

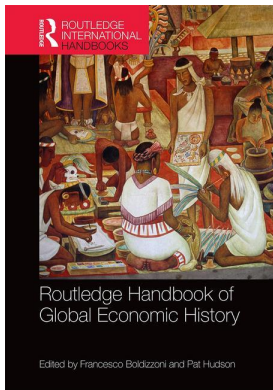
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REFLECTIONS ON THE ECONOMIC HISTORY OF SOUTH AFRICA

Bill Freund

In considering the study of economic history in and of South Africa, there is a need to make a distinction between the economic history of South Africa and economic history in South Africa. The peculiarities of capitalist development in the country and the glare of political light that this has attracted means that writers from outside have often generated important ideas as well as written studies set in South Africa, especially in the wake of the anti-apartheid movement. They have also extended debates beyond what South African academic life could or can hold. This will be the main focus of the following chapter.

However mention should be made of some other facts. A number of South African authors have written significant studies relevant to the economic history of other parts of Africa. It is striking that most of these contributions are about labour and focus on the hopes for the political development of the African labour movement that were prevalent for a time. They belong to a phase when African labour studies blossomed and were also typically generated from outside South Africa, whether as theses or research projects. Some but not all of these works considered activities in bordering countries (Cohen 1974; Cooper 1978; First et al. 1983; van Onselen 1980; Crush 1987). They had a clear relationship to simultaneous work discussed below researched inside the country.

A second point to be mentioned lies in comparative work that includes South African material. The most influential work of this kind really comes from political science and is particularly strong in looking at race as a concept but such work usually has only a marginal place for economic issues. An exception by an American social scientist is Greenberg 1980. Other comparisons that might be mentioned are in the early work of the geographer Alan Mabin (1984) who considered nineteenth-century Australian development with Cape history; and the comparative studies on Indian indentured workers using measurements such as physical height to test life conditions by the expatriate South African Ralph Shlomowitz independently or as part of Australian-based teams (Brennan et al. 1998). These have been quite peripheral however to South African debates. One should finally mention the group of South African economic historians who became significant writers on other parts of the world, notably the eminent mainstream Oxford scholar Charles Feinstein who wrote mainly about Europe but did return to his native country as a subject in his final posthumous work. Major theories of economic structure and development applied successfully to South Africa have been numerous and will emerge in this discussion but have not held the power of, for

instance, resource and staple-based theories of development applied to a whole school of thought in Australia or Canada.

A further distinction needs to be made between political economy and economic history more narrowly construed. The significance of intellectual activity in the first category far outweighs the second. To concentrate on the South African application of economic propositions pure and simple would be to focus in overly loving detail on a small range of studies situated within a defined academic set of borders whereas the broader political economy issues have a much wider currency and influence. This may also reflect the author's view that narrow economic history alone is better understood as a special case of political economy with a historic perspective, a view that falls outside of any construction of economic history as a self-standing discipline. For instance, not only business history but labour history ought to be part of economic history's purview and descriptive as well as analytical material (qualitative as well as quantitative sources), should form part of it. The role of the state and the relationship of politics and economics deservedly loom large in a literature which has been consistently contentious. The promotion of academic writing has gone, as in other settler countries, together with a celebration of modernization in the form of economic achievement as an inherent part of progress. The struggles over apartheid that marked the second half of the twentieth century were echoed by arguments about the relationship of economic power and economic growth to the social system and the nature of the state. This is probably what gives particular interest to an investigation of economic history from a South African perspective. As the British economic historian Tom Kemp wrote on the eve of the political transition, '[economic history] is widely taught in South Africa, clearly a case where a society's development cannot be understood apart from its economic base. The considerable literature reflects wide ideological divisions as well as the considerations arising from the very conditions of existence of a white-dominated state in Southern Africa' (Kemp 1993: 208). Only South African material will be considered here although this implies a somewhat artificial divide. A regional perspective has an inherent logic, given that the boundaries of the country are hardly overwhelming natural divides. In the later pages of this chapter, there will be some consideration of economic history as a distinct university subject of study but this will be a secondary concern.

The development of a South African economic history

British economic history celebrated and commented on the emergence and institutional development of industrial capitalism and required a home which history and economics were at first reluctant to provide. South African economic history was its post-colonial stepchild. Following the British example, as early as 1923 a post was set aside within the University of Cape Town Economics Department specifically for the study of economic history. Out of this emerged an academic tradition of writing, broadly to be considered as liberal, with an orientation that was generally speaking pro-business and critical of state intervention in favour of economic development, intervention which big business, and notably mining interests, held in contempt.

