The next economic crisis:

Shallow catalysts and structural causation

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From America's new regime to the Zuma government (and many in between), it is tempting to attribute declining investor confidence, speculative bubbles and financial turbulence to state mal-governance. But surface-level misdiagnoses often generate banal policy recommendations, usually centered on the most obvious 'neo-patrimonial' features. Instead, deeper considerations of political-economic, political-ecological, decolonial and feminist framings point toward different reasons and solutions for the multiple crises of contemporary capitalism, local to global.

Introduction

South Africa's economic commentators warn on a nearly daily basis of calamitous times ahead, as the fundamentals of the local capitalist system appear to be threatened by fiscal over-reach and a shrinking tax base, by the debts of State-Owned Enterprises in part thanks to malgovernance and procurement fraud, by rising foreign financial liabilities and the spectre of International Monetary Fund intervention, by extremely militant workers whose productivity is allegedly plummeting, and by deteriorating government relations with local business. Demands for 'reform' are made by the three all-mighty brothers from Manhattan (Standard&Poors, Fitch and Moody's) who join the three Saxonwold brothers (the Guptas) engaged in 'state capture' – the first set having influenced the Treasury and Reserve Bank on fiscal and monetary policies against the interests of the vast majority; and the second set having seemingly infiltrated nearly everywhere else in the state.

But such surface-level observations mainly lead to banal policy recommendations: namely, ending the neo-patrimonial control of the state by a tiny conspiracy of corrupt (black) elites, while simultaneously raising the already extreme level of top-down class war by capital and the state against the 60% or more of the society characterised as poor (Budlender et al 2015). The latter is a reflection of crisis-level desperation in the world's most unequal country (with a Gini Coefficient of 0.77 prior to state spending) (World Bank 2014), combining the angriest working class (World Economic Forum 2016) and most corrupt capitalist class (PricewaterhouseCoopers 2016). To exit this *cul de sac* requires theorization that transcends, as Thandike Mkandawire (2015: 567) points out, a labeling of South African "neo-patrimonialism [that] can be interpreted as building on methodological communalism where the community serves as the foundational unit of analysis and from whence macro-level phenomena are derived" (i.e. Jacob Zuma's personal network).

In contrast (though Mkandawire 2015 would not approve), classical 19th century analyses of capital's laws of motion can be fruitfully applied to the 21st century, and a half-dozen major thinkers have provided conceptual tools to move this project forward, especially in a South Africa that is perhaps the most complex of societies for integrating class, race, gender and environmental power relations in social science. The core explanations of economic crises originally offered by Karl Marx are particularly relevant, holding up well over time in general and also in South Africa. The third volume of Marx's *Capital* offers exceptional insights into capitalist contradictions and full-blown economic crises, and deserves much more attention today, exactly 150 years after the first volume of his critique of bourgeois political economy was initially published. Economic crises are now commonplace, and since the 1970s they have been amplifying in the intensity of their fluctuations, in their geographical reach, in the tempo of their contagion, and in the metabolic urgency through which exploitative market-state-society-nature relations unfold.

Analyses of crisis tendencies by Marx (1818-83), Rosa Luxemburg (1871-1919) and David Harvey (b.1935) form an arc linking core processes of accumulation, class struggle, the articulation between capitalism and non-capitalist spheres, and other spatio-temporal processes that entail crisis management: *displacement* rather than *resolution*. *Capital* Volume Three, published posthumously in 1894, provided both unparalleled insights into crisis formation, but also glaring gaps. South Africa is a setting in which not only are crisis conditions playing out, but in which Marx's analysis can be augmented through work by Luxemburg and Harvey, accompanied by local analysts.

To illustrate, just over a century ago, some gaps in *Capital* Volume 3 were filled by Luxemburg's (1913) *Accumulation of Capital,* in no small part because capitalist/non-capitalist relations were explored as a core process in one of her main case study sites, South Africa (Bond, Chitonge and Hopfmann 2007, Bond 2017). A half-century, in the tumult of South African political economic debate that emerged from the 1960s, research by Harold Wolpe (1980) on 'the articulations of modes of production' followed directly in Luxemburg's spirit. Taken to the global scale, Samir Amin's (1974) theory of value transfers in North-South trade relations added to our understandings of how capital 'cheats in exchange,' especially from those sites on the African continent characterised by export of raw materials. Dani Nabudere's (1990) masterwork in rewriting the laws of motion of capital emphasised its turn to money, financialized sources of profits and extreme vulnerability. And in the late 1990s, Guy Mhone (2000) – former Wits School of Governance director – had firmly theorized why an 'enclave' economy was the most appropriate way to describe the Southern African region based on his analysis of worsening uneven development. These are some of the major contributions to classical political economic theory from Africa, too often ignored, although South Africa's tendencies to 'financialisation' and 'uneven and combined development' are being fruitfully explored by the best-known Marxist economist active in South Africa, Ben Fine, along with colleagues Samantha Ashman and Susan Newman (Ashman et al 2011).

The 1980s-2000s witnessed other innovations from outside Africa that should now be applied where appropriate. Since 1982, Harvey has revisited *Capital* and in the process – fespecially in *Limits to Capital* and *The Enigma of Capital* – provided new conceptual framings about space, time and 'accumulation by dispossession,' amidst his explanation of the capitalist system's 'seventeen contradictions.' South Africa, the world's most unequal and class-antagonistic society, with a corporate class most prone to accumulation by dispossession – or what is termed by PricewaterhouseCoopers (2016), 'economic crime' – assists us in providing a concrete case for *Capital* Volume 3's contributions to crisis theory.

Capitalist crisis tendencies should, in the spirit of *Capital,* be more explicitly considered in critical political economic research. After all, over the past half-century, systemic 'over-accumulation' tendencies became increasingly evident in the core capitalist countries, alongside a brief heightening of class, gender, race and South-North anti-imperial struggles, and a downturn in the rate of corporate profitability (in value-producing sectors). To address these tendencies, managers of global capitalism have turned to several techniques to *displace* but not resolve periodic crises. In addition to the standard responses to falling profitability that Marx identified – the intensification of production though a higher capital-labour ratio (the 'rising organic composition of capital' that follows 'relative' surplus value extraction) together with worker speed-up and casualisation ('absolute' surplus value extraction) – these have entailed three techniques especially evident in South Africa:

- the *shifting* of capital to sites more amenable, and
- the *stalling* of problems by throwing money at them, especially in the form of credit,
- capital's tendency towards *stealing* resources in lieu of generating profits that in ordinary times would emanate from the standard circulation of capital.

These techniques of crisis displacement help us understand capitalist contradictions that feature in *Capital* Volume Three. This is especially true in the South African context, in what is probably the world's most acute case of uneven and combined capitalist development.

From over-production to relative and absolute surplus value extraction, to financialisation

None of the processes just described are particularly new; they date to capitalist crisis tendencies that have played out over the past two centuries, as the system's laws of motion matured and as increasing swathes of the world economy came to be dominated by wage labour, commodity exchange and financial markets. By the time in the second half of the 19th century when the notes of *Capital's* Volume Three were scribbled in bits and pieces (in 1865) and when Friedrich Engels assembled these as best he could eleven years after Marx's death in 1883, a new form had emerged: the corporation (then termed a 'joint-stock' company). The modern firm's reach and power meant a maturing of crisis conditions, which Marx (1999 [1894] pp.177,345) interpreted as capitalist over-accumulation:

> Over-production of capital, not of individual commodities – although over-production of capital always includes over-production of commodities – is therefore simply over-accumulation of capital... [T]he necessity of driving the production process beyond its capitalistic limits must also develop: over-trade, over-production, and excessive credit. At the same time, this must always take place in forms that call forth a reaction.

Marx considered two main reactions that would temporarily shore up capitalist profits. First, some capitalists would react to competition with a stronger short-term drive to invest in capital-intensive technologies, in search of relative surplus value against other capitalists.

This gains the fastest-innovating capitalists a temporary advantage. But the more investment that companies make in labour-saving technology, the less labour within the production process there is to exploit, thus ultimately driving down profit rates across the system as a whole, even if the first companies to deploy the technology benefit from an initial competitive edge. As Marx (1999, p.177) explained, 'the fallen rate of profit and over-production of capital originate from the same conditions.'

Second, workers could be exploited with more intensity: what Marx termed absolute surplus value extraction through speed-up. 'The tendency of the rate of profit to fall is bound up with a tendency of the rate of surplus-value to rise, hence with a tendency for the rate of labour exploitation to rise,' Marx (1999, p.169) wrote. 'Nothing is more absurd, for this reason, than to explain the fall in the rate of profit by a rise in the rate of wages, although this may be the case by way of an exception.' This is an important corrective to those Post-Keynesian economists who see a falling rate of profit as a distributional process resulting from more militant workers pushing up labour costs, as is sometimes identified as a factor during the late 1960s or more recently in China.

