrial dispersal and strengthen the tax base of the projected Regional Services Councils. (40)

Bell has recently hypothesised that the recession and international competition have driven certain capitals to spontaneously take advantage of cheap labour on the industrial periphery. (41) While the state's decentralisation package would certainly be concerned to encourage spontaneous market trends of this kind, it is equally concerned to provide the infrastructure for a pattern of economic growth and political development that incorporates the principle of formal political devolution and expresses the concern to "depoliticise" welfare provision. In this respect the state sees itself as complementing rather than as superseding or blindly following the dictates of the market.

The creation of the Development Bank of South Africa (DBSA) amounted to the application of these principles to the bantustans. In an effort to curb the spending of these states, finances previously granted as "aid" will now be extended as loans, subject to normal private sector banking principles. The Bank will operate as South Africa's IMF, able to impose unpopular financial restraints on the bantustans, from a position of "neutrality".

## 2. Labour movement and settlement controls

The crisis of the traditional apartheid system of labour controls, and the aborted attempts to resolve that crisis within the framework of Riekert and the "Koornhof Bills" (notably the shelving of the Orderly Movement and Settlement of Black Persons Bill), has forced the ruling groups to debate fresh alternatives. This has opened up the possibility of the state attempting to resolve this crisis within a framework that incorporates the principles of "planned urbanisation" across bantustan boundaries, a "flexible" approach to managing lab-

- regional policy -

our supplies within and around metropolitan areas, and the "depoliticisation" of labour controls. A central aspect of these changes is the demarcation of new spatial boundaries for purposes of administering and planning labour supplies. It is the metropolitan and development regions which seem to be emerging as the pertinent referents in the restructuring of labour controls. For example, the recent consolidation and redrawing of Bantu Affairs Administration Board control areas has brought them much more closely in line with the development region boundaries. (see Appendix B)

In place of influx control and traditional township policies, the notion of "planned urbanisation" is gaining ground. One concern of the policy is to de-sensitise pass controls by providing uniform identification documents to individuals, regardless of race, and substituting direct controls over movement, residence and employment with indirect incentives. This would entail the manipulation of labour movement and settlement within each development region through a policy of synchronising the provision of differentiated housing and the creation and allocation of employment. One objective of the policy would be to establish african residential areas linked to industrial deconcentration points in areas dispersed around the metropolises. The outcome of such policies would be to integrate labour supplies now confined to the bantustans into the regional planning framework, while at the same time regulating the tendency for africans to gravitate towards the metropolitan cores.

The recently adopted notion of "planned urbanisation" is consistent with the current moves to allow squatter settlements in and around urban centres to remain, but to subject them to stringent administrative regulation. In contrast to traditional township policy, the philosophy of planned urbanisation advocates the lowering of housing standards and the provision of rudimentary municipal services, in order to provide different standards of housing for groups with different income levels. This would render the provision of housing and other services, and therefore accelerated urbanisation, possible within the fiscal limits circumscribing state intervention.

The gradual decomposition of the Riekert/Koornhof package of labour controls has resulted from a number of factors, and it is worth listing some of these since they also indicate

why state attempts to formulate an alternative may proceed within the framework of the development regions.

The most obvious cause of the breakdown of the Riekert approach lies in the struggles waged against it by squatters resisting removal; by international pressure groups; and by big capitalists (for example through the propaganda exercises of the Urban Foundation). The union movement too, by organising long-distance migrants, commuters and section 10's alike has contributed to the erosion of "insider/outsider" divisions rooted in the "white" South Africa/bantustan divide. These pressures have in turn been informed and fuelled by a number of structural and conjunctural factors.

The incorporation of parts of the bantustans into the suburban peripheries of various metropolitan areas has been one of the most important structural factors underlying recent changes. It has created commuter populations that cannot be easily separated from the urban insider minority, and has been accompanied by the relative decline of long-distance (inter-regional) migration as opposed to short-distance oscillations. (42)

The distance of Port Elizabeth, the East Rand and, most importantly, Cape Town from bantustans, has rendered cross-border commuting non-viable in these areas (KwaNdebele is altering this situation in the case of the East Rand). However, the state has not been able to impose a stable system of long-distance oscillatory migration. State attacks on squatters in these areas have given rise to explosive situations - in particular at Crossroads. The resultant struggles received considerable international coverage and forced the state to accept the permanence of large and informally settled african populations in Soweto-by-Sea and Crossroads; to build new townships in "white" South Africa (as at Khayelitsha); and to grant leasehold rights in the established Western Cape african townships such as Nyanga and Gugulethu.

