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Title

Searching for the Missing Link in Economic Development: Productive Relations under Stress in South Africa

Panel

Reconstructing labour

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Abstract

The brutal killing of 34 mineworkers at Marikana, in South Africa’s platinum belt, in August 2012, has exposed the violence which characterizes productive relations at the heart of modern capitalism. Indeed, South African mines accounted for 76% of world platinum production in 2009, while platinum has experienced an unprecedented demand boom in recent years. In the meantime, the workers extracting the platinum toil in dangerous conditions, with numerous fatalities and injuries, for very low wages, and live in informal settlements which often have neither running water nor electricity. This serves as an important reminder that the engine of capitalist development rests on the conflict between workers and capitalists around the extraction of surplus value.

The paper will draw on research on two labour-intensive sectors in South Africa, forestry and clothing, to highlight the changing and varied nature of the labour-capital struggle. While much of the research on economic development makes assumptions and conclusions about labour and the production process, usually at the passive end of transformations in capital accumulation, there is a gap in understanding the actual features and dynamics which take place in what Marx referred to as the ‘hidden abode of production’. This paper emphasizes that the labour-capital conflict adapts to changing conditions, or indeed stimulates broader changes. We follow the approach of other authors, such as D-o Chang (2008) and B. Selwyn (2012), who have explored the agency of labour in production in order to deepen the understanding of capitalist development.

The two key findings are that:

1. The exploitation of labour by capital is being reproduced in changing forms that adapt to internal dynamics of class conflict as well as to external conditions. One of the most significant forms that exploitation has taken is the contracting out of an increasing number of parts of the production process, resulting in informalisation of labour, often mislabelled as entrepreneurial dynamism.

2. The changing forms taken by the labour-capital struggle have an important bearing on economic development through their influence e.g. on productivity and competitiveness. In South Africa, the balance has been tilted so far in favour of capital that it appears to hamper accumulation.

These findings point to gaps in several streams of economic literature. Specifically, they highlight the limitations of structuralist development theory in accounting for the processes which lie at the heart of structural change and development, in particular in relation to Kaldor's notion of increasing returns to scale in manufacturing. The findings further challenge the narrow focus of the competitiveness literature on wages. Finally, theories of the firm seeking to explain the rise of contracting will be critiqued for their dubious emphasis on efficiency at the expense of attention to class conflict.