But there are several other potential reactions by capitalists when they face over-accumulation and falling profits. Some entail temporal (time-based) factors such as speeding the velocity of capital's circulation. However, Marx (1999, p.209) warns that 'the turnover of merchant's capital is ultimately limited by the velocity and volume of the total individual consumption.' Hence the other temporal factor that temporarily overcomes such consumption limits is the credit system. Finance displaces capitalist crisis over time, insofar as over-production in the short term can be mopped up through higher immediate consumption – but at the expense of repaying the loans' principal and interest in subsequent periods. The benefit of the financial market, Marx (1999, p.209) suggests, is that 'under the modern credit system it disposes of a large portion of the total social money-capital, so that it can repeat its purchases even before it has definitely sold what has previously been purchased.' This financialisation process is one of the main ways to 'stall' the crisis tendencies, in the form of what Harvey termed the 'temporal fix.'

Imperialism as a capitalist/non-capitalist mode of accumulating by dispossession

Another reaction to over-production and falling profitability in local markets is geographical expansion, in order to 'shift' the crisis tendencies. This is what Harvey calls the 'spatial fix,' and it can take place at a variety of different scales from local to global. It was fitting that Engels' final words in *Capital* Volume 3 (1999, p.645) – in a section on the Stock Exchange – explain the corporate financial power behind colonisation:

> Today this is purely a subsidiary of the stock exchange, in whose interests the European powers divided Africa a few years ago, and the French conquered Tunis and Tonkin. Africa leased directly to companies (Niger, South Africa, German South-West and German East Africa), and Mashonaland and Natal seized by Rhodes for the stock exchange.

That the European powers divided Africa in the 'interests' of financial capital during the 1870s-80s over-accumulation crisis is not controversial, as political economists ranging from John Hobson (1902) to Ian Phimister (1992) have shown. And as a result, capital's geographical expansiveness was also based, Marx (1867) sarcastically observed in *Capital* Volume 1, upon a core feature of capitalist colonialism: primitive accumulation:

> The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the turning of Africa into a commercial warren for the hunting of black skins signalled the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief momenta of primitive accumulation.

Thus adding to stalling and shifting, capitalism resorts to 'stealing': accumulation by dispossession as not a once-off case of primitive accumulation but a tendency that becomes more explicit during crisis periods. By 1913, Luxemburg had developed a full-fledged theory of imperialism from insights mainly in the third volume of *Capital,* featuring both crisis tendencies and the extra-economic character of primitive accumulation. 'Accumulation of capital periodically bursts out in crises and spurs capital on to a continual extension of the market. Capital cannot accumulate without the aid of non-capitalist relations, nor,' Luxemburg (1968, p.413) wrote, 'can it tolerate their continued existence side by side with itself.' From her reading especially of the continual extension of the market in Africa (including German colonies Namibia and Tanzania, the Belgian-run Congo and South Africa), Luxemburg (1968, pp.396) observed various forms of stealing:

> Force, fraud, oppression, looting are openly displayed without any attempt at concealment, and it requires an effort to discover within this tangle of political violence and contests of power the stern laws of the economic process. Bourgeois liberal theory takes into account only the former aspect: 'the realm of peaceful competition', the marvels of technology and pure commodity exchange; it separates it strictly from the other aspect: the realm of capital's blustering violence which is regarded as more or less incidental to foreign policy and quite independent of the economic sphere of capital. In reality, political power is nothing but a vehicle for the economic process. The conditions for the reproduction of capital provide the organic link between these two aspects of the accumulation of capital. The historical career of capitalism can only be appreciated by taking them together. 'Sweating blood and filth with every pore from head to toe' characterises not only the birth of capital but also its progress in the world at every step, arid thus capitalism prepares its own downfall under ever more violent contortions and convulsions.

In the period that Marx and Luxemburg analysed capital's laws of motions 'at every step,' these processes of imperialism were already evident. The 1884-85 'Scramble for Africa' took place in a Berlin conference of five main colonial powers just after Marx died (as Engels mentioned). For Luxemburg (1968, p.447),

> Capitalism is the first mode of economy which is unable to exist by itself, which needs other economic systems as a medium and soil. Although it strives to become universal, and, indeed, on account of this its tendency, it must break down – because it is immanently incapable of becoming a universal form of production. In its living history it is a contradiction in itself, and its movement of accumulation provides a solution to the conflict and aggravates it at the same time.

The ‘breakdown’ of capitalism follows from the way it ‘aggravates’ its own contradictions, as became clear a decade after Luxemburg’s 1919 murder. Although in 1910, Rudolf Hilferding’s (1981) *Finance Capital* had first articulated a general theory of the corporation in the Marxist tradition, there were, as Henryk Grossman (1992) showed in 1929, profound flaws in Hilferding’s conception of banks and the real economy. Hilferding attributed far too much managerial power to ‘six large Berlin banks’ whose control ‘would mean taking possession of the most important spheres of large scale industry.’ Such stabilisation capacities were unknown to Marx and Engels when Volume 3 was being assembled. In his book *The Law of Accumulation and Breakdown of the Capitalist System*, Grossman insisted that over-accumulation was the core contradiction, but its implications for financial crisis were potentially vast, a point demonstrated by stock market meltdowns within seven months’ of the book’s publication. The increasingly centralised financial system that Hilferding wrote about – and tried unsuccessfuly to regulate when he was German finance minister twice during the 1920s – did not provide capitalism with more stability, but instead with greater vulnerability (Bond 1998).

In the meantime Luxemburg had also remarked carefully on the tendencies of capitalism towards crisis, but also offered a full-fledged theory of imperialism that stands up in historical and contemporary terms more than those of Hilferding, Lenin, Bukharin and Hobson. Most of the prevailing theories explained imperialism by way of inter-capitalist competition; her interpretation pointed out the more durable exploitative relations between capitalism and the non-capitalist world, especially in the colonial territories from which so much surplus was drawn.

Capitalism’s barriers and limits

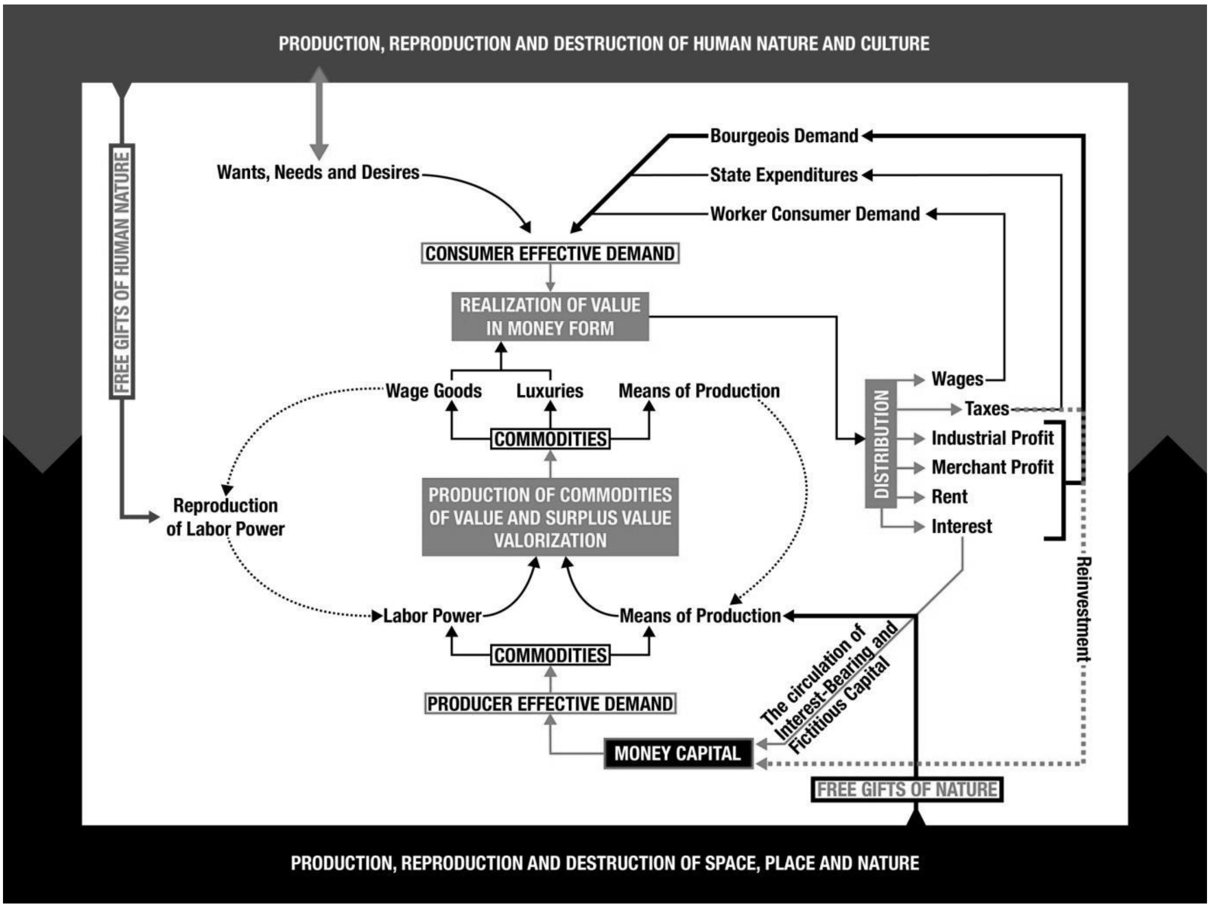
Finally, drawing these insights into an updated version of economic crisis theory, Harvey suggests a series of steps that represent various kinds of barriers and limits to the profitability that capitalism requires to maintain its momentum:

- from the production of commodities through surplus value valorisation,
- through the realisation of value and its distribution,
- through the dilemmas of insufficient consumer demand and manipulated desires in the context of labour power reproduction (terribly gendered as that process has been throughout history),
- through investment and the circulation of financial capital, and
- ultimately through the ways that human culture and environmental ‘free gifts’ to capitalism contribute to production and destruction of nature and all forms of life.

Marx’s *Capital* Volume 3 reiterates the basic process by which ‘portions of value resolve themselves for the producers and the owners of the means of production into wages, profit and rent. This is merely a capitalist form of expression for the fact that all commodity-value is but the measure of the socially necessary labour contained in a commodity.’ Beyond that core reality of valorisation, however, there lie the production, reproduction and destruction of values (including human nature, culture and the environment).

Drawing on these traditions, and explicitly linking crisis tendencies in *Capital* to Luxemburg's critique of accumulation-by-dispossession, Harvey has expanded his *Limits to Capital* conception of crisis. In 2014, Harvey published a survey of interlocking conceptual routes into capitalism using a revitalised dialectical analysis and renewed socialist political strategy: *Seventeen Contradictions and the End of Capitalism,* which are considered in more detail below applied to South Africa, after a section providing background on the contemporary capitalist crisis. The track we can pursue, then, follows a logic based on these processes:

- the inexorable underlying tendency of competition driving capitalism to crisis is the rising organic composition of capital and hence over-production;
- the broader condition of over-accumulation emerges, further intensifying ruinous competition;
- capital responds to crisis tendencies and pressure on profit rates at three levels:
    - as Marx showed, there is a search for relative and absolute surplus value in the production process,
    - as Luxemburg showed, the next stage is an intensified metabolism of capitalist/non-capitalist relations, often generating a more militaristic mode of imperialism, and
    - as Harvey shows, capital increasingly takes recourse in a wide variety of spatio-temporal fixes such as financialisation and globalisation, as well as accumulation-by-dispossession, also reflecting capital's power over the non-capitalist world;
- but the relative surplus value of mechanisation amplifies over-production;
- the search for absolute surplus value – especially in the form of outsourced labour to other geographical sites – leads to deepening imperialism; and
- the dominant capitals facing over-accumulation crisis resist and transfer the costs of the necessary devalorisation to vulnerable spaces and populations, and to nature.



Source: David Harvey (http://davidharvey.org)

These ideas, all of which have their roots in Volume 3 of *Capital,* merit application in a site like South Africa, with its extreme contradictions stretching across the entire spectrum of uneven and combined development.

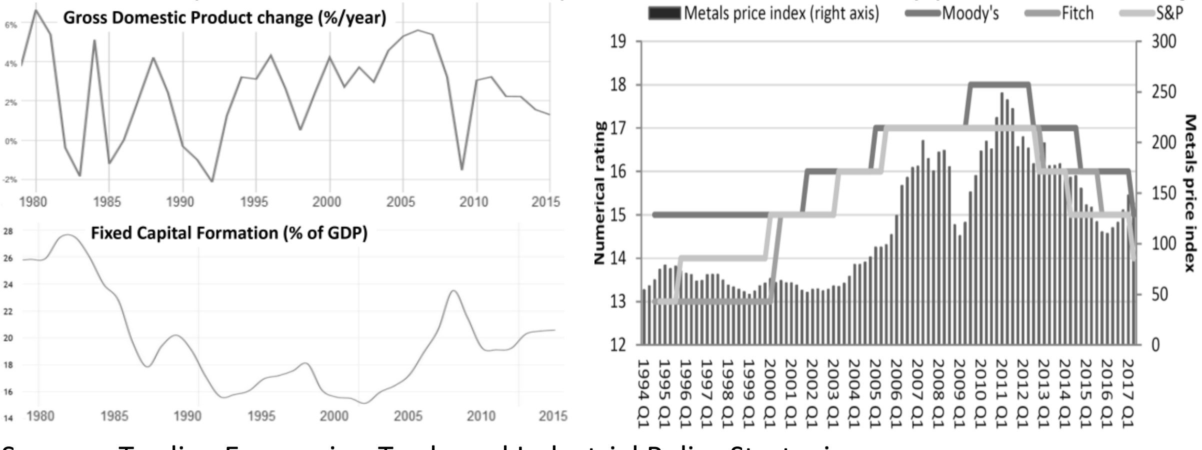
South African capitalist crisis and permanent primitive accumulation

A great many scholars and revolutionary activists attempted neo-Marxist framings of South African political economy during the 1950s-80s when apartheid rose to new heights of power and then collapsed. Although since 2000 there has been a revival, the 1970s-80s was the last period in which explicitly Marxist argumentation was dominant in the social sciences. (The 1990s witnessed many desertions, as former political economists turned to work within and around the state, often as deradicalised consultants; Bond 2014). Because capitalism so obviously profited from apartheid's super-exploitative conditions, that earlier era of scholar-activists asked: if we want to rid the state and society of legally-structured racism, *must we also end capitalism*?

The independent left replied affirmatively, impressed by the rapid emergence of socialist trade unionists after the path-breaking Durban dock strikes of 1973. Intellectually, Marxist scholars were armed with 'articulations of modes of production' critique, based on the apartheid Bantustans' race-gender-ecological intersections with high-profit capital accumulation (Wolpe 1980). Then in 1985, to the surprise of many (Gelb 1987), the leading bloc within white English-speaking big business began the nine-year process of conclusively shedding their apartheid shell. The state's top-down minor reforms of apartheid were not, by then, proving effective. They included co-optation systems with second and third class citizenship for different oppressed race groups, and in 1983 opposition to these catalysed the formation of the United Democratic Front. Mid-1980s protests intensified, generating a few more reforms: in 1986 the 'Pass Laws' (requiring black people to show identification for permission to be in urban areas) were dropped and in 1991 the Group Areas Act – mandating racial residential segregation – ended. Finally the first free democratic election was held in 1994.

How were these concession won? Capitalist crisis broke the alliance between the racist Afrikaner-dominated state and the big English-speaking capitalists in the mining, manufacturing, retail and finance sectors. Capital's mid-1980s political shift was due to overlapping pressures and contradictions that were then bubbling up, including the township and workplace revolts, declining profits in part due to the over-accumulated capital that stood exposed after the gold price collapsed in 1980 (from $850 to $250/ounce), growing political delegitimation thanks to African National Congress (ANC) liberation movement campaigning, and the economy's over-exposure to world financial power. International financiers suddenly turned hostile in August 1985 after a new round of repression by PW Botha's government, but were also spurred on by solidarity activists promoting banking sanctions (Bond 2003). Not only did the conjuncture split white English-speaking capitalists from the Afrikaner racists running the state, but Afrikaners themselves divided into bitter-end 'verkramptes' who soon lost their earlier hegemony, and neoliberal 'verligtes' led by Botha's replacement, FW de Klerk. He gained the presidency in 1989 and six months later freed Nelson Mandela and unbanned the ANC and SA Communist Party, launching South Africa's combined *glasnost* (free political space) but also its *perestroika* (neoliberal restructuring).

