

The neoliberal influence on South Africa's early democracy and its shortfalls in addressing economic inequality

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journals.sagepub.com/home/psc**Danelle Fourie** *North-West University, Potchefstroom, South Africa*

Abstract

In this article, I will argue that early post-Apartheid South Africa adopted certain neoliberal principles which compromised the efforts to combat economic inequality. In particular, I will show that the economic policies that South Africa adopted during its early democracy reflect core neoliberal principles which promote a neoliberal political rationality. These economic policies indicate a pivotal approach from the African National Congress government in addressing economic inequality in South Africa. The dramatic shift from traditional Marxist policies to neoliberal policies reveals the significant influence of a neoliberal global market system during South Africa's early democracy. However, the neoliberal policies failed to address the problem of economic inequality in South Africa. Instead, these policies seem to have deepened the existing economic inequality in contemporary South African society.

Keywords

economic inequality, neoliberalism, democracy, governmentality, political rationality

Introduction

South Africa has a long and complicated history of political, social and economic inequality. It is charged with racial oppression due to different unjust systems such as Dutch

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and British colonialism and the Apartheid regime. This tragic history and the thousands of lives lost over a century of struggle only added to the great anticipation of the political, social and economic change. The political power shift in 1994 from the long held National Party (NP) to the African National Congress (ANC) was unavoidable due to the growing national and international pressures that reached their height during the 1980s. These pressures came in the form of local political and social uprisings and financial boycotts from the international community. Despite the political gains of the ANC in 1994, the majority of South Africans quickly became disillusioned and frustrated by the lack of socio-economic change that was promised by the ANC government (Peet 2002, 54). Post-Apartheid South Africa has become one of the countries with the most economic inequality in the world, with one of the highest unemployment rates, and is rated as one of the lowest on the United Nation's Human Development Index of well-being (Ashman, Fine & Newman 2011, 177). In early democratic South Africa, the influence of neo-liberalist policies, as a normative political rationality and as a political economic ideology, contributed to the escalation of economic inequality in South Africa.

I argue that these neoliberal policies that South Africa adopted post-Apartheid contributed to the escalation of its economic inequality. Firstly, I will give a description of neoliberalism and what it entails; then I will specifically discuss the Reconstruction and Development Programme (RDP) and the Growth, Employment and Redistribution (GEAR) strategy. These two economic policies reflect the dramatic shift in the ANC's approach to addressing economic inequality in South Africa. The ANC's dramatic shift from traditional Marxist policies to neoliberal policies reveals the significant influence of a neoliberal market system. However, the neoliberal policies failed to address the problem of economic inequality in South Africa. Instead, these policies seem to have deepened the existing economic inequality. I also discuss the external pressures from the general business community, the World Bank (WB) and the International Monetary Fund (IMF) that led to the neoliberal shift in policy making.

A brief description of neoliberalism

Neoliberalism is often described as a global economic system to which all countries, in some form or another, must adhere. It is important to understand neoliberalism as a governmentality which legitimizes states by acting as market agents to develop a country's economy.¹ However, it also developed as a neoliberal political rationality that became so dominant that it was implemented and adopted by other countries as well.² In this section, I will discuss the theories of Michel Foucault, David Harvey and Wendy Brown to describe neoliberalism and its tendencies.

It is Foucault in the collected works *The Birth of Biopolitics* (Foucault et al. 2008) who identifies the two main forms of neoliberalism as stemming from its historical contexts in Germany and America. According to Foucault, the German form derived as a critique against Nazism and reconstructed post-war economic policies based on Keynesianism. The German form of neoliberalism is heavily influenced by the Freiburg School of 'ordo-liberalism'. Foucault argued that ordo-liberalist believed Nazism originated due to anti-liberal interventions (Foucault et al. 2008, 84; Hardin 2014, 206). The German call for

neoliberalism provided a unique insight into the interventionist problem of the state, where the market was required to check and balance the state rather than the other way around. This new insight to neoliberalism led to ‘a new programming of liberal governmentality’ (Foucault et al. 2008, 94). Foucault argued that the American form of neoliberalism developed mainly as a response to Keynesian macro-economics and policies (Hardin 2014, 207; Foucault et al. 2008, 217–219).

According to Foucault, the period during America’s War for Independence and the period after World War II in Germany are similar in the role that liberalism had to play in relation to the founding and legitimization of the state (Hardin 2014, 207; Foucault et al. 2008, 217–219). Foucault argues that American neoliberalism is deeply ingrained in the American culture. He goes on to state that neoliberalism is prevalent in the way that Americans think, what they believe, how they function and their general lifestyle (Hardin 2014, 207; Foucault et al. 2008, 217–219). America’s deeply seated neoliberalist values explain the uses for ‘market economy and the typical analyses of the market economy to decipher non-market relationships’ (Foucault et al. 2008, 240).

Harvey echoes Foucault’s theory on neoliberalism and how it perpetuates certain economic values. He argues that the political and economic theory of neoliberalism equates human well-being to the proper functioning of these economic freedoms (Harvey 2005, 1–5). He claims that neoliberalism did not increase economic freedom, nor did it enhance well-being for everyone. Instead, he goes on to argue that neoliberalism is simply the comprehensive result of the breakdown of class compromises and stagflation made due to years of reactive capitalist accumulation (Harvey 2005, 12). Harvey explains that neoliberalism is built on the misguided belief in capitalist accumulation that would benefit everyone, however it only benefitted the wealthier classes. He states that neoliberalism depends on the ‘trickle down effects’ of the wealthy spending money to benefit the greater numbers of society, but this theory only increased inequality (Harvey 2005, 16).³ However, for Harvey, the great suppressor within neoliberalism in the late 20th and early 21st Centuries ‘became a new economic orthodoxy regulating public policy’ (Harvey 2005, 22). He (Harvey 2005, 119) argues that powerful corporate sectors that began to have a greater influence on state and government than ever before:

It has been part of the genius of neoliberal theory to provide a benevolent mask full of wonderful-sounding words like freedom, liberty, choice and rights, to hide the grim realities of the restoration or reconstitution of naked class power ... in the main financial centers of global capitalism.

In other words, it is the corporations that have a firm grasp on economic and individual freedom. This resonates with Foucault’s governmentality, where the state is legitimized through its ability to grow and develop the economy, making the state completely dependent on these big conglomerates. The state is completely dependent on these conglomerates because it needs them to legitimize its existence and to successfully fulfil its role.