Yet in fact economic questions loomed large within the corpus of early works of far greater influence on South African historiography. C. W de Kiewiet's monument – his was really the most significant synthesis of South African history of his time carried through by his impressive prose style – was entitled *A History of South Africa, Social and Economic* (1941). W. M. Macmillan, the most intellectually influential English-language historian of this period, put much of his emphasis in his earlier work on economic issues, looking at the

impoverished Eastern Cape location of Keiskammahoek and considering the so-called poor white question, leading up to *Complex South Africa* (1930). De Kiewiet evocatively recreated the world of the assegai and the ox-wagon (particularly the latter) and the painful evolution out of these accompaniments to rural backwardness and agrarian stagnation, which dotted the terrain on which South African society stood. It is sobering to be reminded that this firm believer in progress, while recognizing the rapid growth of secondary industry in the years before the publication of his best-known work, was pessimistic about its prospects. Loyal adhering to the Smithian precepts of his contemporaries in the English-language academic world, he insisted on the role of gold, diamonds and wool as the foundational elements in which South Africa held a comparative advantage. Macmillan was more the pioneer who explored the world of poverty and social problems. A third classic work that deserves attention, where the influences were Continental, was the trilogy of P. J. van der Merwe (1995). This was the most impressive history written in Afrikaans quite outside the plodding political histories that were dominant in his time. The secretive van der Merwe, trained in the Netherlands, was closer in spirit to the *Annales* school and to meticulous social historians of his time such as Huizinga than any of the English-language historians. He expressed a far more nuanced view of the frontier world of which he held, as would most American historians, an often positive view. He made considerable use of economic phenomena and, when possible, documented facts.

In the days of the Union of South Africa, the outstanding political figure was Jan Christiaan Smuts, a Boer War general, who came to see the future of the country, and indeed of Africa as a whole, within a British penumbra. Unsympathetic to the fate of the white poor and unwilling to favour them legislatively, whether on the land or in the gold mines, he also held conventional racist views of the mass of black South Africans. However, he was an enthusiast for using the revenues from the mines to construct, in good part through state intervention, a modern society by diverting accumulation channels into the creation of heavy industry and sophisticated technology. In the inter-war period, the *laissez-faire* economists confronted a rising tide of protectionism. This in turn was followed by questions arising from the management of the war economy in the Second World War and the expansion and creation of parastatals. Only a few economists, largely on the Afrikaans side of the white language divide, supported this kind of nationalist approach (Schumann 1938; Norval 1962) and it cannot be said that South Africa supported any economic thinking of real power in this regard. Norval interestingly was not based at a university but at the Board of Trade and Industries which set the tone for South African protectionism. H. M. Robertson, an economic historian based at the University of Cape Town, signalled in a key article the importance of the Board as a lever of state intervention (Kooy and Robertson 1966).

Norval wrote at a time when the long South African boom years, that began when the country left the gold standard in 1933, were at a height. He produced a little paean of praise to progress and modernism. At a time when the so-called poor white problem, dominant as an economic issue in the inter-war years, was losing any political significance, he saw mass industrial employment as engaging the black majority as well. It is remarkable though that the achievements of H. J. van der Bijl, inventor and economic czar of the war years and his protégé, H. J. van Eck, key figure in the critical Industrial Development Corporation, did not find a supporting literature to sing their praises. Yet both of these men had much to say about the linkages between diversification, industrialization and social change at the heart of development.

By contrast, the mining interest, which dominated the business world, worried about what it saw as the diversion of resources from straightforward resource extraction to industry. Two

academic figures of note in this regard were S. H. Frankel and C. S. Richards. Frankel was a much admired figure who was critical to the establishment of the economics profession at the University of the Witwatersrand, founded in the fulcrum of South African capital, Johannesburg. His monument was the key study of *Capital Investment in Africa*, widely circulated internationally (Frankel 1938). Frankel's attachment to laissez-faire economics was the main reason Smuts and van der Bijl froze him out of economic policy circles after the Second World War when he retreated to Oxford, a champion of mild imperial reform in the era of decolonization. Richards, also based at Wits, was closely associated with the great mining empire of the Anglo-American corporation and his best-known writing attacked state intervention in the steel industry, which effectively required state investment to be constructed (Richards 1940). Ironically, after the discovery of rich vanadium deposits on its property, Anglo-American turned itself to steel manufacture at the end of the 1950s. Richards too upheld the standard of traditional pre-war business-oriented and imperial-oriented economics with the main alternative voice being that of the eminent and very right-wing refugee Ludwig Lachmann, a prominent protagonist of the Austrian school of heterodox thought. Lachmann spent most of his career in South Africa and was probably its one internationally significant economic presence.

