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Nancy L. Clark. *Manufacturing Apartheid: State Corporations in South Africa.* New Haven, Conn.: Yale University Press, 1994. xiv + 226 pp. $35.00, cloth, ISBN 978-0-300-05638-9.

Reviewed by David Gordon

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In *Manufacturing Apartheid* Nancy Clark charts the vicissitudes of state corporations from their rise in the concessionary policies of President Paul Kruger's Zuid Afrikaansche Republiek (ZAR), beginning in 1881, to the promises of privatization by P.W. Botha's regime during the 1980s. She concentrates especially on the rise of the Electricity Supply Commission (Escom), the Iron and Steel Corporation (Iscor) and the Industrial Development Corporation (IDC), and shows how these state corporations responded to the needs of private capital, especially the gold mining industry, and the demands of aggressive white workers trying to preserve and improve their privileged position, which was increasingly challenged by cheaper black labor.

It is refreshing to come across such a lucid, well-argued and empirically based work. Clark adeptly uses historical methods to elucidate important political and economic relationships, which is a rare undertaking in the recent historical scholarship of South Africa. Since the fall in the early 1980s of the much-maligned "structuralist" school, which was eager to debate the relationships between capital and the state, self-styled "radical" South African historians, probably spurred on by political events, have preferred to celebrate history from below, producing a number of accounts of popular culture, rebellions, and challenges to "racial capitalism." Though much of this scholarship is interesting and even exciting, it does little to increase our understanding of the dominant structures that made modern South Africa. Herein lies the importance of a study like *Manufacturing Apartheid*.

Clark locates the beginnings of state corporations in the ZAR's (the South African Republic) policy of providing concessions to its citizens for the manufacture of goods needed by the mining industry. President Kruger, intent on maintaining a degree of economic independence from foreign capital, initiated a program of import substitution through state encouragement of local industry, and thereby hoped to direct profits from the foreign-owned mining industry to local industrial development. This concessionary policy was substantially transformed after the Anglo-Boer war, when Lord Milner, followed by Louis Botha, ensured that manufacturing catered to the interests of mining capital by securing cheap inputs. For example, the Power Act of 1910 led to effective state sponsorship of gold mining's electrical supply. By the end of World War I, however, many South African politicians had come to decry what they perceived as the distortions in the South African economy caused by the dominance of mining capital. Moreover, the state had to find a way to create well-paid jobs for the increasingly vocal white working class.

This was the context in which the state established Escom (Electricity Supply Commission) in 1923 and Iscor (Iron and Steel Corporation) in 1928. The intention was to broaden the industrial base and thereby create jobs for the white working class, while still providing reasonably cheap inputs for the mining industry. H.J. van der Bijl, whom Clark refers to as the "economic czar" of South Africa, was placed at the helm of both organizations. In what this reviewer found to be a most interesting chapter (4), Clark shows how van der Bijl developed dynamic strategies for the survival of the state corporations, including attracting foreign investment capital, developing market share arrangements with foreign firms, and even employing cheap black labor to the detriment of a white labor aristocracy. Thus, instead of the state corporations' representing a victory of national over imperial capital, as argued by the South African government and a variety of scholars including Belinda Bozzoli (1981) and Robert Davies et al. (1976), Clark convincingly demonstrates that the early years of the state corporations represented a set of compromises among the state and local and foreign capital.

The manufacturing boom stimulated by economic uncertainty in Europe during and after the depression led, however, to new developments. The IDC (Industrial Development Corporation), also headed by van der Bijl, was established in 1939 to offer state incentives to private ventures. Manufacturing was able to exploit the withdrawal of foreign producers during the war years, and its productivity surged ahead of mining for the first time. However, the end of the war meant that local manufacturing would have to cut profits or labor costs to remain competitive. Added to these economic requirements were political exigencies, including the continued demands of white labor and the rise of an apartheid polity bent on limiting the amount of African urbanization.

The state corporations responded in a variety of ways. Some projects, like the IDC textile mills, abandoned production. For the most part, however, state corporations developed capital-intensive projects, thereby limiting African employment, or relocated to rural areas. Indeed, as Clark points out, these policies "foreshadowed various government attempts to enforce apartheid through industrial decentralization, job reservation and increasing mechanization" (p. 137). By the 1960s, then, state corporations were an integral part of a socioeconomic system that privileged white labor while simultaneously catering to the needs of the mining industry.

The story that Clark has told, inadequately summarized in the above few paragraphs, is based on extensive state archives, bank records, and the private papers of H.J. van der Bijl. The evidence is put to good use, even if there is lack of quantitative data, which would have provided more of an indication of the economic impact of these state corporations. Another unfortunate gap is the failure to place the story within a broader theoretical and comparative framework and thus to draw out some of the more significant aspects of the analysis. Clark should have analyzed how her insights about the state corporations might change our understanding of the rise of the South African economy. Did state corporations, ultimately, enable South Africa to escape the hegemony of imperial capital and the dependent relationships that have continued to plague much of the third world? In part, Clark seems to imply that the corporations reflected, rather than transformed, dominant economic relationships. It is a pity, then, that Clark did not further commit herself to some of the broader implications of her study.

The most disappointing aspect of the book is the complete lack of attention to any other scholarship on state corporations or para-statals in the rest of Africa. Although she cites a number of works on Asia, Europe, and Latin America (and discusses a few of them), there is not a single entry of African scholarship outside South Africa in the bibliography (with the curious exception of Frederick Cooper's *On the African Waterfront* [1987]). Mahmood Mamdani, in what will perhaps become the most important comparative analysis of South Africa's institutional history written this decade, has complained of a "South African exceptionalism" and attempted to show that the apartheid state was in fact the generic form of the colonial state. There is much work on the colonial and post-colonial mining economies of especially central Africa, and even the role of the public sector in west Africa, that could have informed Clark's analysis. Bringing South African history into mainstream African history must be the growth point for South African scholarship in years to come.

In spite of these complaints, I do believe that Clark has produced an important and readable work. I hope that her book will lead to many more rich empirical studies about state formation and its relationship to capitalism in twentieth-century South Africa. *Manufacturing Apartheid* deserves to be read by all those interested in the economic history of South Africa and in the implications of state corporations for economic growth in general.

Works cited:

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Davies, Robert, David Kaplan, Mike Morris, and Dan O' Meara, "Class Struggle and the Periodisation of the State in South Africa," *Review of African Political Economy* 7 (1976): 4-30.

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