Organised industry's recently intensified campaign against influx control involves, in part, a concern to defuse the types of conflicts that have beset Crossroads. Capital also recognises that, in one form or another, "urbanisation" is taking place anyway, (43) and this makes the political costs of influx control appear even higher. Nor are the costs to

- regional policy -

capital only political: in the context of the fiscal crisis the administrative costs of influx control, and the rigidities that it introduces into the labour market, have appeared far too great.

Nor is capital fully reconciled to the alternative of longer-range intra-metropolitan commuting since it sees this as impacting negatively on productivity, and leading to the politicisation of daily transport. (44) No doubt some businessmen hope that the exposure of organised labour to the competition of surplus labour will erode some of the gains made in the years immediately following the Riekert Report, when economic expansion and intensified influx control conspired to promote labour shortages in the metropolitan centres. What is certain is that capital has called for the greater play of market forces, involving a wider, more flexible definition of "urban" and "urbanisation" policy in an effort to counter this trend.

Traditional labour movement controls in South Africa were designed inter alia, to regulate the flow of african workers from rural to urban, and from bantustan to "white" areas. The approach currently gaining ground within important spheres of the state would be to allow for greater mobility within the development regions and to intensify controls between them. The White Paper on the Creation of Employment Opportunities (1984) approved of the new regional development policy, which "...pays particular attention to the need for creating more employment opportunities and places greater emphasis on dealing with labour matters in a regional context through the Regional Development Advisory Committees". (45) Similarly the Department of Constitutional Development and Planning has expressed the view that labour supply areas should be identified with specific regions. (46) This clearly cuts right across the Riekert conception of labour mobility for urban insiders within "white" South Africa, and replaces it with an emphasis on intra-regional labour mobility and stricter inter-regional regulation.

### Conclusion

In this paper we have examined various ways in which South Africa's reformist political elite, both within and outside the state, are attempting to reconceptualise and reorganise key spatial co-ordinates of the political economy. This pro-

cess, which has taken the form of a search for new spatial units for purposes of administration, economic planning and political representation has already commenced within fields of state intervention as diverse as labour movement and settlement controls, industrial location policy and constitutional reform.

This reconceptualisation and re-organisation of spatial forms, if synthesised into a coherent policy programme, as some reformers in the state and capital envisage, could provide a basis for a long-term strategic offensive aimed at reconstituting the relations of exploitation and domination in South Africa. The synthesis of policies relating to regional development planning and forms of political representation that would comprise the key elements of such a programme can best be understood in terms of the concept of regionalisation-federalism.

The reorganisation of spatial forms is not proceeding in isolation from the wider process of political and economic restructuring currently under way in South Africa. In the first place, it reflects the impressive extent to which social pressures are forcing the state to reassess the basic premises, not only of traditional apartheid but of the reforms that have become known as "Total Strategy". In the second place, the reconstitution of spatial forms is crucial to facilitating a wider process of restructuring that has as its central objectives the depoliticisation of South Africa's highly charged political and social order and the creation of conditions suited to the renewal of capitalist expansion.

In this paper we have not attempted a comprehensive account, or critique, of the totality of the process of restructuring. We have placed two limits on the scope of our project. Firstly, we have not sought to cover the entire field of state intervention or of the changes traversing the social formation. Secondly, we have focused our attention on longer term strategic questions confronting the ruling groups, and on the ways in which particular elements within them have sought to address these questions. We have not attempted a comprehensive analysis of the current conjuncture.

Nonetheless, we could not conclude this paper without making some general remarks about the broader reform dispensation.