The intensity of debate about state intervention certainly weakened during what we might call the thirty fat years of South African capitalism. A writer, influenced by W. W. Rostow's *Stages of Economic Growth*, who is known for celebrating the successes of South African economic growth, was the Rhodes University based scholar D. Hobart Houghton. Houghton's importance can be signalled by his authoring the chapter on economic history in the important *Oxford History of South Africa* in 1969 as well as a first popular text for the growing number of South African university economics students. Houghton was certainly a more explicit liberal than Norval on social issues but his Pollyannaish views, predicting that South Africa would almost automatically attain a living standard, on average, that would seamlessly make the *apartheid* system irrelevant before the twentieth century ended, seems astonishing to a contemporary reader. 'On the more general question whether secondary industry will continue to grow towards a situation where it is fully self-supporting, past development and available resources give a confident answer that this goal can be reached' (Houghton 1967: 137).

Here was a completely naive understanding of the impact of industrial capital on South African society that failed to do justice to Houghton's critical insights in other contexts. Other liberal writers were however prepared to dissect the inequities and exclusions of the South African system and looked with a more critical eye at the exploitation and abuse of black labour, paid per capita a small fraction of what the beneficiaries of expanding South African capitalism could earn. At the University of the Witwatersrand, a particularly clear thinker in this regard was the law scholar Ellison Kahn (1943). Among University of Cape Town scholars, Sheila van der Horst and her standard study of African labour stood out (van der Horst 1971[1942]). Both were active in the 1940s when some thought the scale of urbanization and industrialization might indeed turn into shreds the racial segregation system agreed on by the white electorate. These two were steadfast opponents of the National Party in power after the defeat and death of Smuts and this political thrust became indistinguishable from a narrowly economic liberal critique. Simultaneously from outside the academy an industry emerged of corporate and entrepreneurial biographies and autobiographies, books which varied enormously in their perspicacity and frankness. Such works outnumber books directly on the economy, let alone economic history.

In academic circles and with reference to the all-important gold mining industry, a later contribution in the liberal vein, which ascribed the chief blame for racial inequities to the

demands for exclusivity by white labour, was Francis Wilson's historical study of labour in the gold mines (1972). Wilson also wrote a pioneering agrarian history for the same *Oxford History* volume referred to above and in 1984 organized a massive research programme detailing poverty in South Africa. Some liberals continued to believe that while the main trajectory of South African capitalism could hardly be said to be benefiting black South Africans very substantially, this situation would inevitably change. A classic study of the 1980s by Merle Lipton, a historian by training rather than an economist, made the interesting distinction between farming and mining on the one hand, which she saw as indeed depending on harsh forms of exploitation for profitability with the more benevolent hand of secondary industry. Indeed a liberally inclined section of mining management was itself contesting the racial order in her view. Her interest in divergent sectoral capitalist perspectives continues to be of interest (Lipton 1985).

A parallel text of contemporary importance was *The South African Economy: Its Growth and Change* (1981) by Jill Natrass of the University of Natal. Natrass was considerably less optimistic in her views. She also saw manufacturing as a kind of road into a promised land of the good life for all but she had much more of a grasp of the realities of manufacturing in South Africa. She realized some of the intimate links between manufacturing and mining, especially heavy manufacturing, and was aware of the weaknesses of secondary industry: its poor skill base, the small domestic market, and the price and relative scarcity of investment capital. Despite the influence on her of W. Arthur Lewis, in accepting that manufacturing had the potential to soak up the vast army of impoverished peasants and informal sector participants in the third world, she was pessimistic about the rural poor of South Africa, her own particular research interest, ever being absorbed in this way. Moreover, whilst *apartheid* would place a high barrier to the advantages of industrialization flowing outside the white minority, its dissolution was likely to retain key divides, only deracializing them. Natrass probably also deserves credit for introducing far more quantitative, mainly statistical, evidence, into her general assessment. A final difference between Lipton and Natrass was contextual. If Natrass's approach had been developmental, Lipton's work was in part ammunition in a shrill war strategy by pro-business economists and economic historians who, as we shall see, were still significant in the academic milieu. They saw themselves beleaguered by a new force of radicals, generally Marxists, inside and outside that milieu, who for a time felt that history was on their side.