Furthermore, Harvey argues that neoliberalism is a political economic ideology that restores the concepts of a class dynamic, but where state is in service to the capitalist elite

(i.e. the corporation state). The elite is, however, no longer the owner of the means of production, as was the case in classical Marxism, but rather the owner of corporations. Neoliberalism introduces the state to uphold the free market ideal of the 'invisible hand' where 'the contest is taken out of the competitors' hands' (Davies 2014, 63). Harvey (2005, 2) defines neoliberalism as follows:

Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating the individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee, for example, the quality and integrity of money. It must also set up military, defense, police and legal structures and functions required to secure private property rights and to guarantee, by force if need be, the proper functioning of markets. Furthermore, if markets do not exist ... then they must be created, by state action if necessary. But beyond these tasks the state should not venture. State interventions in markets (once created) must be kept to a bare minimum because, according to the theory, the state cannot possibly possess enough information to second-guess market signals (prices) and because powerful interest groups will inevitably distort and bias state interventions (particularly in democracies) for their own benefit.

From this definition, neoliberalism has one primary objective: to sustain and encourage economic growth. Harvey (2005, 2) describes the governmental intervention of neoliberalism as perpetuating the notion of consumerist culture. To sustain neoliberalism's economic principles, but also to justify state intervention, an underlying political and social culture is necessary. Encouraging growth at all costs is the *modus operandi* of neoliberalism. However, the perpetual growth is unnatural. This is especially stressed by Brown who argues that the *laissez-faire* 'tuck and barter' system that was emphasized within liberalism does not function according to rational economic behaviour (Brown 2005, 41). Within neoliberalism the market itself and economic behaviour are constructed and organized within legal and political institutions that organize and develop market systems and behaviours to maximize economic flourishing. According to Brown (2005, 41), the economic flourishing can only be achieved within neoliberalism when 'directed, buttressed and protected by law and policy', not only by every institution of society but also by every member of society.

Building on Foucault's concept of governmentality Brown (2005, 40) states that it should be understood as a political rationality as well. Brown argues that every sphere of human existence is submitted to an economic rationality and that 'not only is the human being configured exhaustively as *homo economicus*, but all dimensions of human life are cast in terms of a market rationality' (Brown 2005, 40). Moreover, the neoliberal institutions create policies and practices that reward the individual for actively pursuing these rationalities in all dimensions of their existence. From this, Brown reasons that neoliberalism contains a normative rather than an ontological claim in the omnipresence of economic rationality and it is advocated through the development of institutional policies that further the developments of these claims. Therefore, neoliberalism is a

‘constructivist project’ and relies on the ‘task of development, dissemination and institutionalization’ of economic rationality and not necessarily on its ‘ontological givenness’ (Brown 2005, 40–41).

Moreover, Brown (2005, 41) contends that neoliberal states are controlled by the markets and this is due mainly to the formulation and development of legal, social and economic policies. Firstly, the ‘state openly responds to the needs of markets’ (Brown 2005, 41). As laid out in Harvey’s definition of neoliberalism, the state functions in accordance with market rationality and even supports this rationality with policies that sustain and foster market systems. According to Brown (2005, 41–42), this creates state legitimacy and is used for the measurement for the success of the state and prosperity of a nation. Secondly, state practices and decisions become a cost–benefit analysis (Brown 2005, 42). Complex political and social matters that require discourse and in-depth analysis become an easily solvable matter since ‘all matters are framed in entrepreneurial terms’ (Brown 2005, 42). Finally, the sole purpose of the state then is to ensure the proper functioning of the economic system since it seems that this is their sole responsibility (Brown 2005, 42).

Davies states that ‘the tacit dependence of economic calculation on common normative presuppositions has now become entirely explicit’ (Davies 2014, 152). Neoliberalism as it functions normatively creates the narrative of individuals as entrepreneurs who act as rational economic agents in every sphere of their lives. Individual moral autonomy is calculating and developed by an individuals’ ability for ‘self-care’. Self-care describes a person’s ability to provide for themselves, including their needs and ambitions, making them fully responsible for themselves (Brown 2005, 25). Within neoliberalism moral responsibility is equated to rational action that is usually deliberated within terms of cost–benefit analysis and financial consequences. Brown argues that responsibility for self-care is taken to new heights where the individual takes on the consequences for their actions, even though this would have them encounter severe limitations. Brown concludes that the neoliberal citizen is more ‘calculating rather than rule abiding, a Benthamite rather than a Hobbesian’ (Brown 2005, 43).

However, although individuals are encouraged to take on more responsibility and act with more moral autonomy within society, they are made to be politically passive and complacent citizens (Brown 2005, 43). Brown describes the model neoliberal citizen as one that strives towards their own social, economic and political goals and shows little to no interest in the larger public (2005, 43). Furthermore, since neoliberal individuals view themselves and others with this greater standard of responsibility, it is often thought that they are in situations of poverty due to choices of their own making. Within the South African context, we find that ‘economic Apartheid’ persists within the country and many White middle- and upper-class South Africans have this response to Black poverty-stricken citizens.

For example, Gibson (2011, 35) argues that the notion of a ‘backwardness’ or ‘the unpredictability and idiocy of the masses’ remains a constant in South Africa from the post-war Keynesian development state and post-development neoliberal state. Gibson’s central point is that poor people are often viewed as a burden on society, and it is their responsibility to raise themselves out of poverty. Even in projects that focus on

'empowering of the poor' lack the necessary engagement with people in poor communities to truly develop self-emancipation. Instead, empowerment is offered by 'encouraging micro-loans and encouraging self-entrepreneurship through financing programs and saving schemes', or 'training people to understand policy and how to engage with it' (Gibson 2011, 35). Gibson continues by stating that these approaches seem 'concerned with empowerment but, in practice, focus on advocacy rather than building relationships at the grassroots' (Gibson 2011, 35). The neoliberal lens through which these social programs operate show more concern with costs than actual empowerment and self-emancipation of the poor. Instead, Gibson (2011:36) argues that poor communities are viewed as problems that need to be solved and which can only be solved with proper management.