- regional policy -

1. Of considerable importance is the language through which the ruling groups are presenting their objectives to their various audiences. In part this is a language of silences; secrecy and public manipulation are central to the timing and delivery of the reforms. The tight control over information about reformist intentions is designed to deprive opponents, both on the Right and in the mass based opposition, of ammunition. It is also an apolitical language framed in the imagery of the free market economy, technocrat neutrality, local democracy, consultation and consensus. As an example of double-speak we see the state telling the Right that regionalisation is mainly concerned with inter-racial co-operation in the field of urban and regional planning, while presenting it to the Left as a step towards political integration at the local and regional levels. To the Right the state wishes to deny that reform is taking place. To the Left it wishes to present reform as the outcome of negotiation with broadly-based "moderate" forces, rather than the imposition of pre-determined ideas.
2. Despite all the talk about consultation and consensus, the restructuring process currently underway is being implemented in a top-down way, with at best a small circle of influential reformers and black collaborators being drawn into some levels of decision-making. There is also an erosion of the authority of representative institutions and, indeed, a contraction of those spheres of social life subject to the jurisdiction of legitimate politics as defined by the state.
3. Federalism is a complex subject which we cannot discuss in any detail here. However, it is evident that in South Africa federalism is not seen by the ruling groups primarily as a means of guaranteeing equal social and political rights to ethnically or otherwise defined groups within a common nation-state. It has become an important frame of reference for South Africa's ruling groups because it offers a way of moving beyond formal racialism without capitulating to what is termed "majoritarianism". What the ruling groups fear is not only the possibility of a black government per se, but that such a government will attempt to redistribute resources to the underprivileged majority of its subjects in a manner which threatens the profitability and viability of the capitalist order in South Africa.

4. The state has presented the new third tier structures - the local authorities and Regional Service Councils - as an extension of political representation to africans as well as a move in the direction of local democracy. Its intention is to foster black community participation around a narrowly defined set of welfare issues, thereby providing an outlet for social tensions and institutionalising conflict at a local level. At the same time the power to make decisions about major infrastructural and welfare expenditures at the level of the metropolitan region will be placed beyond the reach of mass-based politics and party competition, and will instead be vested in non-elected administrative and planning bodies, in particular the RSCs. This involves the real decentralisation of functions within the state system, but not in a way that empowers communities.

The power to make decisions on issues of national concern - monetary policy, foreign affairs, international trade, the military and constitutional affairs - is becoming increasingly concentrated in executive organs insulated from electoral processes. The point is not only that africans are being offered political rights in residentially segregated localities in exchange for national political rights. More importantly, the process of political decentralisation serves to undermine electoral accountability, thereby making it possible for the state to entertain the incorporation of blacks into depoliticised state structures.

5. The recent decision to include african local authorities on the on the RSCs has been heralded as a means of resolving the fiscal crisis of the townships by redistributing resources from the wealthier white areas to the black areas. While this may well involve a real transfer of resources between such areas, the real intention of fiscal decentralisation is the extrication of the central state from its obligations to subsidise the reproduction of urban black communities. The transfers that do occur are likely to benefit only small sectors of the black urban population. The objective was never to remove social inequality, but rather to depoliticise it by displacing race as the primary line of social demarcation and allowing stratification to develop along class lines.
6. In a parallel way, regional economic development policies attempt to transfer resources from the wealthier to the

- regional policy -

more impoverished regions of the country. While this may have real distributive effects - and therefore benefit some of the most materially disadvantaged areas - it cannot, in the context of the contemporary crisis of capitalist accumulation, make significant inroads into the mounting problems of unemployment, poverty and inequality. Bell, for example, has provided evidence of rapid employment growth in non-metropolitan areas relative to the metropolitan areas during the 1970s - but in the context of the historically unprecedented growth of unemployment in both types of areas. (47)

7. Organised industry and liberal reformers have also criticised the state's industrial decentralisation policies for their minimal, or even negative, impact on black welfare. They have proposed instead the lifting of influx control - "allowing black workers to go to the jobs rather than forcing jobs to go to black workers". In fact an extended regional development programme and the lifting of influx control could work towards the same end, namely to expose metropolitan based workers to intensified competition from the unemployed, whether through migration of surplus labour to the cities or through the relocation of employment to surplus labour areas. While few will dispute the merits of abandoning influx control, on its own such a step has no more chance of alleviating unemployment and poverty than does industrial decentralisation.
8. This allows us to grasp one of the central paradoxes of the emerging dispensation; in response to advances made by the extra-parliamentary national democratic organisations and trade unions, the state appears to be extending an attenuated form of political citizenship to sections of the african population, while seeking to erode gains made by organised labour on the basis of the industrial citizenship acquired after Wiehahn. The modification of influx controls, like calls by businessmen for the abolition of minimum wage determinators, may have less to do with a concern for black welfare than with the disciplining of organised workers. Just as these measures are intended to limit the economic bargaining power of unionised workers, so the limited extension of political rights is intended to depoliticise production related struggles.