In general the liberal critique of *apartheid* considered the economy as being shackled by racial legislation that was ultimately part of the rubric of undesirable and unwarranted state intervention in the market. The nature of the regime was such that this kind of critique had some purchase on policy in times and places and was accepted as legitimate. It represented a dominant view among English-speaking academics certainly by the 1960s but the Afrikaner business world, increasingly self-confident and inclined to model itself on its English comperes, also promoted a parallel critique especially once the good times gave way to an increasingly crisis-ridden era for the economy from the early 1970s onwards (Wassenaar 1977).

The radical school

At this point, we focus on a radical critique which may be seen as offering ideas worthy of international consideration in an understanding of modern capitalism. Here three foundational authors in particular will be discussed: Jack and Ray Simons, Harold Wolpe and Martin Legassick. All of them were South African university employees at one time or another, all

can be linked to universities outside South Africa in Zambia and the United Kingdom, but also experienced long periods of exile and wrote outside normal university circuits to an important extent.

Jack and Ray Simons's *Class and Colour in South Africa* (1983[1969]), conceived in Cape Town in the late 1950s but finished and published only a decade later, was the work of the exiled political scientist and former leader of the South African Communist Party, Jack Simons and his trade unionist wife Ray Alexander. The contrast with previously discussed work is marked in terms of the use of class as an analytical category and the central importance given to labour history. However, in common with the liberals, these authors saw industrialization as a major stage in economic development with important progressive political consequences in tow. The malaise of mid-twentieth-century capitalist South Africa, taking this view further, 'stemmed from the impact of an advanced industrialism on an obsolete, degenerate colonial order' (Simons and Simons 1983: 610). This was a view not very different to that of Macmillan or de Kiewiet. In time, the Simons hoped that South African capitalism could be rescued from its racist trappings, through a democratic revolution, and inevitably then politics would revolve around a class struggle. Their lengthy study was critical for South African economic and social history.

Taking this work on board but with little or no continuation of the positive assessment of the modern that the Simons retained was the innovative writing of Wolpe and Legassick. Their ideas began to be broadcast at an iconic seminar series administered by Shula Marks, a South African lecturer at the School of African and Oriental Studies, London. Wolpe insisted that the racial order based on roots in colonial conquest was critical to the social context and accumulation form of South African capitalism and was not simply an accretion or degenerate aspect parasitizing dynamic growth. He stressed the importance of the migrant labour system, largely in place long before the National Party with its *apartheid* label took office (Wolpe 1972). It required intense cooperation between state and business despite occasional rifts. Indeed he believed that *apartheid* was itself distinctive as an attempt to shore up this system which was showing strains and problems, a Sisyphean task that Wolpe, also a Communist, thought could well bring down the government in time. He believed in the importance of studying development efforts in the so-called Bantustans and the state's creation, in the later *apartheid* period, of a black middle class as a subordinate layer to absorb pressure and prop up the system. In other words, capitalism (whatever the parallels internationally) had come to depend vitally in South Africa on its exploitative relationship with its primitive forebear. This made possible the continual re-emergence of a cheap labour force nurtured in a pre-capitalist framework towards which it was eventually thrown back.

It was Legassick, a trained historian with a flair for economic history but, like Wolpe, directing himself for a key period towards sociology, who did the most to nail the *apartheid* pin on the capitalist donkey. For Legassick, capitalism depended fundamentally on cheap labour, achieved its strength in large part and worked, not without contradiction, to bend the state to its purposes (Legassick 1977). The key lay in the gigantic gold-mining system of labour controls which operated so as to contradict the precepts liberals upheld about free labour under capitalism, as well as the very unequal partition of land and the emergence of 'tribal law' which structured residual and segregated land systems for blacks. Secondary industry, Legassick recognized, had diverse origins, but the key element was reinvestment from the forced labour economy. The manufacturing sector had failed to tear itself away from dependence there; the advantages of the system outweighed the disadvantages, despite the rather different needs of manufacturers who were sometimes at odds with the state. So there was in Legassick a notion of linkage between mining and manufacturing. Mining set the pace

and tone, dominated as it was by a historically structured and intensely racialized labour hierarchy. It created a capitalism that was highly profitable but only partially functioning through a real free labour system. Yet the state, of the greatest importance as an agent of capitalist development, was becoming more and more effective at integrating and harmonizing capitalist interests. The modalities became clearer as secondary industrial interests too became dominated by a small number of oligopolistic firms after the middle of the twentieth century. Legassick went back earlier however, showing the roots of this system in an imperial policy, following the Anglo-Boer War, that was anxious to establish gold mining on a sound footing within a broader, stable social context.