Grinding the GEARs of economic equality

During the late 1980s and early 1990s the Economic Trends Group (ET), the Macroeconomic Research Group (MERG), the World Bank (WB) and the International Monetary Fund (IMF) were the organizations leading the debate on macro-economic policies in South Africa. The principles of the MERG were mainly advocating for 'post-Keynesian' economic policy and focused on state investment, which would later branch out to private investment to facilitate sustainable economic growth (Peet 2002, 70). However, the document which MERG presented to the ANC in 1993 on South Africa's early democratic economic policies was never adopted by the ANC. Narsiah (2002, 31) states that this marked the first defeat of a true hearted effort of 'the growth through redistribution faction within the ANC'. In late 1993, through a series of workshops, a written document was finalized with the help of intellectuals and various representatives of social movements. Those involved in the writing of this document included the South African Communist Party (SACP) and the trade union movement represented by the Congress of South African Trade Unions (COSATU) and other nongovernmental organizations (NGOs). The document was the Reconstruction and Development Programme (RDP).

The RDP was adapted to provide a basic needs approach that would basically function as a Keynesian capitalist welfare system. The RDP would focus on the development of the economy, but also on infrastructure, basic health care and education (Southall 2013, 91–92). In 1993, the ANC used the RDP as its manifesto and later employed it to craft policies once it assumed political power in 1994 (Peet 2002, 70; Narsiah 2002, 31). However, the version of the RDP document that was signed into policy was a significant departure from its original principles and intentions of the organizations that wrote it (those organizations being the ET, the MERG, the SACP and COSATU). Schneider (2018, 209) states that the rejection of the original MERG approach was a tragic decision since the economic approach that MERG was suggesting was more realistic of late-industrializing countries than the neoliberal approach that solely relies on market mechanisms.

The most important task to the ANC government was to rectify and address the deep seated and racially charged inequality within South Africa. The ANC government had the monumental responsibility of restructuring the foundations of the South African economy

to ensure an integrated economic development process. This process necessitated the redistribution of wealth and resources, job creation and sustainable growth, as well as rapid development to sustain government and personal expenditures. Narsiah (2002, 31) states that from its inception, the RDP faced problems with the implementation of its policies. This was mainly due to limited resources that were fiercely guarded by those in the ANC parliament, specifically Thabo Mbeki and Trevor Manuel (Southall 2013, 92; Narsiah 2002, 31). The pressure to perform these tasks led the ANC to adopt a new strategy which stressed that economic growth was necessary and would automatically lead to the achievement of South Africa's social welfare goals. This strategy also consisted of increasing national and foreign investment, as well as privatization. The RDP's need-based approach was soon replaced with a supply side approach, especially with the increasing pressure on the ANC to perform economic miracles in a competitive global economic climate (Cheru 2001, 501).

The ANC government decided to replace the RDP with a new initiative called the Growth, Employment and Redistribution (GEAR) strategy in 1996. Cheru (2001, 507) states that the government's reasoning for this change was that 'the RDP functioned not as a development framework, but as an aggregation of social policies designed to alleviate poverty without affecting the complex of economic policies and practices that produce poverty and inequality'. For most observers, this seemed like a dramatic change within the ANC policies from 'social heterodoxy' to 'neoliberal orthodoxy' (Narsiah 2002, 31). Every other economic policy since GEAR has followed some version of these neoliberal principles to promote economic growth by opening up South Africa to international trade (Schneider 2018, 308). Cheru (2001, 507–508) argues that this ideological shift dates back to the early 1990s and that the ANC leadership made a strategic choice to align with neoliberal economic policies. Furthermore, this was a continuation of South Africa's previous government, the NP led by FW de Klerk, which began exploring neoliberal economic policies in the mid-1980s (Cheru 2001, 508).

This continuation may have been a collaboration that formed between Nelson Mandela and FW de Klerk, who both wanted a better future for all South Africans. However, Narsiah (2002, 32) contends that the NP's adoption of neoliberal policies during the 1980s, especially privatization, was at least partially politically tactical. Feigenbaum et al. (1998, 42–43) argue that the NP used tactical privatization to either gain political allies abroad or reduce the budget deficit. Moreover, systematic privatization would alter the political and economic dynamics and interests of a society shifting most of the responsibility of the government onto the private sector (Feigenbaum et al. 1998, 42–43). Another factor was the growing tension within the NP and from the private sector over the growing economic crisis, specifically the crisis of foreign investment (Marais 2011, 44). This led the NP government to implement privatization and deregulation which had the effect of shifting the economic power to large corporations and creating a powerful financial sector (Marais 2011, 44). However, Narsiah (2002, 32) argues that the GEAR policy was undeniably market-orientated, and, in implementing this policy, the ANC 'set the parameters for the National Party's privatization initiative to take on a systemic character'. Moreover, big conglomerates benefitted even more after the restructuring of the economy post-Apartheid, and they shifted many of their assets out of the country,

ultimately leaving South Africa with continuously high rates of capital flight (Ashman, Fine & Newman 2011, 185–188).

The NP had close ties with the United States, the United Kingdom and its financial institutions during the period leading up to the demise of Apartheid. Therefore, the NP could have subscribed to the neoliberal ideologies that were dominant in those countries. Klein (2007, 199–200) maintains that the NP used most of their resources to frame the economic debate and got businesses within the national and international community involved to ensure a favourable outcome in negotiations. The Reserve Bank remained independent and private property was written into the Constitution (Klein 2007, 202–203). Narsiah (2002, 31) argues that the ANC came to the realization that they could not compare to the seasoned big business bureaucrats and complexly articulated economic policies of the NP. All these arguments are viable, but in the end the neoliberal shift in both the NP and the ANC was the realization of a changing global economic climate. This realization came with the acknowledgement of ‘the limitations of national liberation movements’ due to growing international pressures that were put upon both parties (Ashman, Fine & Newman 2011, 182).

It was thought that these neoliberal economic policies would lead to rapid economic growth that could translate into redistribution, social development, economic empowerment and job creation (Government of South Africa 1998, 58). The government hoped to replicate the successful reduction of poverty and inequality that was experienced in East Asia (Cheru 2001, 508). Some of the neoliberal policies that were adopted include the promotion of financial austerity, export orientated development and privatization. It was believed that these policies would create a competitive environment and that the deregulation of markets would entice foreign investment (Peet 2002, 72). However, GEAR is very different from the mixed-economy approach that was implemented in Taiwan, Singapore and South Korea (Cheru 2002, 508–509). The mixed-economic approach was not solely focused on market-led solutions but also paid close attention to the social development programs such as land reform, income inequality, health care and education. A ‘basic needs’ economy was developed that protected its workforce and allowed industries to become competitive before allowing for privatization and production for the exportation of markets. However, contrary to this, the GEAR strategy relied upon stimulating growth through an export-oriented economy and large-scale privatization in South Africa (Narsiah 2002, 32–33). Narsiah (2002, 32) states that the GEAR policies lacked integration and relied too heavily on the private sector to promote social development. The mixed-economy approach allowed for rapid domestic economic growth in Asian markets without encountering high debts or job losses (Cheru 2002, 509). However, for South Africa, its GEAR strategy failed to meet its economic growth and employment targets.