For many employers and their labour relations consultants, the central weakness of the Wiehahn dispensation was that



it extended industrial citizenship without any corresponding extension of political rights. For the unions and other oppositional groupings the task ahead is to acquire political rights of substance without allowing hard won gains in the industrial sphere to be sacrificed at the altar of the free market.

Footnotes:

- 1 See, for example, J Saul and S Gelb, The Crisis in South Africa; G Moss, "Total Strategy", Work in Progress (WIP), 11, 1980; D O'Meara, "Muldergate, the Politics of Afrikaner Nationalism and the Crisis of the Capitalist State in South Africa", mimeo, University of Dar es Salaam, 1980; R Davies and D O' Meara, "The State of Analysis of the Southern African Region: Issues Raised by South African Strategy", Review of African Political Economy, 29, July 1984; D Glaser, "The State, the Market and the Crisis", WIP, 34, 1984
- 2 By confederation we mean a tightly binding "agreement" between "sovereign" states. In South Africa the government has used the term to refer variously to the possibility of a "constellation" of Southern African states and, more importantly for our purposes, to an "inner constellation" (which has been expressed in a nascent form in the current "multi-lateral" decision-making structures incorporating South Africa and the TVBC states)
- 3 By federal state we mean a single constitutional unit embracing semi-autonomous states under a single centre that handles inter alia foreign affairs, military matters, monetary and fiscal policy, while devolving other functions to the constituent units. The term federal state should be distinguished from the term federalism which designates "a movement in a confederal direction or a movement towards the creation of a federal state" (M Forsyth, Federalism and the Future of South Africa, South African Institute of International Affairs, 1984, p 16). In South Africa federalism, understood in this sense (and as used in this paper), covers both existing constellation and confederation proposals and the debate within political elites over the possibility of establishing a federal state in South Africa
- 4 The most explicit statements endorsing this view are by the South African Federated Chamber of Industries (SAFCI),

- regional policy -

"Regional Development in South and Southern Africa", memo, 9.7.84, submitted to the meeting of the National Regional Development Advisory Council (NRDAC), 2.8.84; and the Department of Constitutional Development and Planning, "Her-siening van die Grense van die Nasionale Ontwikkelings-treke", in NRDAC op. cit. July, 1984; see also Bureau for Economic Policy Analysis, Alternatives to the Consolidation of KwaZulu(Natal), University of Pretoria, (Lombard Report), n.d., 1980; and Reality, November 1984

- 5 The possibility of uniting South Africa on a federal or confederal basis was first raised in a serious way by Lord Carnarvon's confederation scheme in the 1870s, and was raised again by the proposal of Milner's Kindergarten that South Africa be united on the basis of federation rather than Union.
- 6 B Hackland, "The Economic and Political Context of the Growth of the PFP in South Africa, 1959-78", Journal of Southern African Studies, October, 1980. On the NRP, see Star, 9.3.85
- 7 Consociation is a term much discussed in those branches of bourgeois political science concerned with constitutional model building. It refers roughly to the notion of a "grand-coalition" government between different groups which retain a high degree of autonomy and enjoy proportional representation and minority veto power. Consociation has enjoyed a wide currency in South Africa's constitutional debates since it is thought to be appropriate to maintaining stability in societies "deeply divided" by linguistic, cultural, racial, ethnic or other divisions.
- 8 The Buthelezi Commission, The Requirements for Stability and Development in KwaZulu and Natal, Vol II, 4.2.1. p 76
- 9 Buthelezi Commission, op. cit., Vol II 5.4 pp 111-115 and 6.6.2, p 126
- 10 The term is borrowed from Fleur De Villiers, Sunday Times 23.5.80
- 11 South African Institute of Race Relations, Survey of Race Relations, 1983, p 316
- 12 H Zille, "Restructuring the Industrial Decentralisation Strategy", South African Review, One, 1983; and Financial Mail (FM), 23.11.84
- 13 Lombard Report, pp 49-50
- 14 Zille, op. cit., pp 66-7; and Lombard Report, passim.
- 15 FM 7.12.84, FM 8.3.85, Rand Daily Mail (RDM), 6.12.84; S Greenberg and H Giliomee, "Managing Influx Control