These were critical interventions that also renewed the integration of ideas about the South African economy and its development with what at the time was the burgeoning sub-field of social history as well as other social sciences, notably sociology. They inspired a flood of creative work which really transformed the understanding of South Africa significantly. In an article published in 1996, I devoted some pages to itemizing what I saw as the highlights of that writing (Freund 1996: 135–41). Much of this writing is usually labelled as social history but perhaps most accurately it could be described as social history strongly reinforced or framed by economic history. Although the extensive references available in that article should be consulted, it might be worthwhile itemizing most of the categories that I created: (1) the reconsideration and historicization of the pre-colonial past influenced by the important Marxist idea of mode of production; (2) the interrelationship of expanding merchant capital under Dutch and British rule in particular to developing an understanding equally of slavery and the slave system and of frontier conflict (the latter allowed for transcending the older liberal idea of the frontier as a source of backwardness and archaic consciousness persisting and holding back modern capitalism); (3) the economic and social forces behind the consolidation of the Kimberley diamond fields and the development by stages of characteristic elements in the mining labour process; (4) the ‘immensely complex economic and social structure of the gold mines developed in the [following] generation’; (5) the particular history of white workers, their distinctive struggles, and its relation to the socially and politically highly racialized overall development of South Africa; (6) the emergence of a wide-ranging and rich labour history of the twentieth century, surely the most massive category of all given the hopes that the Left expressed in a revived militant labour movement during the final two decades of *apartheid*; (7) an almost equally impressive urban history albeit with less purchase on economic forces; (8) so-called agrarian history that considered the stuttering rise of capitalist farming buttressed with state support and the gradual evisceration of both the older African way of life on the land and the marginalization of small-scale commercialized farming; and, finally, (9) the production of some fully fledged regional studies on particular sections of South Africa. A tenth category mentioned the beginnings of a study of health and medicine which indeed has critical implications for industrialization processes. However, these can perhaps now be considered in the light of a growing literature, to which I shall return, on social policy more generally.

It is hopefully forgivable on the part of this chapter not to reiterate the numerous outstanding works of historically governed political economy that belong to these categories which are available elsewhere and even then were quite selective. However, it might still be desirable to point to a very few highlights. These are works that must still be consulted as models and hypotheses today.

Class, Race and Gold, the British doctoral thesis of a Canadian sociologist Frederick Johnstone, was a seminal book (Johnstone 1976). It took into account the technology of gold mining and the conditions under which the industry quickly became highly concentrated and

made possible its eventually steady, and in absolute terms huge, long-term profits. From this the racial hierarchy in the workplace, the regime under which the mass of migrant black workers were recruited over a very wide region, and the way lives were governed, including the structurally vulnerable position of white skilled and supervisory workers, emerged forcefully. This of course was the major destination of capital investment in South Africa, as Frankel's quantitative study had authoritatively demonstrated, the most important motor of technological innovation and the model of social control. Later studies have focused on changing facets of this regime over a long period of time, have brought out the role of individuals and given voice to workers more generally, but Johnstone must remain a cornerstone of South African economic history.

There is no single work that explains how African cultivators who measured wealth in cattle and could, when successful, harness the labour of youths and women on a significant scale, became migrant labourers within a rural economy that was residual at best. However, parts of this process can be discerned with particular insight in work by such writers as Jeff Guy (1987), William Beinart (1982), Colin Bundy (1988) and Colin Murray (1992). Bundy has been taken continually as revealing a nineteenth-century phase where such men may have flourished for a time with commercial impulses not yet accompanied by structural forms of discrimination imposed by the state. As such he is a liberal mainstay. Charles van Onselen's *The Seed is Mine* (1996) is a long biography of such a cultivator who lived into an increasingly impoverished old age as he lost the ability to accumulate and then survive as a tenant farmer and equally lost the capacity to govern the labour of his children. The classic summaries of how these processes affected the lives of women are by Belinda Bozzoli (1978) and Linzi Manicom (1992): foundational works to studies in feminist economics.

Two South African historians with strategically ideal placements in British academic institutions, Stanley Trapido and Shula Marks, played an inspirational role in the emergence and flourishing of this literature, organizing seminars and projects and supervising doctorates. However, they also attempted syntheses that considered how mining capital, agrarian interests and a state with a variety of interests came together in the course and the wake of the Anglo-Boer War, South Africa's most violent conflict, which paved the way for the creation of the Union in 1910 (Trapido 1971; Marks and Trapido 1979). Trapido suggested, on the analogy of Prussia, that South African capitalism was a [political more than economic] marriage of maize and gold. Marks and Trapido considered that the post-war regime under the guiding hand of Alfred Lord Milner began to fashion a state that could iron out some of the contradictions arising from such a marriage and link capital accumulation to racial exclusion and massive reliance on a cheap labour migrant system that kept the skeleton of an older form of material life standing in rural areas to which Africans were consigned. There was an initial hope that the *Cambridge History of South Africa*, which appeared after a very long gestation period in 2010–11, would represent a kind of definitive summing-up of this newer literature. However, in reality it revealed instead the increasingly eclectic and variable historiography dominant by the early twenty-first century.