Limits of SA capital accumulation: GDP, capital formation, commodity prices, credit ratings



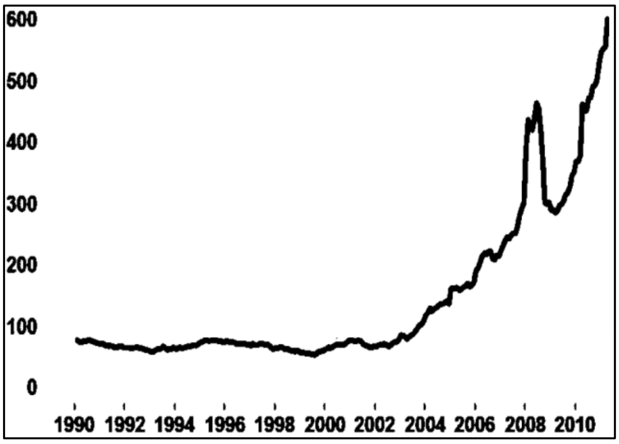
Sources: Trading Economics, Trade and Industrial Policy Strategies

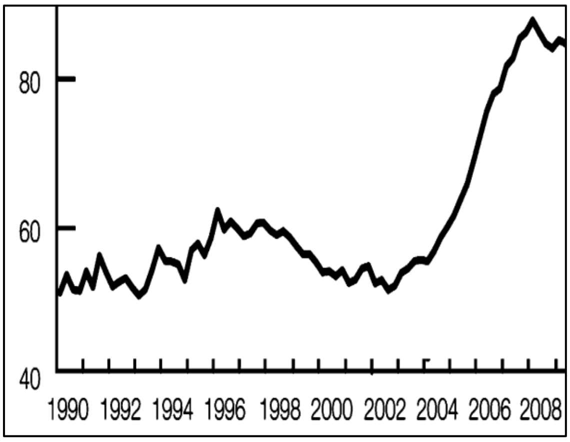
At the same time, De Klerk's regime began implementing Washington Consensus policies, including much higher interest rates, privatisation of the steel parastatal and imposition of Value Added Tax. By 1994 he agreed the National Party would retreat from the commanding heights of the state in order to avoid civil war and to deracialise apartheid-capitalism, because sufficient protections had already been agreed to in an interim 1993 constitution, foreign debt repayment deal and $850 million International Monetary Fund loan, together locking Mandela's ANC into neoliberalism. Within months of taking power, the ANC's now dominant neoliberal bloc liberalised the main exchange controls, announced further privatisations and began cutting corporate taxes from the 1994 high of 55% to 39% by 1999 (and 28% by 2013). Popular uprisings and strikes were repressed.

Thus for the dominant fraction of South African capital, the most extreme contradictions were temporarily resolved. After opening a private dialogue with exiled ANC leaders at a game park near Lusaka during the 1985 debt crisis, men like Anglo American Corporation's Gavin Relly showed not only that they could eventually co-opt leaders of the movement, including Mandela (whose ex-wife Winnie alleged had accumulated $10 million in wealth by 1995). In addition, by 2000 the country's biggest mining houses (including Anglo, De Beers and what became BHP Billiton), brewery (SAB Miller which in 2016 was merged into Anheuser-Busch), insurance tycoons (Old Mutual) and IT firm (Didata) had also demonstrated exceptional geographical adaptability, shifting their financial headquarters to London. Very high levels of capital flight resulted: up to 23% of GDP in 2007. As a result of this spatial fix, South African corporate profits were restored to a level the International Monetary Fund (2013) deemed third highest amongst major economies by 2010; and in 2014, according to the Fund (2016) South African profit rates were third highest amongst emerging market peers (trailing only Indonesia and India).

However, accumulation processes were not healthy, dependent as they were upon two main drivers. First, the commodity super-cycle lasted from 2002-11, with a seven-fold price increase representing recourse to capitalist/non-capitalist relations and the 'free gifts' of nature. Second, there was a temporal fix in the form of an explosion in consumer credit (measured as share of income rising from the 50-60% range in 1990-2004, to the 70-90% range from 2007-16). At its worst point in 2009, excessive borrowing left half the country's 20 million borrowers with a 'credit impaired status,' indicating failure to repay for at least three months.

Commodity prices 2002-11 (2002=100); consumer credit 2002-08 (% of disposable income)





Source: SA Reserve Bank

The 5% annual GDP increases witnessed during the 2002-08 commodity boom – before the world financial meltdown – gave way to a period of stagnation and, in 2016-17, formal recession and credit rating agencies' downgrade of state securities to junk status. The devalorisation was being felt most acutely by the lower classes. By 2017, South Africa had become the most income-unequal country on earth (Barr 2017) with a 63% poverty rate (Budlender et al 2015).

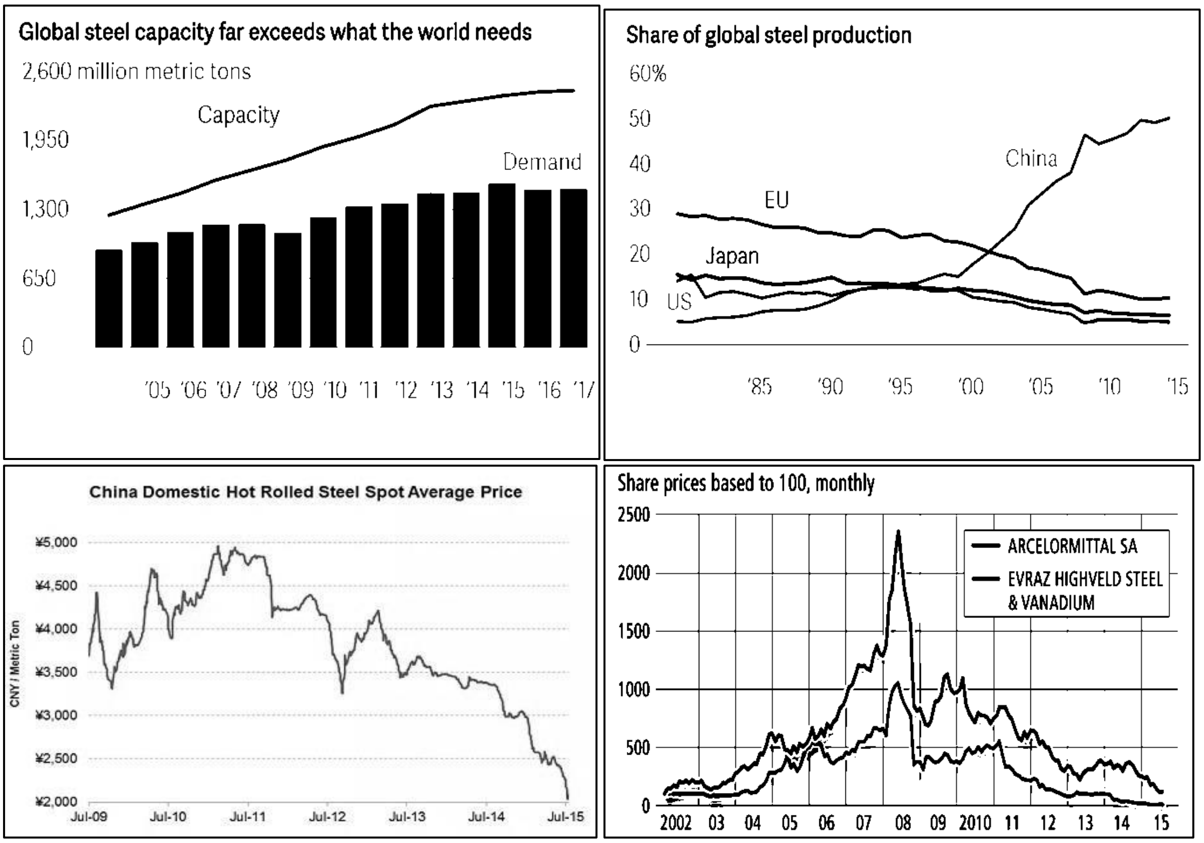
The underlying problem was a profound crisis of over-accumulation that especially affected the mining and industrial sectors. There was such over-supply that by 2015, the main mining houses active in South Africa devalorised more than they had during even the 2008 crash. The platinum mining house Lonmin's London Stock Exchange price plummeted from a high of 427,800c/share in 2007 to below 50c by late 2015, where it remains, a loss of value of more than 99%. Anglo American Corporation was the largest firm in South Africa and on the entire continent over most of the twentieth century, but its London value shrunk by 93.6 percent from a 2008 peak (3540c/share) to a 2016 low (227c). The share price of the world's largest commodity trading firm, Glencore, fell 86 percent from its 2011 initial London listing of 532c/share, to 74c in 2016. The world's largest mining house, BHP Billiton, fell from its 2011 peak of 8452c/share by 78%, to 1787c/share in early 2016 (on the New York Stock Exchange).