- from the Rural End" in Up Against the Fences, eds H Giliomee and L Schlemmer, David Philip, Cape Town, 1985. See also SAFCI op. cit.
- 16 J Lombard, Freedom, Welfare and Order, Benbo, Pretoria, 1978; and Lombard Report, op. cit., pp 43-46
- 17 A M Rosholt, "Urbanisation and the Private Sector", and H Oppenheimer, "Reflections on the Government's Decentralisation Policy", in Schlemmer and Giliomee, eds, op. cit.
- 18 See, for example, Sunday Star 11.11.84; RDM 8.11.84; and EM 23.11.84, pp 38-9
- 19 Labour Monitoring Group, "The November 1984 Stay-away", South African Labour Bulletin (SALB), forthcoming
- 20 Star 14.3.85
- 21 SAFCI, op. cit.
- 22 Forsyth, op. cit., p 23
- 23 Star 16.3.85
- 24 See Forsyth, op cit., pp 10-14; Sunday Times 3.3.85 (article by Lombard); Lombard Report, op. cit., p 46
- 25 Star 23.2.85: "SA May Abandon Homelands"
- 26 See, for example, debates in Spro-Cas, South Africa's Political Alternatives, Raven Press, Johannesburg, 1973; Buthelezi Commission, op. cit.; Forsyth, op. cit.; and Lombard Report, op. cit.
- 27 See Lombard in Sunday Times 3.3.85; also Forsyth, op. cit.
- 28 The establishment of RSCs was recommended by the Joint Report of the Committee for Economic Affairs and the Constitutional Committee of the President's Council on Local and Regional Management Systems in the Republic of South Africa, (P.C. 1/1982) and also by the Council for the Coordination of Local Government Affairs (CCLGA) which was established in terms of the Promotion of Local Government Act (June 1983). Their terms of reference were to recommend new local and regional government structures for whites, coloureds and indians only. The RSC Bill went through its second reading in early 1984, after which it was referred to a parliamentary select committee. It was this committee that decided to move beyond the PC and CCLGA reports' terms of reference to recommend the inclusion of black local authorities established in terms of the Black Local Authorities Act into the envisaged RSCs. The RSCs will not be elected authorities. They will comprise nominated representatives from each local authority. Local authorities will be allowed to nominate one representative for every 10% (or part thereof) that they

- regional policy -

use of the total amount of services provided by the RSC. In other words, those local authorities which contain most of the industries will have the largest number of representatives on the RSC. However, no one local authority is allowed to nominate more than 50% of the RSC's personnel

29 As from April 1979, the number of Administration Boards was reduced to 14, bringing the boundaries of their control areas closer to those of the 8 development regions. There have been suggestions that the BAAB boundaries should eventually be re-drawn to coincide exactly with those of the development regions (see Appendix B)

30 See Department of Constitutional Development and Planning, *op. cit.*

31 Sunday Star 10.3.85; and D Robbins, "Natal/KwaZulu - The Road Ahead", in Reality, November 1984

32 See President's Council Report (P.C. 1/1982), *op. cit.*

33 Forsyth, *op. cit.*, p 30

34 Lombard Report, *op. cit.*

35 Buthelezi Commission, Vol II, *op. cit.*, p 49, 3.3.2

36 This point was made by J De Villiers Graff in "Homeland Function and Dependency; a Case Study of Reformist Potential", paper presented to the Development Society of Southern Africa, University of the OES, 1984

37 The transformation of South Africa's spatial political economy cannot be understood by those who remain trapped within two key assumptions that, until recently, pervaded the literature on apartheid: firstly, the assumption that South Africa can be understood as a spatially dualistic society, differentiated into two coherent but radically different entities called bantustans and "white" South Africa; secondly, that these spatial entities correspond exhaustively to distinct, even if interconnected, forms of social reproduction. Liberal dualism refers to capitalist and subsistence sectors, while the marxist version of spatial dualism refers to capitalist and pre-capitalist *modes of production*