The GEAR policy did not attract foreign direct investment as it had hoped to do, due to a combination of local and global factors. Locally, the rising wage bill of State-Owned Enterprises (SOE), government debt and currency depreciation, amongst others, led to capital flight to developed markets. Globally, macro-economic factors and negative economic problems led to aversion to risky assets in developing markets like South Africa, which did not support investment. The continuation of privatization and

deregulation made it easier for wealthy corporations such as Anglo American, Old Mutual, SA breweries and Liberty Life to relocate their assets to the world's leading financial centres and export even more capital out of the country (Makgetla 2004, 276). Many corporations that had undergone corporate 'unbundling' and were sold during the Apartheid era were now perceived as internationally competitive. Consequently, these corporations were 'nominally reducing conglomerate concentration, but increasing concentration within sectors' (Ashman, Fine & Newman 2011, 183).

South Africa's main form of foreign investment was still within the Mineral-Energy Complex (MEC) sectors. The reliance on the MEC sectors had the result of the Rand being extremely dependent on short-term inflow capital investment, while being prone to big capital outflows. Moreover, many labour-intensive manufacturing jobs, that are prevalent within the MEC sectors, were lost due to the abandonment of tariff barriers (Ashman, Fine & Newman 2011, 183). The systematic privatization in South Africa led to significant job losses in general. This is mostly due to corporations operating based on maximizing profit and cutting on labour wages was the easiest way to obtain greater profits (Cheru 2002, 509; Narsiah 2002, 32–33). 'Private-public partnerships are the new buzz-words. These new initiatives are being dressed up in the garb of black-empowerment and entrepreneurialism' (Narsiah 2002, 33). However, the fact remains that the state did nothing to protect these workers from being retrenched or exploited by these corporations.

However, there were some advantages to the GEAR policies. Due to the GEAR policies, South Africa experienced rapid economic growth, whereas macro-economic indicators gave stability to existing investors and international financial institutions such as the WB and the IMF. South Africa adhered to the global market rationality, which allowed for the opening of markets, the rapid growth of the economy and the cooperation of a larger international community. However, since 2008, national and international events dramatically affected the prospects of South Africa's economic growth. Internationally, the financial collapse of 2008 and the leading governments' attempts at quantitative easing to 'save the banks by printing money and cutting public services led inevitably to a sovereign debt crisis' (Hart & Padayachee 2013, 72). The financial crisis of 2008 left the world economy in a recession for which there was no real solution except to see it through. For some countries, the quantitative easing seemed to restore or stabilize the asset markets. However, it did not stimulate demand or job creation, or address any other pressing socio-economic problems of the poor. Political unrest was commonplace all over the world and could be seen in protest and political movements such as the Arab Spring, Occupy Wall Street, the London riots and the Russian protest. The neoliberal policies that promised economic growth and prosperity were now under threat due to their own downfall, not only in South Africa but also globally (Hart & Padayachee 2013, 72–74).

Nationally, in late 2008, after the full force of the financial crisis had broken, South Africa would encounter another drastic change. South Africa's President Thabo Mbeki had resigned, or more accurately was politically forced out, and was succeeded by Jacob Zuma (Hart & Padayachee 2013, 74). The political and economic consequences of Mbeki's 'forced eviction' are still unclear (Hart & Padayachee 2013, 74). Before 2008, the market economy was perceived as relatively stable, due to growing international

cooperation and stable foreign investment. This was also due to ‘reducing budget deficits, debt burdens and inflations, and large-scale redistributing through social transfer, notably pensions and child-support grants, and spending on service infrastructure’ (Fourie 2017, 60). However, since 2008, ‘the budget surplus disappeared and was replaced by a persistently high budget deficit’ along with an increase in corruption and lack of service delivery (Fourie 2017, 60–61). This dramatic economic downturn scared off national and international investors which exacerbated the economic spiral. The state was in political, social and economic constraints and unfortunately the poor were the ones to suffer the most under these constraints (Fourie 2017, 61).

The result is a very limited change in the early democratic South Africa with uneven development and distribution (Ashman, Fine & Newman 2011, 186). On the one hand, South Africa has a highly developed financial sector, but on the other hand, there is still a highly marginalized, poor and overwhelmingly Black section of the economy (Habib 2004, 92). South Africa’s strategy was relying on neoliberal policies to stabilize the economy, but it did not resolve the micro-economic problems such as job creation and unskilled labour (Ajam & Aron 2007, 771). This is proof that South Africa’s approach to address the causes of poverty is affecting the prospects of the poor to access infrastructure and jobs (Ghosh 2011, 854). The Apartheid picture of inequality, declining investment and rising unemployment has not changed much under the post-Apartheid ANC government except for the very select few who formed part of South Africa’s new ‘Black elite’ (Ashman, Fine & Newman 2011, 186–187).

The formation and incorporation of a ‘Black capitalist class’ was a very important part of the new South Africa that was formed in 1994. This new ‘Black bourgeoisie’ was initially formed out of former trade union leaders and political activists but was highly financed from various sectors while also being heavily dependent on the state. Although this was very important and a great achievement for South Africa, the majority of the ownership over the economy was still predominantly White (Ashman, Fine & Newman 2011, 187). Some argue that the creation of the ‘Black capitalist elite’ through Black Economic Empowerment (BEE) has only made changes in terms of Black representation, but not much has changed in terms of White dominated corporate structures (Makgetla 2004, 279). Furthermore, the strategic empowerment of a small Black elite furthered the business interests of national and international institutions while progressing and establishing the neoliberal ideals amongst the ANC leadership during the crucial years directly before and after Apartheid (Bond 2000, 39–40; Jara 2013, 269). Therefore, in broad terms, the development of Black capital without destabilizing the predominantly White financial sector remains a difficult yet very important task for the South African government. The integration of the economy is an issue of growing importance for the South African public as reflected in movements such as #feesmustfall and the debate on land reform (Sands 2018; Mpfu 2017).