Steel is illustrative, because from 2004-16, the annual capacity to supply the market rose from 1.3 billion to 2.5 billion tonnes, while demand only rose from 900 million to 1.3 billion tonnes. Most of the new capacity was Chinese (from 15% to 50% of world production from 2000-15). With the rising gap between capacity and demand, the price of hot rolled steel fell by 60% from 2011-15. The share prices of the two main South African firms soon collapsed. In 2009 the price of the world's largest firm, Arcelor Mittal – whose owner (the Indian) Lakshmi Mittal bought the previously state-owned Iron and Steel Corporation of South Africa – had reached 92,709c/share, but by 2017 it had fallen 98% to 2012c/share. The second largest, Evraz Highveld, was founded as Highveld Steel and Vanadium Corporation in 1960, but in 2008 was bought by (the Russian) Roman Abramovic, and by 2016 had fallen into bankruptcy. Mittal claimed the same fate would befall him if the South African government did not provide a 40% protective tariff. In 2016-17, 20% was allowed.

Tellingly, this case combines Chinese over-production of steel, Indian and Russian owners of failing steel firms that were once the core of the South African industrial economy, and local workers who were losing their jobs. Together, these confirm not the fabled economic fraternity and solidarity within the BRICS (Brazil-Russia-India-China-South Africa), but instead, capitalist cannibalism. By mid-2016, the G20 (2016) trade ministers diagnosed the crisis at their Shanghai meeting:

> We recognise that the structural problems, including excess capacity in some industries, exacerbated by a weak global economic recovery and depressed market demand, have caused a negative impact on trade and workers. We recognise that excess capacity in steel and other industries is a global issue which requires collective responses.

Steel industry overcapacity, share of production, price and decline in South African steel



Source: *The Economist*

However, very little was accomplished and in 2016, the decline in output from South African steel was 3.5%, as overall global capacity continued to increase. Donald Trump went to the 2017 G20 meeting having made a commitment to imposing a 20% steel tariff, drawing intense criticism from the world's two leading exporters, China and Germany. But such core contradictions of capitalism were dealt with in mildly ameliorative ways by the G20 (2017, 4), as witnessed in their 2017 Leaders' Declaration:

> Recognising the sustained negative impacts on domestic production, trade and workers due to excess capacity in industrial sectors, we commit to further strengthening our cooperation to find collective solutions to tackle this global challenge. We urgently call for the removal of market-distorting subsidies and other types of support by governments and related entities. Each of us commits to take the necessary actions to deliver the collective solutions that foster a truly level playing field. Therefore, we call on the members of the Global Forum on Steel Excess Capacity, facilitated by the OECD, as mandated by the Hangzhou Summit, to fulfil their commitments on enhancing information sharing and cooperation by August 2017, and to rapidly develop concrete policy solutions that reduce steel excess capacity.

Devalorisation of the over-accumulated capital was well underway, as share devaluation hit the exposed steel and mining companies. But it was also visited upon the working-class, precariat and environment, in South Africa and everywhere. Indeed, a central question posed by Harvey's Marxist approach to geopolitics is who – which classes or fractions of capital or geographical regions – will suffer the costs of devaluation. (As an example of the latter, the South African currency collapsed from R6.3/$ in 2011 to R17.99/$ in early 2016.) The struggle over the shake-out of producers, financiers and other asset holders holding capital made vulnerable by over-accumulation was recognised in 1929 by Grossman (1992):

> Devaluation of capital goes hand in hand with the fall in the rate of profit and is crucial for explaining the concentration and centralisation of capital that accompanies this fall… However much devaluation of capital may devastate the individual capitalist in periods of crisis, they are a safety valve for the capitalist class as a whole. For the system devaluation of capital is a means of prolonging its life span, of defusing the dangers that threaten to explode the entire mechanism.

But resistance to devaluation is a continual process, and as reviewed in the Conclusion, entails intense class struggle. To locate how such resistance relates to our contestation of the broader system, Harvey offers seventeen categories of capitalist contradictions which fit quite closely to conditions now percolating in South Africa. These are divided into three sets of contradictions: 'foundational,' 'moving' and 'dangerous'.

Part One: The Foundational Contradictions
- 1 Use Value and Exchange Value
- 2 The Social Value of Labour and Its Representation by Money
- 3 Private Property and the Capitalist State
- 4 Private Appropriation and Common Wealth
- 5 Capital and Labour
- 6 Capital as Process or Thing?
- 7 The Contradictory Unity of Production and Realisation

Part Two: The Moving Contradictions
- 8 Technology, Work and Human Disposability
- 9 Divisions of Labour
- 10 Monopoly and Competition: Centralisation and Decentralisation
- 11 Uneven Geographical Developments and the Production of Space
- 12 Disparities of Income and Wealth
- 13 Social Reproduction
- 14 Freedom and Domination

Part Three: The Dangerous Contradictions
- 15 Endless Compound Growth
- 16 Capital's Relation to Nature
- 17 The Revolt of Human Nature: Universal Alienation

Foundational contradictions

Harvey (2014) sums up capital's foundational contradictions (numbered in parentheses):

> The contradiction between use value and exchange value (1) depends on the existence of money, which lies in a contradictory relation to value as social labour (2). Exchange value and its measure, money, presume a certain juridical relation between those engaging in exchange: hence the existence of private property rights vested in individuals and a legal or customary framework to protect those rights. This grounds a contradiction between

individualised private property and the collectivity of the capitalist state (3). The state has a monopoly over the legitimate use of violence as well as over the issue of fiat money, the primary means of exchange. A profound connection exists between the perpetuity of the money form and the perpetuity of private property rights (both imply the other). Private individuals can legally and freely appropriate the fruits of social labour (the common wealth) for themselves through exchange (4). This constitutes a monetary basis for the formation of capitalist class power. But capital can systematically reproduce itself only through the commodification of labour power, which solves the problem of how to produce the inequality of profit out of a market exchange system based on equality. This solution entails converting social labour – the labour we do for others – into alienated social labour – the labour that is dedicated solely to the production and reproduction of capital. The result is a foundational contradiction between capital and labour (5). Put in motion, these contradictions define a continuous process of capital circulation that passes through different material forms, which in turn implies an ever-deepening tension between fixity and motion in the landscape of capital (6). Within the circulation of capital a contradictory unity necessarily exists between production and realisation of capital (7).

How do these seven core contradictions fit South Africa?

1. Use value and exchange value. This contradiction is most explicitly felt in South African politics, since the deepening process of commodifying all aspects of life requires neoliberal public policy, and also attracts a backlash in the form of decommodification campaigns. The latter are often confusing, because at the same time there are intense resistance strategies and tactics from the base, so too hot populist rhetoric emanates even from the ruling party. Resistance has earned some in society a small amount of breathing space. For Harvey, 'many categories of use values that were hitherto supplied free of charge by the state have been privatised and commodified – housing, education, health care and public utilities.' Indeed, if 'The World Bank insists that this should be the global norm,' as Harvey argues, one reason is their 'Knowledge Bank' guinea-pig site: South Africa (Bond 2014).

The transition from apartheid to democracy was replete with neoliberal techniques to maintain discriminatory social reproduction powers. Three main sites of rebellion resulted: municipal services commercialisation, AIDS medicines and tertiary education. Concessions were won thanks to social struggles, but only with respect to generic provision of the AIDS drugs can activists claim a major victory: life expectancy rose from 52 to 62 from 2004-15 as a result of driving the price from $10 000/person/year (when they were branded by Big Pharma) to nothing. Many more decommodification demands were made on the state by the movements and organised labour: for example, a Basic Income Grant (instead of which tokenistic-quality welfare is offered on a means-tested basis), and a lifeline phone access system. Most progressive civil society groups, whether NGOs or community activists, do continue these struggles, but they mainly do so within a silo mode, disconnected from a broader anti-capitalist critique.

2. The social value of labour and its representation by money. Harvey confirms financialisation as a foundational contradiction: 'Money that is supposed to represent the social value of creative labour takes on a form – fictitious capital – that circulates to eventually line the pockets of the financiers and bondholders through the extraction of wealth from all sorts of non-productive (non-value-producing) activities.'