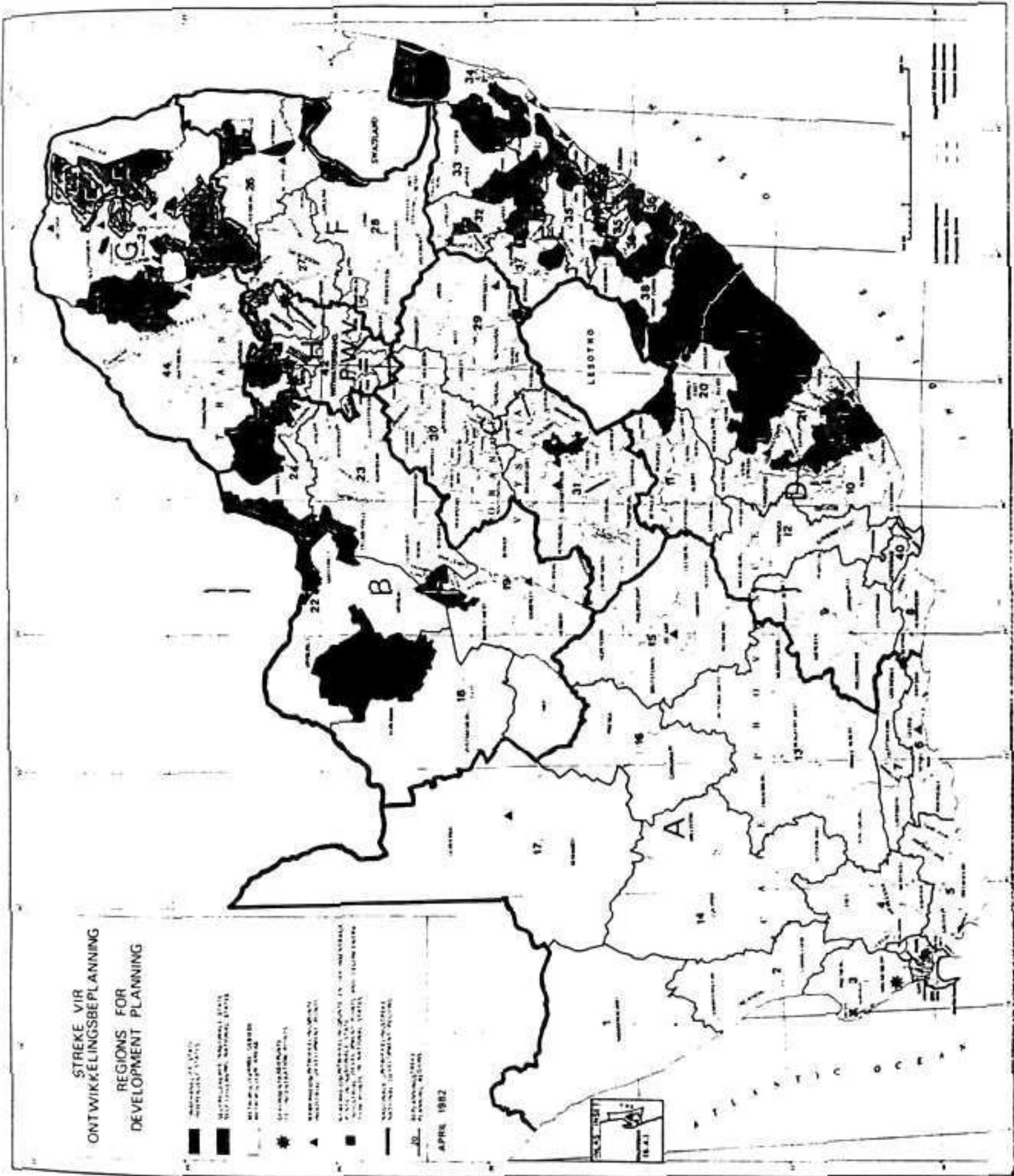
38 G Maasdorp, "Co-ordinated Regional Development: Hope for the Good Hope Proposals?" in Schlenner and Giliomee (eds) *op. cit.*