Furthermore, even local and international economists and political leaders who agreed that the new South Africa would benefit from a democratic socialist government argued fiercely for the preservation of a free market system. The main argument was that neoliberal economic policies implied the efficacy of market instruments that could function as a redistribution strategy and therefore limit government intervention.

However, free markets could also inhibit racism through free and fair competition and allow for integration into the South African economy. Competition within neoliberal capitalism would therefore restrain discrimination (Schneider 2003, 32). Schneider (2003, 32–33) does point out that this does not take into account other factors that have a significant influence on socio-economic conditions in South Africa. Some of these factors include shorter life expectancy, lower rates of literacy and high rates of infant mortality. These socio-economic conditions are structurally and systematically built into the South African state and economy and have been used to benefit the White minority. Therefore, some sort of regulation is necessary to ensure the fair distribution and integration of all members into the South African economy (Schneider 2003, 33).

The business community, the World Bank and the International Monetary Fund

The predominant view on why the ANC adopted some characteristics of the neoliberal orthodoxy was that international institutions such as the WB and the IMF had great influence on the ANC and its policy making (Narsiah 2002, 30). The international community became more aware and concerned with the immanent political shifts within South Africa during the 1980s. International institutions such as the WB and the IMF reached out to lend South Africa an ‘invisible’ helping hand for the transition period that lay ahead. The WB and the IMF encouraged South Africa to take on neoliberal, non-interventionist policies. The business community, both nationally and abroad, came to the realization that South Africa would soon become a democracy under ANC rule. Consequently, they started supporting the ANC and the upcoming democracy. However, they also realized that they would have to intervene in the ANC’s plans to prevent the ANC from nationalizing South African Banks and industries (Peet 2002, 71). During the 1980s the ANC needed and welcomed the support of the business community, thinking that it would strengthen their cause against the opposition and end the oppression of Apartheid sooner (Macozoma 2003, 16).

During the early 1990s the WB was extremely involved in South African politics. The WB would make regular ‘missions’ to South Africa and during these missions ANC researchers and policy leaders were of ‘particular interest’ to them. ANC leaders and officials were also often invited overseas for training on economic policy matters by the WB and the IMF (Narsiah 2002, 30; Peet 2002, 71). These missions were frequently referred to as part of a ‘trust-building’ process that would align the values of ANC leftists with the WB and IMF representatives. This approach was very effective. ANC leaders and key figures who supported the nationalization of South African banks and industries now questioned whether nationalization was a defining policy of the ANC (Peet 2002, 71–73). It is now apparent that during the early 1990s, the ANC was looking for policy alternatives ‘such as antitrust legislation and government-appointed directors on the boards of major companies’ (Peet 2002, 71). The WB’s influence can be seen in the ANC’s somewhat dramatic changes during the 1990s. The WB’s network of policy initiatives ‘paid dividends when the ANC assumed power in 1994’ (Narsiah 2002, 30). The great surprise is

not necessarily that the ANC converted to neoliberal economic policy, but the speed and efficacy with which they did (Peet 2002, 73).

Moreover, while the political and economic pressures were mounting on the ANC to convert to neoliberal economic policy, its own members were becoming more and more persuaded by the ongoing debates and principles of neoliberalism (Gumede 2005, 67, 71). Firstly, highly placed members within the ANC, such as Tito Mboweni and Thabo Mbeki, hold degrees in mainstream economics and their (more neoliberal) perspective had an influence on policy making (Schneider 2018, 309). For some, the academic discourse and training programs of the WB and IMF were convincing enough to persuade them (Ashman, Fine & Newman 2011, 182). Others were persuaded by job offers, shares and other assets that helped to shape the 'new Black elite' (Gumede 2005, 172).

International incidents also contributed to the neoliberal persuasion. The fall of the Berlin Wall and the collapse of the Soviet Union brought about a cold realization to the members and leaders of the ANC (Peet 2002, 72). There was no good example of a communist country for South Africa to follow and the ANC was dependent on neoliberal countries for help. Most of their romantic illusions faded and the ANC came to realize that they would have to take into account how the international community would react to national economic policy (Peet 2002, 72; Ashman, Fine & Newman 2011, 182). For the ANC leaders, it became about 'political practicality' and 'economical realism' (Peet 2002, 78). The harsh reality was that they had to commit themselves to bettering the lives for the majority of South Africans, no matter what their own personal beliefs were (Peet 2002, 78). Most communist or socialist countries were converting to neoliberalism. The ANC had no other international supporters or examples to follow and, with the growing economic and political pressures surrounding them, it is easy to understand why the ANC converted to a neoliberal orthodoxy (Schneider 2018, 308).

The WB and the IMF encouraged this outlook and prompted ANC leaders towards a macro-economic approach that would align with mainstream global economic policies (Bond 2000, 74–75). The WB and the IMF stressed the importance of alleviating poverty through 'trickle down economics' by applying a macro-economic strategy that focused on the concept of creating job opportunities within the private sector. A 'secret letter of intent' was signed between the ANC and the IMF in 1993, securing a loan of an estimated \$850 million (Schneider 2018, 309). In this 'secret letter of intent', the IMF stipulated that the South African economy must adhere to the following policies: 'cutting state deficits, controlling inflation, imposing wage restraint, adopting outward orientation, and, most importantly, recognizing the superiority of market forces over state regulatory interventions' (Peet 2002, 72).

It was with strategic interest, and with economic and political significance, that the WB and the IMF represented neoliberal policies to South Africa. The WB and the IMF then ensured the implementation of neoliberal policies as contingencies to lending financial support to South Africa. The IMF and the WB even made implicit threats that they would withdraw financial support for the government if the ANC implemented social policies that were too generous (Schneider 2018, 309). Under the guise of financial support for the new democratic movement both international institutions fastened the neoliberal grip on South Africa. With neoliberalism being the only picture of economic progression, the

ANC became more pressured within the international institutions to adapt to this economic system (Peet 2002, 78–79).