South Africa has witnessed the share of Finance, Insurance and Business Services doubling as a share of GDP after 1994, to 23% by 2015, and massive profit-taking from rentier activities continues. By late 2015, the market value of the Johannesburg Stock Exchange was 280% of GDP, the highest 'Buffett Indicator' level of any major country's modern stock exchange (Federal Reserve Bank of St Louis 2015). At that point, another $100 billion in corporate cash was left idle in bank deposit accounts. The temptation to leave funds in interest-bearing assets instead of making direct investments was in part due to the very high prevailing rates in South Africa: the state paid the fourth highest interest rate for medium-term international bond sales amongst the world's fifty main economies (*The Economist* 2017). In addition, property speculation was a similar route for uneven geographical financial speculation, although as discussed below, the major price increases were extremely concentrated geographically, due to residential segregation along class lines.

3. Private property and the capitalist state. For Harvey, 'both private property rights and the rights of juridical individuals' are vital to capital. Although liberal rights do emerge more broadly over time, 'The balance of the contradiction between private interests and individual liberties on the one hand and state power on the other has shifted most decisively in recent years towards the undemocratic, autocratic and despotic centres of the state apparatus.'

South Africa's 1996 Constitution is often declared the world's most liberal and is regularly celebrated for endorsing socio-economic rights (though in reality these have had very mixed results in Constitutional Court judgements). But there is no question that private property and the powers of corporations (through 'juristic personhood') are decisive (Bond 2014b). The resulting contradiction is that, for activists, there are fewer juridical routes open to win marginal gains – and in the process to tame protesters – and hence a relative decline in utilising one vital legitimating function of the bourgeois state.

4. Private appropriation and common wealth. Harvey insists that rather than being dismissed as epiphenomenal 'cheating in exchange', as in *Capital* Volume One, 'there are strong theoretical grounds for believing that an economy based on dispossession lies at the heart of what capital is foundationally about.'

In South Africa, the capture and sale or the despoliation of various kinds of natural commons – minerals, land, fresh water, clean air (not to mention the commons of politics, social relations, community care systems, mutual aid, etc) – is at the heart of capital's agenda. The so-called 'Minerals-Energy Complex' (Fine and Rustomjee 1996) plays an even greater role in defining accumulation processes today than ever before. Lacking adequate polluter-pay clean-up penalties, contradictions such as the older gold mines' Acid Mine Drainage threatening the Johannesburg area, and coal pollution wrecking the country's east, are obvious instances of private profiteering from the common wealth.

There are many other ways that this occurs, for South Africa top 1% recorded a rise in their income share from 10% to 20% of the country's total between 1994 and 2000 (World Bank 2014). At the commanding heights, South Africa suffered the world's most corrupt capitalist class according to PricewaterhouseCoopers (2016) Economic Crime Surveys.

5. Capital and labour. Harvey asks, 'where does the extra value come from to assure a profit when the market system in principle depends on equality of exchanges? There must exist a commodity that has the capacity to create more value than it itself has. And that commodity is labour power. And that is what capital relies upon for its own reproduction.'

The South African contradiction here is often termed 'articulation of modes of production,' insofar as the 150 year old migrant 'cheap labour' system was reproduced thanks to the (gendered) super-exploitative systems of racially-inscribed Bantustans. Apartheid ended in 1994, but the extent of migrancy – now reaching much further up-continent as many millions of political and economic refugees flee Africa's most Resource Cursed countries – is much greater today, with resulting xenophobic outbreaks in the working class. In addition, super-exploitative outsourcing of labour is now commonplace, with casual employment responsible for the majority of jobs in industries penetrated by black-empowerment, like construction. One result: the proportion of economic surplus going to wages as opposed to profits is 6% lower today than in 1994, with employee perks slashed to the bone thanks to casualisation.

6. Capital as process or thing? Of another deep-seated contradiction, Harvey asks: 'when and why does this tension between [capital's] fixity and motion and between process and thing become heightened into an absolute contradiction, particularly in the form of the excessive power of the rentier class, so as to produce crises?'

The answer periodically appears to congeal at the stage the international agencies Fitch, Moody's and Standard&Poors downgrade South Africa's credit ratings, usually codified by the International Monetary Fund's Article IV Consultation annual reports. Their orientation to the prerogatives of capital is notorious; a recent example was the August 2013 command that President Jacob Zuma pass a law imposing semi-privatised highway tolls on users of the Johannesburg province's highways even though predictably, when he then did so immediately, this became a central cause in the ruling party's 10% decline in provincial support in an election less than nine months later. Finally after two years of threats to downgrade the national credit rating to junk status unless both fiscal targets and political 'stability' were maintained, once Finance Minister Pravin Gordhan was fired in March 2017, within four days the junk rating was imposed by Standard&Poors, followed by the other two agencies.

7. The contradictory unity of production and realisation. Through what Harvey terms 'two moments – first, production in the labour process and, second, realisation in the market… capitalist society has the tendency to restrict [sellers of labour power] to their minimum price. Further contradiction: the periods in which capitalist production exerts all its forces regularly show themselves in periods of over-production.' Then, 'The contradiction between production and realisation is internalised within the credit system' but 'the underlying problem is never abolished' and moreover, 'it is out of the interconnections between these different contradictions that financial and commercial crises frequently arise.'

The apartheid state had, like so many since the 1980s, begun liberalising banking (e.g. ending home mortgage institutions), and after 1994 the ANC government continued light-handed regulation under the assumption that credit would flow for the first time to black people now accumulating assets such as housing previously denied. With that, though, came a wave of 'mashonisa' micro-finance loan sharks, including several major banks which aggressively gave unsecured loans and resorted to stop-order (salary 'garnishee') strategies for repayment. The contradictions regularly blow, for example in Marikana in 2012 when strikers demanded higher wages because their bank accounts were depleted to nearly nothing in the wake of monthly loan repayment debits.

Moving contradictions

Another type of capitalist contradiction is that which moves and shape-shifts. Harvey provides five examples.

8. Technology, work and human disposability. Capital's 'central contradiction,' says Harvey, is 'between the incredible increase in the productive forces (broadly understood as technological capacities and powers) and capital's incapacity to utilise that productivity for the common welfare.' In future, 'as the cutting edge of technological dynamism shifts from mechanical and biological systems to artificial intelligence,' even service sector and professional jobs will disappear, leaving 'large segments of the population redundant and disposable… aggregate demand for goods and services will consequently collapse.'

In South Africa, a dramatic increase in automation followed mid-1990s economic liberalisation, as the World Trade Organisation applied pressure and the end of sanctions permitted new trade routes. The official unemployment rate doubled. Activists here have had a hard time reacting, as 'The contradiction that faces capital morphs into a contradiction that necessarily gets internalised within anti-capitalist politics.'

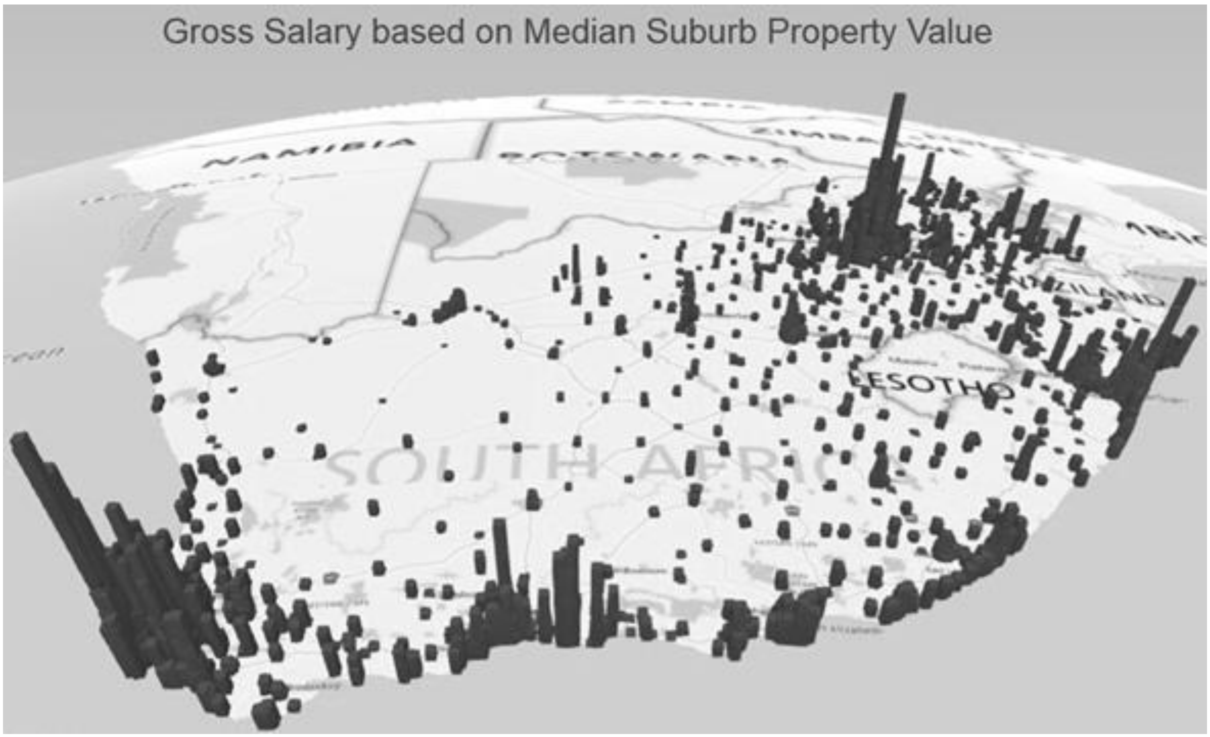
9. Divisions of labour. For Harvey, 'The central problem the division of labour poses is the relation between the parts and the whole and who (if anyone) takes responsibility for the evolution of the whole.' This is the case especially because 'Ethnic, racial, religious and gender prejudices and discriminations become deeply embroiled in how the labour market as a whole gets segmented and fragmented and how pay gets determined.'