From the economic perspective, however, a remarkable synthetic work, the only one of its kind, was produced posthumously by Charles Feinstein, an Oxford-based South African who began as a Communist and ultimately was a distinguished mainstream and quantitatively oriented economic historian of Europe. He was best known in Britain for his studies of historic national accounts on the Kuznets model. Feinstein succeeded in synthesizing liberal and left views of *apartheid*, focusing on what he considered a dead-end developmental model but with a full appreciation of the harsh exploitative conditions of labour and the effects of discrimination. Feinstein clearly absorbed and assimilated much of the radical literature in

striking contrast to the mainstream economics writers within South Africa itself, as we shall see below (Feinstein 2005). Apart from Feinstein, one should probably also mention the work of another Oxford economist who for many years before 1990 focused on South Africa, John S. Knight (1988). Knight also took up the social and economic relations between *apartheid* and the economy from a liberal perspective and was much looked up to by liberal economists in the Republic.

Post-apartheid writings

Broadly speaking, this literature flourished between around 1970 and the transition to a democratic franchise in 1994, although a few key works did appear in the first few years subsequently. Several of these are significant enough to deserve particular mention. If Trapido had taken maize and gold as an analogy from international critical literature on political economy, the same process led to Ben Fine and Zavareh Rustomjee's mineral–energy complex, an adaptation of the well-known American paradigm of a military–industrial complex (Fine and Rustomjee 1996). Here we have perhaps the most significant economic thrust of the radical school in later years. Fine and Rustomjee define the complex or MEC as a series of linkages and agencies tied together through very well-developed institutional and financial structures which continue in post-*apartheid* times to have kneejerk state backing. The MEC lies at the heart of the economy; it is highly internationalized, particularly after 1996, with a strong export vocation but with exports consisting of more or less benefited raw materials and products rather than sophisticated fabricated products. Their work highlights the importance of the monographs by the American Nancy Clark on the rise of the great state industrial corporations and the South African Renfrew Christie, who tied the rise of heavy industry not merely to the parastatals but to the energy empire largely based on coal mining (Christie 1984, 1991; Clark 1994).

As mentioned above, studies of social policy and its history have flourished in South Africa. A key figure here has been the political sociologist Jeremy Seekings. Seekings has married this with important work examining poverty and the overall South African class structure written with his wife, the economist Nicoli Nattrass (Seekings and Nattrass 2005). Seekings addresses the internationally high levels of inequality as a fundamental theme in a present-centred but significantly historically structured synthesis that tries to merge liberal and radical paradigms. Inequality is also the focus of the work, relatively widely read in South Africa, by Sampie Terreblanche, an economist from the University of Stellenbosch. Terreblanche, more a successful polemicist than an original theorist, has addressed post-*apartheid* themes in terms of continuities from the *apartheid* period with a central focus on the state: 'Verwoerd's policies of creating a white or "European" economy at the southern tip of Africa had far-reaching effects on the South African economy. His policies for creating a capital-intensive first-world on a third-world economy not only weakened the employment capacity of that economy, but did so in a way that was highly detrimental to African workers' (Terreblanche 2002: 377).

These works reflect a strikingly different intellectual climate in the post-1994 era. They are all essentially works by social scientists, notably economists, rather than historians although their work has a historical dimension. Terreblanche is hardly an official figure but he is widely quoted as a source by those who fasten on the continued salience of inequality and above all racial inequality. Seekings and Nattrass contribute to a growing literature on social policy in the penumbra of a state that defines its post-*apartheid* legitimacy in terms not only of a struggle for racially defined economic equality and black economic power but in terms of social grants and infrastructure creation intended to benefit those excluded under the old regime.