Mainstream global economic policies were also heavily supported by the local business community in South Africa. It became increasingly clear to the local business and political community that the ANC was unprepared when it came to the negotiations concerning economic policies and that their focus was more on discourses around political liberation (Narsiah 2002, 31). The local business community held several workshops and intentionally narrowed the economic discourse on policy (Bond 2000, 74–75). These workshops included political leaders, academics, businesspeople, development consultants and many more (Bond 2000, 74–75). According to Schneider (2018, 309–310), the negotiations and outmanoeuvring included Apartheid officials remaining in office during the transition period to ensure that neoliberal policies (GEAR) that were started before the ANC assumed power were properly implemented. Some of these institutions and offices included the Ministry of Finance, the South African Reserve Bank (SARB), the Central Economic Advisory Services, as well as several other finance institutions and statistics agencies (Bond 2000, 75; Schneider 2018, 309–310). This was believed to showcase the success of a small group of South African and international economists from the SARB and the WB working together to undermine the progressive forces of the ANC (Schneider 2018, 310).

A dominant representative of the local business community was the Consultative Business Movement (CBM). The CBM was essential in finding common ground when negotiations took place between the ANC and the Apartheid regime. According to Peet (2002, 72), South African business institutions argued for a moderate or more pragmatic approach, rather than an ideological approach to the change of economic policies. Local businesses such as Sanlam, an insurance company, and the South African Chamber of Business produced documents stating what they hoped a post-Apartheid South African economy would entail. All recognized the need for social reform but argued for limited economic restructuring and a macro-economic, outward-oriented economic approach that would promote free enterprise and would reduce poverty (Peet 2002, 72). Other large businesses, such as the diamond mining company Anglo American Corporation, reached out to ANC leaders during the 1980s and started promoting their business interests by persuading the ANC leaders to direct economic policy towards neoliberal ideology. Both Sanlam and the Anglo American Corporation were very persuasive due to the BEE program that began informally in 1992 which allowed the corporations to transfer assets to selected members within the ANC and the Pan Africanist Congress leadership (Schneider 2018, 310).

It has become increasingly clear that the local business community along with the NP managed the economic policy negotiations and discourse to achieve a strategic outcome (Klein 2007, 202–203). When considering the international climate in which these discussions took place (1980s–1990s), nationalization and socialist ideals did strike fear into the heart of the business community about the economic future of South Africa (Peet 2002, 72). During this time countries of economic prosperity, such as the United States and the United Kingdom, followed neoliberal economic policies. The leaders of these countries, such as Margret Thatcher and Ronald Regan, were advocates for this neoliberal

movement (Klein 2007, 199–200). Moreover, the neoliberal economic policies of prosperity were also communicated frequently and very effectively to South Africa in general by the international community during this period (Peet 2002, 66). Taking this into account, neoliberalism did seem like a rational and practical solution to local business and political leaders. Generally, it seemed that the business community was invested in the neoliberal ideals of wealth distribution and economic growth that was led and facilitated by the state through privative enterprise (Peet 2002, 78–79). The ANC, being persuaded by the same arguments as the local business community, effectively agreed. After all, these were leaders of industry, academics and economic experts leading the discourse on the future of the South African economy, providing persuasive, coherent and sophisticated arguments.

However, the ultimate persuasion lay within the greater geopolitical and economic context that left South Africa without an economic alternative, both practically and theoretically (Peet 2002, 79; Ashman, Fine & Newman 2011, 182). The economic restructuring that South Africa had to face required rapid economic growth, but what was equally necessary was integration and welfare development. Of course, South Africa is not unique in this sense and other countries had to obtain the same results, as was the case with Taiwan, Singapore and South Korea (Cheru 2002, 508–509). However, South Africa is in a contextuality unique situation where the majority of the population was under severe economic and political oppression. The neoliberal economic policies would require that ‘free marketeers’ addressed these vast and racially charged injustices, something that no other country had experience with (Schneider 2003, 46). Schneider (2003, 24) argues that early democratic South Africa replaced the ideology of apartheid with the ideology of neoliberal capitalism which is only perpetuating inequality.

Neoliberal economic theorists argue that for South Africa, radical and large-scale redistribution and integration is unattainable and is possibly dangerous. The stability of the South African economy relies on foreign direct investment, and redistribution programs such as land reform would scare off the investors that South Africa desperately needs to support economic growth and development. Furthermore, as it stands, the South African economy cannot support widespread distribution, the development of welfare programs and the expansion of basic services to all citizens (Schneider 2003, 24–25). Schneider (2003, 24–25) argues that these statements are all based on a ‘fundamental ideology and not on substantive analysis’ that inherently tend to ignore the structural and systematic problems within a neoliberal economy which perpetuate inequality. Often economists lose sight of the practical and social implications in the blind pursuit of abstract and ‘narrowly defined economic goals and criteria’ (Schneider 2003, 25). The practical and social implications come at great cost to the majority of the population and result in economic instability. The neoliberal economic policies have not stabilized South Africa’s economy or benefitted the Black majority (Schneider 2003, 25).

Twenty-five years after democracy, South Africa’s economic problems were not solved by neoliberal orthodox policies as many promised they would be. However, the problems facing South Africa are far more complex. They also involve economic mismanagement (e.g. service delivery in local municipalities), corruption, political populism, global economic influences (e.g. trade wars between the United States and China), global market

dynamics (e.g. commodity prices) and so forth. In many ways, South Africa still faces the same challenges it did when the ANC came into power. Some of these challenges include unemployment, inequality, capital flight and poor income growth (Schneider 2018, 313). The National Development Plan (NDP), which focused on relieving poverty and reducing inequality, was implemented in 2013. The NDP struggled and failed with real world policy implementation due to a lack of government capacity and political capital (Fourie 2017, 73). According to Fourie (2017, 73), policies like the NDP do not address other policies that are preventing the economy from growing and South Africa's citizens from enhancing their well-being:

'Businesses need access to capital, a skilled (international) workforce, affordable and reliable electricity, good quality roads and rails, a safe working environment, a non-corrupt judiciary, the protection of private property rights and efficient and transparent tax regulations, trade agreements, border posts and other government red tape'. However, it is difficult to formulate these policies in a politically and socially unstable environment, especially when some of these policies are contradictory to the wishes of most South African citizens and when the government's integrity is compromised.

Other problems that South Africa is facing are more unique and of its own making. The lack of long-term public investment in infrastructure during and after the so-called 'lost decade' of the Jacob Zuma presidency is one prevalent example (The World News 2020). The costly power failures that are due to lack of maintenance of infrastructure and maladministration of Eskom has surely had a negative effect on private sector investment. Other State-Owned Enterprises such as South African Airways, the national carrier, also require frequent bailouts due to maladministration and lack of strict maintenance, not to mention the frequent service delivery protests that point to government's inability to provide basic services and that show the lack of real economic transformation (Fourie 2017, 64–65).