Nowhere is such segmentation in labour as extreme and as colour-coded as South Africa, still today. In our universities, for example, the preponderance of white males in professorial posts and lack of black African professors is something of a scandal. Another extreme division of labour exists in the security sector where nearly a million black men are employed to protect mainly white people from other black men. Ethnic difference is a source of extreme tension in labour markets, inner-city and township housing, and retail shopping, with xenophobia one result of rising economic pressures.

10. Monopoly and competition: centralisation and decentralisation. Harvey argues that 'monopoly power is more than an aberration but a systemic problem that arises out of what economists refer to as 'rent seeking'… [because] monopoly power in economic transactions is paralleled by monopoly power in the political process.'

In South Africa since the early 20th century, fewer than four companies controlled the vast majority of each industry, with one – Anglo American Corporation – standing out as the leader in each. Since 1994, when Anglo strategists sold non-core assets in order to move funds offshore and specialise in mining, there has been a badly mismanaged deracialisation of corporations in which a quarter of each sector is mandated to be black-owned. The most notorious case, is construction, in which collusion between the large firms notoriously led to huge mark-ups on mega projects such as the 2010 soccer World Cup stadiums (now mostly white elephants). At the same time, the 'tenderpreneurship' deals going to favoured sections of the ANC at municipal level illustrate how, Harvey argues, 'decentralisation is one of the best means to preserve highly centralised power, because it masks the nature of this centralised power behind a veneer of individual liberty and freedom.'

11. Uneven geographical developments and the production of space. 'Without uneven geographical development capital would surely have stagnated, succumbed to its sclerotic, monopolistic and autocratic tendencies and totally lost legitimacy,' Harvey explains in what is probably his most enduring contribution to Marxist political economy: adding the spatial element too often ignored. 'Above all, uneven geographical development serves to move capital's systemic failings around from place to place.'



In South Africa, the surpluses channelled out of the value production system and into real estate, for example, left the local economy with a 389% rise in residential property values from 1997-2008, which according to *The Economist* (2009) was twice second place Ireland's and four times higher a bubble than in the US over the same period. The remaking of spaces include not just garden-variety shopping malls (some of the Southern Hemisphere's largest) but sometimes spectacular gated communities that in class terms, reinvent apartheid-esque residential segregation. Given ongoing fears of personal criminality, the limited extent of central city gentrification (aside from Cape Town's geographically segregated waterfront and close-in suburb of Woodstock, and Johannesburg's Maboneng and Braamfontein districts) reveals the limits of these strategies (Bond 2000).

While it is true that 'Lower costs in transport and communications can facilitate dispersal and decentralisation of activity across larger and larger geographical spaces,' this has occurred mainly through investments in South Africa's main airports, while $60 billion earmarked for new rail lines and associated coal-mining investments, and $25 billion for Durban's port expansion are geared mainly to the export of raw materials at the expense of an anticipated eight-fold increase in East Asian imports.

But one problem, Harvey reports, is that 'Credit makes territories vulnerable to flows of speculative capital that can both stimulate and undermine capitalist development. Territorial indebtedness became a global problem after 1980.' South Africa's 1985 default was, as noted at the outset, a marker of capitalist contradictions stretching up to Paul Volcker's Federal Reserve, just as much as was Mexico's in 1982 and Brazil's in 1987. As witnessed by Mexico again in 1995, major East Asian economies in the late 1990s, Argentina and Turkey in the early 2000s and since 2007 in Iceland, Ireland, Cyprus and Greece, sovereign debt crises periodically reoccur. In South Africa, the foreign debt doubled from 2009-14 to $140 billion, reaching 40% of GDP – roughly the same ratio as in 1985 when that financial crisis undid capital's apartheid straight-jacket.

12. Disparities of income and wealth. Harvey observes how 'Twenty-first-century capitalism seems to be busy weaving a net of constraints in which the rentiers, the merchants, the media and communications moguls and, above all, the financers ruthlessly squeeze the lifeblood out of productive industrial capital, to say nothing of the workers employed.'

In South Africa, according to the World Bank (2014), the Gini income coefficient (before state social policy interventions) rose to 0.77 (with 1 signifying total inequality and 0 perfect equality). One result was a rush to revise this downward by the Bank and its allies, as Bank staff claimed in 1994 that 'social wage' payments reduced the Gini to 0.59, while ignoring the state's vast subsidies to corporate capital, which given their size would potentially push the Gini even higher (Bond 2015).

13. Social reproduction. Given what Harvey terms the latent 'contradiction between the conditions required to ensure the social reproduction of the labour force and those needed to reproduce capital,' South Africa is a site of great interest. One reason is that 'Part of the neoliberal political programme and ethos in recent times has been to externalise as much as possible the costs of social reproduction on to the populace at large in order to raise the profit rate for capital by reducing its tax burden.'

In South Africa, the main corporate tax was lowered from 54% in 1994 to 29% today. There were increases in both personal and Value Added Taxation to compensate, on the one hand. On the other, tokenistic social policy meant a payment to caregivers of less than US$1/day for care of 13 million children under 18 (the poverty line is generally considered to be US$4/day). The monthly pension for the elderly and a disability grant is just over $100/month. While these grants go to nearly a third of the population, their low amount – especially given substantial deductions (for microfinance, insurance and cellphone airtime) associated with them by a private company whose largest owner is the World Bank's International Finance Corporation – are generally considered to be inadequate. Opposition parties of both the centre-right and the far left have promised to double the social grants.

Externalisation of social reproduction occurs in many other forms, harking back to the way migrant labour systems depended upon female peasants mainly residing in the 'bantustan' homeland reserves (to which nearly half the country's population was forcibly removed).

There they subsidised the social reproduction of male workers who went to the cities, by looking after them in their youth, when they were ill or injured, or when they were sent home for being too old, often in their forties and often with silicosis from the mining industry.

The migrant labour practices continue. In addition, a variety of corporatisation and outsourcing strategies were adopted after 1994. One example is 'home-based care' (unpaid by women) which became a survival strategy for the country's 6.5 million HIV+ people, especially those who live with full-blown AIDS. And again South Africa is amongst world leaders when, as Harvey laments, 'Social reproduction is the site where the oppression of and violence against women flourishes in many parts of the world, where educational opportunities for women are denied, where violence and abuse of children all too frequently occur, where intolerance breeds contempt for others, where labour all too often transfers its own bitter experience of violence and oppression in the labour process back on to others in the household.'

In South Africa, although the share of women in Parliament rose from 2.7 percent in 1993 to 42 percent fifteen years later (the fourth highest in the world) and although the World Economic Forum's Global Gender Gap Index ranks South Africa 14th of 135 countries, there continue to be profound socio-economic imbalances in gender relations. The Global Gender Gap Index puts South Africa at just 67th in wage equality, 69th in primary school enrolment, 72nd in labour force participation, 83rd in literacy and 107th in life expectancy. Women's post-apartheid unemployment rate has hovered at more than 45 percent compared to 35 percent for men (counting those who have given up looking for work) and African women's pay is a quarter of what typical white men earn (Saul and Bond 2014).

14. Freedom and domination. A contradiction that hits home for activists is, Harvey reminds, the 'stark choice at the end of the day between individual freedoms being mobilised in the cause of capitalist class domination or class struggle being mobilised by the dispossessed in the cause of greater social and collective freedoms.'