By contrast, until recently, Fine and Rustomjee were more the preserve of a faithful but very small band of intellectuals interested in more significant structural and institutional change than was contemplated by the ANC government. The group of activists to which Fine belonged were pushed aside from the policy world by the end of the transition period in 1994. Some excellent studies of the economy were undertaken, notably by Rustomjee but including others with distinct perspectives on the most critical linkages in industrial South Africa (Crompton 1994, Marquard 2006). Most remained entirely unpublished and unknown even to the relevant academic public. Crompton's work belonged to a genre of industrial studies often of considerable quality produced at a time when former activists, some of whom had already contributed to the extant critical literature on the South African economy and with a good grasp of its history, hoped for salient changes in industrial policy. An outstanding individual here was David Kaplan (1990). Gelb's collection which provided an early summary that was not carried forth, was influenced by the discovery and influence of Michel Aglietta, Alain Lipietz and the French regulation school which did lend itself to historically driven economic assessment (Gelb 1991). This body of work was promoted through the good offices of the main trade union federation in its heyday.

Simultaneously, the writing of history also underwent what was at first a gradual but eventually a fairly drastic turn in accordance with the so-called cultural turn. Cultural analyses certainly provided important new historical insights but they did so while almost completely isolating History Departments in South African universities from economic ideas and political economy. Pens stopped writing or individuals reinvented themselves deciding that race or some other category was really far more important than any economic material reality. Institutionally, administrators favoured big units convenient for their purposes with little space for endeavours such as economic history. It became obvious with hindsight that the remarkable literature of the struggle years was itself a product of a finished historical phase.

This was powerfully underlined by changes in international historical writing which equally reflected the dramatic decline in radical critiques of contemporary capitalism, in the importance of labour movements and in the place of those who remained interested in deep systemic change. Instead new radical writers favoured a feminist or environmental discourse that often rejected modern economic forms out of hand. The radical writing of the late twentieth century had been strongly aligned to trends in British or perhaps North American intellectual life. The collapse of these struts, and the once powerful influence of writers such as E. P. Thompson and Eric Hobsbawm, had a major effect in South Africa. The concept of transformation in South Africa, in popular parlance, was largely reduced to racial empowerment and few if any black writers on economic history emerged either to continue with, or even to challenge, the radical tradition.

The institutional setting

At this point, having surveyed the intellectual past of modern economic history in South Africa, some comment needs to be made on its institutional history. Since the late 1920s and following the British model, the ground between history and economics found some institutional purchase at the South African English-language universities that were designated for whites. H. M. Robertson headed up a small distinct economic history unit at the University of Cape Town. Eventually this became a very dynamic and lively site of research and debate under the leadership of the Zimbabwean Ian Phimister during the 1980s. Equally a smaller but separate Economic History Department was created at the University of Natal, in both of

its branches in Durban and Pietermaritzburg. The Cape Town department was particularly important as a home for the political economy school, even though its efflorescence occurred outside the South African universities, often outside the country and sometimes with key stimuli from works of foreign academics with no institutional connection to the country.¹ Both in Natal and Cape Town the affinities were far more to history than to economics.

Elsewhere Departments of Economics were sometimes entitled Departments of Economics and Economic History and as such employed individuals mainly focused on economic history. It should also be mentioned that after 1980 Economic History took off very successfully at the University of Zimbabwe as a large, popular self-standing department. Black students there enjoyed political economy and indeed often considered it their main interest in history by contrast with South Africa where few black students have felt attracted to the field.

The mainstream economic history specialists at the University of the Witwatersrand and elsewhere felt doubly threatened. For them, economic history was a space to defend the values of the English-language business community against state intervention, Afrikaner nationalism and any suspicion of socialism. Most of them disliked the new wave of radical critics on the one hand and feared the impact of sanctions, tied as they were intellectually to conservative voices in Britain. It was symptomatic that Helen Suzman, the doughty voice of the Progressive Party and its later incarnations, briefly lectured in economic history at Wits. She was herself a remarkable mixture of liberal constitutional ideals and very business-oriented and right-wing conceptions of the economy. The lack of a strong institutional home for this rump led to an alternative focus in regular annual meetings and the publication of a journal of South African economic history. The dearth of good locally generated material and the incapacity of South Africans of this school to keep up with the increasingly sophisticated mathematics that pinioned mainstream economics forced them to resort to republishing work, from foreign journals, by well-known scholars. A characteristic publication co-authored by Stuart Jones of the University of the Witwatersrand and Andre Muller of the University of Port Elizabeth was not much more than a commentary on the statistics easily available in the national collection, *Union Statistics Yearbook 1910–60* (Muller and Jones 1992). Meetings were celebrated by the invitation to an eminent foreign figure, inevitably from a developed country whose pleasurable trip could be accommodated through generous corporate funding, thus striking a little blow at those campaigning for boycotts of South African universities. The defence of the beleaguered liberal whites in their universities was strongly sustained by business and indeed vice versa. One might say that economic history as an academic subject was thus highly conflicted and contested in the 1970s and 1980s as Kemp picked up, on a visit, in our initial quote. However, after 1994, the right-wing path too proved to be largely a dead end that disintegrated as individuals retired and eventually the journal folded.