Furthermore, the socio-political climate in South Africa did not improve due to the still existing racially charged inequality. Schneider (2018, 313) states that the ANC 'transformed from fighter of oppression to oppressor' after the Marikana Massacre of 2012. Distrust in the ANC grew deeper due to corruption and state capture during the Jacob Zuma Presidency of 2009–2017, which dramatically escalated South Africa's economic problems and created scepticism with foreign investors (Desai 2018, 499–513). Today, President Cyril Ramaphosa must find a balance between protecting the rights of private property, but also considering the outcry for some form of land redistribution from many South Africans. If done equitably, executed with precision, and within the boundaries of international law, land reform in South Africa could promote economic stability and reflect strong ethical leadership to the international community (Kwarteng & Botchway 2019, 98). Nonetheless, higher growth rates and economic development are necessary to create the South Africa that was promised in 1994.

Conclusion

Early democratic South Africa has persistent neoliberal tendencies despite social programs and government intervention being central to overcoming economic inequality.

Foucault identified two main forms or historical contexts of neoliberalism (Foucault et al. 2008, 84; Hardin 2014, 206–207): Firstly, the German ordo-liberalism that originated as a critique of the Nazi state and secondly, the American neoliberalism that originated from critique of Keynesianism and the New Deal. The former made use of market systems to supervise the state (Foucault et al. 2008, 116). The latter developed a political rationality where economic analysis is used and applied to non-market phenomena and relationships (Hardin 2014, 207; Foucault et al. 2008, 240). Both forms were important in the founding and legitimization of the state (Hardin 2014, 206–207; Foucault et al. 2008, 217–219). Within the context of post-Apartheid South Africa, both forms of neoliberalism were apparent in the legitimization of the state.

Neoliberal economic policies were adopted in South Africa after the rule of the Apartheid regime, just as the German form was adopted after the Nazi regime. It is also interesting to note that South Africa's initial economic policy, the RDP, although it was never fully implemented, was based on a Keynesian welfare system just as the German ordo-liberalism was based on Keynesian policy (Hardin 2014, 206). However, the more aggressive GEAR policies were implemented as a reaction to the Keynesian RDP welfare policies, like the American form of neoliberalism. Moreover, neoliberals also argued to limit state interest groups that would use political power for group interests (Schneider 2003, 33). During the Apartheid era the NP would use political power to ensure economic wealth to the White minority in South Africa. The fear was that under the ANC government something similar would happen in the form of various tribal interests. Neoliberals argued that certain policies could be put into place that would help prevent this from happening by limiting state intervention and depending on free market systems for integration and redistribution (Schneider 2003, 33). Furthermore, neoliberal policies were also argued to inhibit racism through free market competition and would result in economic integration and equality with limited state intervention (Schneider 2003, 33). In other words, in post-Apartheid South Africa, both forms of neoliberalism are apparent in the strict limitation of state interest groups and constant supervision of the state, but also in the strong opposition to Keynesian policies or any form of welfare distribution that is not done through market allocation.

However, this has changed in some ways and persisted in other ways. There are some elements to South African policy that deviate from neoliberal characteristics that were accomplished through a great amount of government intervention. During 2014–2015 government allocated an additional 11% of its spending to social expenditures. South African economic policies also include BEE or Broad Based Black Economic Empowerment (BBEE) (Nattrass 2014, 67). However, due to these policies' ties with powerful trade unions and labour legislation, these policies are implemented inconsistently. Consequently, they have had limited impact on relieving the levels of inequality and unemployment (Nattrass 2014, 67). The unions and legislation, while very strict on minimum wages, do not take into consideration the tariffs on imported goods. Higher costs and international competition for South African businesses unfortunately contribute to higher unemployment rates (Nattrass 2014, 67). The incorporation of the 'Black elite' into the South African economy is necessary, but regrettably it has led to a very centralized group of people having control over a large sum of the South African economy. The

inability of these centralized groups to coordinate between the private sector and the public sector, or agree on economic development strategies, limits national development and leads to inequality and corruption (Nolke & Claar 2013, 45–50). This severely limits the government's ability to not only grow and develop the country's economy but also to look after its citizens as it promised to do in 1994.

In Harvey's definition of neoliberalism, he states that first and foremost neoliberalism is a theory of political and economic practices that equates the advancement of human well-being, individual and otherwise, to economic advancement. Economic advancement can be achieved through institutional frameworks that support and protect private property rights, free markets and free trade. Moreover, minimum state intervention is preferable since interference can distort markets and interest groups will intervene to use the markets for their own benefit (Harvey 2005, 2). The ANC were persuaded to convert to neoliberal policies of privatization and the deregulation of markets to attract foreign investment that would result in economic growth and the overall well-being of South African citizens (Peet 2002, 72; Klein 2007, 202–203). Within the first few years of ANC government rule there were not many development programs and very little state intervention. The WB and the IMF warned the ANC not to implement too many social welfare programs and to rather rely on the 'trickle down effects' of the free market (Schneider 2018, 309). However, this has changed over recent years, although the unemployment and inequality statistics remain high (Schneider 2018, 311). Within the specific circumstances of South Africa being a developing economic and industrial country '[t]he consequence is that those at the bottom of the income distribution are locked into a system that limits their opportunities for upward social mobility' (Fourie 2017, 68).

A neoliberal society is much more focused on economic and financial development. By adopting neoliberal policies, South Africa focused more on the greater accumulation of national wealth which resulted in class compromises where the wealthier classes of society benefitted. Moreover, Harvey (2005, 22, 119, 160–164) argues that the great influence within neoliberalism is not the state, but the powerful corporate sectors that have a significant influence on the state. No country can attest to this more than South Africa. Business organizations were strategic in their negotiations with the ANC in the period leading up to and shortly after the democratic elections in 1994 (Peet 2002, 78). Both the international and the local business community, due to many factors including local and global politics, self-interest, and partly because they believed it would lead to the well-being of all South Africans, negotiated for a neoliberal conversion (Peet 2002, 82–83).