In South Africa, liberal lawyers and NGOs have feinted at the latter but mainly strengthened the former. This is vital in some areas in which apartheid social control heightened traditional patriarchal prejudices, such as women's rights. But outside the small upper classes, the potential for LGBTI communities' liberation appears limited to the formal legal terrain (gay marriage is permitted but Zuma has uttered notoriously homophobic remarks to his rural followers amidst an epidemic of 'corrective' rape of lesbians). There was even talk in February 2015 of new restrictive municipal regulations (probably unconstitutional) designed to discourage immigrant ownership of township retail outlets, at a time of intense overtrading and resurgent xenophobia. Concludes Harvey, 'There is no such thing as a contradiction that does not generate potentially contradictory responses.'

Dangerous contradictions

There are, finally, the kinds of contradictions that rise up to global scale to threaten the entire system's reproduction, and humanity with it.

15. Endless compound growth. What with natural resource constraints and ecological damage heightened so much by capital's cost externalisation and its imperative to accumulate beyond satiation levels, a movement of left ecologists has emerged mainly in Europe naming itself 'degrowth.' Acknowledging some core merits of the critique, Harvey remarks, 'The World Bank is fond of reassuring us that a rising tide of economic development is bound to lift all boats. Maybe a truer metaphor would be that exponentially rising sea levels and intensifying storms are destined to sink all boats.' But he also introduces a contradiction based on that movement's somewhat monocausal sensibilities: 'Capital is not only about the production and circulation of value. It is also about the destruction or devaluation of capital. A certain proportion of capital is destroyed in the normal course of capital circulation as new and cheaper machinery and fixed capital become available. Major crises are often characterised by creative destruction, which means mass devaluations of commodities, of hitherto productive plant and equipment, of money and of labour.'

This resonates in a South Africa whose most evident devalorised capital has, since 1994, mainly occurred in destroyed chunks of industries and industrial zones outcompeted by Asians (clothing, textile, footwear, leather, appliances, electronics, etc); in the de- and re-segregated inner-city areas of Johannesburg and Durban where property values plummeted and redlining is rife; and a profusion of exhausted mining towns sinking into slum-like conditions and stripped sites where 'natural capital' has been stripped leaving only ecological catastrophe.

16. Capital's relation to nature. This is the most profound threat to us all, and South Africa stands exposed as both an extreme villain and victim of climate change.

With a capitalist addiction to carbon that can be measured (as energy-sourced CO_2/GDP/capita) twenty times higher than even the US in recent decades, South Africa's long-standing coal-based generation of electricity (amounting to 93% of national power) is now being amplified by the Medupi and Kusile power plants (4800 MW each) for which the World Bank made its largest-ever loan in 2010. Droughts and floods have wreaked havoc in recent years. At one point in March 2014, extreme rainfall dampening the eastern districts' coal dust to such an extent that it could not be burned by Eskom (Africa's by-far largest CO_2 emitter), which in turn forced deep cuts in the country's electricity supply and national brown-outs. Other mega-polluters include ArcelorMittal steel and Sasol, the privatised oil-from-coal/gas company, originally established during apartheid to withstand oil sanctions but now listed on the New York stock exchange. Sasol boasts the world's single-largest CO_2 emissions point source (Secunda, not far from Johannesburg). A third is the world's largest mining house, BHP Billiton, which receives Eskom's electricity at US$0.01/kWh, a tenth of what households pay (Bond 2014).

Ecological chaos caused by these corporations notwithstanding, Harvey argues that ‘it may be perfectly possible for capital to continue to circulate and accumulate in the midst of environmental catastrophes. Environmental disasters create abundant opportunities for a “disaster capitalism” to profit handsomely.’ One reason is that ‘natural use values are monetised, capitalised, commercialised and exchanged as commodities,’ a process extending even to the privatisation of the air, i.e. markets to pollute such as carbon trading has attempted. Though California and China are re-igniting hopes that a bankers’ solution exists to the climate crisis, the European Union’s carbon trading market crashed as did the UN’s Clean Development Mechanism gimmicks in Africa, led by South Africa’s electricity-from-methane pilot in Durban, which raised $15 million as an offset based on highly dubious, racist premises. And in 2015, now egged on by the British aid industry, the South African government is attempting to launch a national carbon market in lieu of the promised strong carbon tax. That market will fail, as well, for as Harvey concludes, ‘the capital-nature contradiction now exceeds traditional tools of management and of action.’ Not since the 1987 UN Montreal Protocol limited CFC emissions to address the growing ozone hole, has the balance of forces been favourable for anything in environmental management worth the term ‘global governance.’

17. The revolt of human nature: universal alienation. As Harvey puts it, our primary contradiction in fostering opposition to capitalism is our fragmented experience with the beast: ‘The direct producers of value are alienated from the value they produce. An ineradicable gulf is created between people through class formation. A proliferating division of labour makes it more and more difficult to see the whole in relation to the increasingly fragmented parts. All prospects for social equality or social justice are lost even as the universality of equality before the law is trumpeted as the supreme bourgeois virtue.’ Universalising anti-capitalist resistance and generating post-capitalist imaginaries are two of the most difficult political chores ahead. How are South Africans managing?

Conclusion

The revolt against South African capitalism is proceeding apace. Since this lecture has specifically identified aspects of capitalist crisis tendencies Marx described in Volume 3 of *Capital*, consider first the rising resistance to devalorisation processes. These are especially vital to workers who face sustained post-apartheid unemployment as a result of plant and mine shutdowns due to global economic volatility. South Africa’s unemployment rate typically ranges in the 35-40 per cent range, including those who have ‘given up looking’ for work. But it is also vital to fuse a critique of plant and mining shutdowns from the labour standpoint with those – often opposed perspectives – of community, race, gender and environment. The social potential for combining these red-green agendas is enormous, for in 2015 the Pew Research Center’s biannual survey of world opinion found that South Africans (like most of the world’s citizens) prioritised climate change (47 per cent) and global economic instability (33 per cent) as the top two problems about which they are ‘very concerned’ (the world rates were 46 and 42 per cent, respectively) (Carle 2015).

In 2017, at the time of writing, other resistances include ongoing waves of community uprisings and, for a fifth year in a row, the World Economic Forum’s (2016) finding that the

South African working class is the world's most militant. Moreover, new political forces demand nationalisation of the banks, mines and monopoly capital (as had the ANC long ago, in its 1955 Freedom Charter): the Economic Freedom Fighters (EFF) led by the firebrand Julius Malema, and the new SA Federation of Trade Unions (SAFTU). The former received 6% of the vote in the 2014 national election and 8% in 2016 municipal elections; the ruling party won 62% and 54% respectively, with centre-right and right-wing parties taking the rest. SAFTU is dominated by South Africa's largest trade union, the 340 000-strong National Union of Metalworkers of South Africa. The metalworkers were radicalised in large part by the 2012 massacre of 34 Marikana platinum mineworkers who were undertaking a sustained wild-cat strike. Not far away just 18 months later, some of the same Marikana police murdered four community protesters who were aggrieved because of a long-term water shortage related to municipal corruption.

The lack of prosecution for police brutality sent a clear signal to unholster weapons, including $300 million committed from 2014-17 to doubling the assigned 'Public Order Policing' (anti-protest) troops to 9522. They would be equipped with a dozen 'Long Range Acoustic Devices' in order to achieve 'disruption of balance through frequency' (similar to the Pittsburgh police attack on G20 protesters in 2009) along with 'pyrotechnics,' 12,000 teargas canisters, 6000 stun grenades and 4000 anti-riot grenades. In a context such as this, as Luxemburg argued, 'force' against workers, women, communities and the environment is 'displayed without any attempt at concealment, and it requires an effort to discover within this tangle of political violence and contests of power the stern laws of the economic process.'

Ultimately, the effort to discover the stern laws of the economic process – especially the seventeen contradictions Harvey explains, the capitalist/non-capitalist exploitative system at the core of Luxemburg's and Wolpe's concerns, and the crisis tendencies Marx identified in Volume 3 of *Capital* – will assist South African activists to intensify their class struggles in areas that provide the greatest opportunities. In the present period of the nationalist ruling regime's decay, the most publicised struggles have been on the terrains of accumulation by dispossession and financialisation, in which the Gupta family's notorious 'state capture' exploits pale in comparison to an estimate of 35% over-charging on the $50 billion annual procurement budget, mostly by what is termed 'white monopoly capital.' While the dramatic struggle between the 'Zupta' (Zuma plus Gupta) faction and neoliberal WMC faction of South African capital are most obvious, nevertheless the capitalist crisis tendencies that Marx, Luxemburg and Harvey describe continue to grind towards a much more intense confrontation in coming months and years.

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