New trends

There is currently a new impetus in economic history that we can connect to mainstream economics primarily. This involves initiatives from the ambitious Economics Department of the University of Stellenbosch which has now created a new economic history unit with permanent posts. Stellenbosch hosted the World Economic History Congress in 2012 in which African material had some prominence and has been instrumental in initiating a new journal with a developmental focus and an international ambit, *Economic History of Developing Regions* (see Fourie and Schirmer 2012). A new regionally structured Economic History Society has emerged. At the same time, a global economic history especially associated with the far-reaching propositions on long-term development of Daron Acemoglu and James

Robinson has fastened its attention on Africa. Coupled with this is a Stellenbosch approach to economic history wedded to the discovery and unfolding of sources subject to quantitative manipulation and assessment. In the case of Stellenbosch, Johan Fourie has been a remarkably energetic researcher. With a colleague, he has found in the records of the Dutch East India Company considerable evidence for inequality within the colonist population, to take one area of interest (Fourie and von Fintel 2010). So far this new activity has not really taken on the big themes of nineteenth- and twentieth-century South African economic history, whether to support or critique particular hypotheses. It also is equally true, as A. G. Hopkins pointed out acutely, that an Acemoglu/Robinson approach that looks for very broad environmental or demographic causes as to why Africa has or has not developed more will remain fairly sterile unless it can take on itself the available political and social history, come to grips with the particular in history and take seriously concepts like class (Hopkins 2009). Too much reliance on counterfactuals may be acceptable fare for an entertaining conference performance but will not advance knowledge very far. This applies as much to South Africa as to the West Africa that Hopkins understands so well.

At the same time, a political economy approach has resurfaced to a certain extent after many years in the doldrums. This is not unrelated to the downfall of Thabo Mbeki as president with his assurance that South Africa's fundamental problems were all under control. One may note moreover that key figures in this revival are largely foreigners in part based in South Africa. One factor is the revival of the MEC approach. Ben Fine and colleagues such as Samantha Ashman and Seeraj Mohamed have added to the older concept the new literature on financialization which is of increasing importance in understanding contemporary Western capitalism. A recent issue of *Transformation* has re-examined and reapplied the MEC which is gaining more popular traction (*Transformation* 2009; Ashman et al. 2011). Another factor is the revival of Economic History as an undergraduate major and Honours course within History although thus far without much postgraduate activity at the University of Cape Town. A third would be the understanding that harsh forms of labour discipline and worker poverty have not gone away and indeed continue to fuel the most important sources of foreign exchange and economic specialization in South Africa (Capps 2012; Alexander et al. 2013; Pons-Vignon 2014). Mining, ignored for two decades, has come back as a crucial subject and not merely from an anthropological perspective. Fourth, perhaps should be added the impact of the Zimbabwean crisis which has driven many young Zimbabwean social scientists, who tend to have a political economy approach more generally, towards South African universities. At the moment, Ian Phimister, long active at Oxford and Sheffield, has returned to South Africa where he heads up a vibrant research unit at Free State University that attracts a number of them. If South African economic history was being written in Britain in large part at one time, Zimbabwean economic history is now being written to a considerable extent in South Africa. At the University of Pretoria, the Human Economy project, which has attracted the British anthropologist Keith Hart to South Africa, looks at, amongst other subjects, the growing importance of credit at every level of South African life. Consumerism and credit is a subject that did not much fit the anti-*apartheid* rubric but deservedly is finding increasing traction.

In conclusion, economic history has been and continues to be a subject with some institutional life in South Africa. Its greater interest is the political significance in which it has been held. South Africa has many of the economic characteristics of a European settler colony that industrialized successfully. But it also absorbed a range of indigenous societies, poorly equipped to assimilate capitalist norms and strategies, which consequently assumed very oppressive forms. South Africa has thus generated an impressive historical literature but the

strongest features align the study of the country's particularities to political economy and to a more holistic historical project than to the narrowest confines of economic history. Contemplating this history, as with other countries where capitalism deviates from apparent Western norms, highlights the mix of internal development and outside forces at work here, as elsewhere.

Note

- 1 The Cape Town department has since closed although undergraduate and recently postgraduate programmes are still offered by Historical Studies.

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