39 SAFCI, *op. cit.*

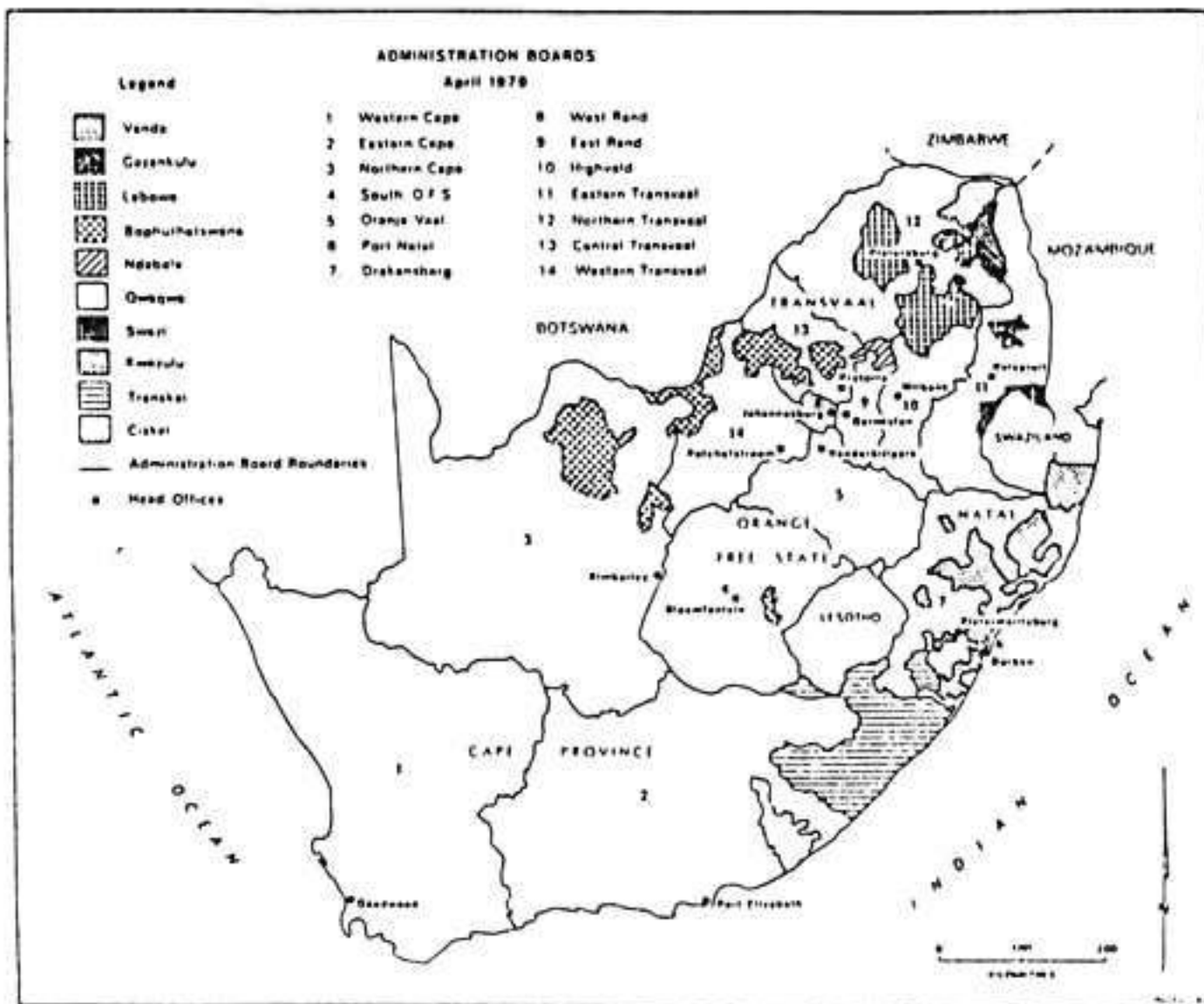
40 EM, 15.3.85

41 R T Bell, "The Role of Regional Policy in South Africa", Paper presented to the African Studies Institute, 24.9.84

APPENDIX A



APPENDIX B



- 42 See BENBO, Statistical Survey of Black Development (1982), Part 1, Tables 24 & 26
- 43 G Relly, "Influx Control and Economic Growth", in Schlemmer and Giliomee (eds) op.cit.
- 44 Relly, op. cit.; M Swilling, "Transport and Political Resistance: Bus Boycotts in 1983", South African Review, two, Raven Press, Johannesburg, 1985
- 45 White Paper, p11 (2.32, emphasis added)
- 46 Department of Constitutional Development and Planning submission, op. cit., p 6 (c)
- 47 R T Bell & V Padayachee, "Unemployment in South Africa: Trends, Causes and Cures." Carnegie Conference, Cape Town, April 1984; and R T Bell, The Growth and Structure of Manufacturing Employment in Natal, The Institute for Social and Economic Research, University of Durban-Westville, Occasional Paper no 7, September 1983