The effect of these compromises in post-Apartheid South Africa is that the economy is still dominated by White ownership 'in conjunction with allies in the new black elite' (Schneider 2018, 316). The result is increased racial and cultural tension, despite a common interest amongst all South Africans for national growth and development (Schneider 2018, 316). The concept of land redistribution is also causing increased tension amongst South African citizens and within the international community. Many neoliberals believe that South Africa should uphold the ideals of private property rights (Kwatreng & Botchway 2019, 98). However, the majority of South Africans are looking to ANC leadership for social justice and some form of economic stability (Schneider

2018, 321). It still seems that the reaction of the international and business community is of great concern to the ANC government.

The ANC government, through the implementation of policies and practices on different levels of society, is constructing and pursuing a neoliberal political rationality. Brown's first criterion for identifying neoliberal states is that the state openly responds to the needs of the market through the implementation of economic policies that sustain and foster market systems (Brown 2005, 41–42). The neoliberalist constructivism project can be seen in the economic policies of post-Apartheid South Africa of which GEAR was the pivotal point (Schneider 2018, 310). The implementation of neoliberal policies such as GEAR would mean the securing and sustaining of market systems. Moreover, in the beginning, the BEE program benefitted many conglomerates and a select group of politically connected individuals. These types of programs and policies that benefit the wealthy often incentivize wealthy individuals, businesses and government to keep pursuing the neoliberal political rationality (Brown 2005, 40–41). The building of the Gautrain is an example of how the BEE program, although Black representative, still only benefits a select group of Black elites, international conglomerates and, essentially, White capital (Ashman, Fine and Newman 2011, 188). The creation of a 'Black elite' created the impression of a successful integration of the economy and a successful, legitimate and democratic state. As stated by Hart and Padayachee (2013, 76):

The impact of policy is greater if we look beyond direct ownership and control. The beneficiaries of BEE are a small elite, many with close links to the ruling party, some of them party officials, plus a few prominent ex-trade unionists. Most became wealthy through boardroom deals and none has started a large new business. Self-enrichment rather than empowerment is the order of the day.

The affirmative action policies of government should benefit the most vulnerable of society and not enrich private enterprise or well-placed (well-related) public officials. BEE, as a solution to economic inequality, is often viewed as perpetuating the neoliberal ideology by presenting the 'self-as-commodity' and as the 'only possible way for the poor to raise themselves out of poverty' (Gibson 2011, 64). Moreover, from the neoliberal lens, BEE is also dismissed as an 'old disclosure of class politics, and the poor are understood simply as people who need to find ways to become entrepreneurs, responsible for their own self-exploitation as human capital' (Gibson 2011, 64). The reality of the matter is that economic inequality is something that affects the majority of South Africans daily and BEE is the only policy that addresses the inequality that was systematized in Apartheid era South Africa (Chipkin 2007, 173–187; Gibson 2011, 64).

Brown's second criterion is that a neoliberal state makes decisions based on a cost–benefit analysis (Brown 2005, 42). The mere fact that the ANC took into consideration international institutions and local business' reactions to the nationalization of banks and other South African industries and then decided to convert to neoliberal orthodoxy is explanation enough (Peet 2002, 71). However, the cost–benefit analysis is seen throughout the ANC's decision-making process, such as through the abandonment of the RDP in favour of GEAR (Peet 2002, 71–72), the limitation on social development

programs when the IMF threatened to retract funding (Schneider 2018, 309) and, more recently, taking into consideration the reaction of the business community to land distribution (Schneider 2018, 321). Difficult socio-political matters in South Africa are usually also linked to the economic growth and therefore matters quickly become seen through entrepreneurial lenses.

Lastly, Brown states that a neoliberal state has the sole function or responsibility to ensure the proper functioning of the economic system (Brown 2005, 42). In other words, the state no longer functions as an agent of its citizens, but rather as an agent of the market systems. This aligns with the first two criteria, because the state responds to the needs of the market, as it would for its citizens, and the state acts within cost–benefit analysis and not for the well-being of its citizens (Brown 2005, 42). This once again also links to Foucault's concept of governmentality and Harvey's definition of neoliberalism. Post-Apartheid South Africa does embody the characteristics of neoliberalism in this sense. One example is the Marikana Massacre of 2012, where protesting miners were shot on orders of the government. This is an example of how social and political discourse has become individualized through neoliberal hegemony.

Gibson (2011, 65) presents the notion that neoliberalism silences public discourse by stripping away the notion of 'black solidarity in favor of egoistic self-advancement'. He argues that embracing the morality of neoliberalism has caused fragmentation and fear that 'expresses a politics of resentment' (Gibson 2011, 65). He goes on to state that the 'economic empowerment based on ethnic entrepreneurialism, is the rise of xenophobia, which is produced by the deteriorating situation for the poor and aided by the recent turn towards ethnic populism within the ANC' (Gibson 2011, 65). The post-Apartheid government embraced neoliberal morality that seeks self-advancement which encourages fragmentation and, more recently, justifies acts of corruption and state capture (Schneider 2018, 313; Desai, 2018, 499–513).

These neoliberal economic policies were in stark contrast to the earlier Marxist policies of the ANC. It became clear that the external influences, such as the business community, the WB and the IMF, had a big role to play in this shift. Consequently, South African society also adopted the neoliberal political rationality that was reflected in political decision-making and institutionalized through policies and other socio-political structures. The adoption of these neoliberal socio-economic policies has not had the desired effects in combating economic inequality which persists to this day. Instead, I argue that the adoption of these neoliberal policies has escalated economic inequality and not enough distribution of resources or meaningful social support was provided to address the escalating economic inequality in South Africa.

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Notes

1. Foucault understood governmentality as a conjunction of elements, including 'sovereignty, discipline, and governmental management, which has population as its main target and

- apparatuses of security has its essential mechanisms' (Foucault et al. 2007, 107–108). Foucault later added other components to governmentality, namely, 'self-limitation of government reason'.
2. A neoliberal political rationality develops from the concept of governmentality that extends market values to all social institutions and people adapt this rationality to aspects of everyday life. Wendy Brown argues that this political rationality becomes the defining point of the neoliberal turn (Brown 2005, 40). Consequently, the neoliberal rationality legitimizes and encourages a quantitative approach to well-being that emphasizes material affluence.
 3. Philip Mirowski (2009, 421) argued that Harvey should make a more distinct difference between the concept of neoliberalism and neoclassical economic theory and that he was conflating the two concepts; in so doing, Harvey was not giving an accurate interpretation of how society functions within neoclassical theory.

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