South Africa

1. Story

i. South Africa was an apartheid nation, a small white minority controlled the country politically.

ii. And they controlled it economically

profit from the mines, factories, and farms

black excluded from owning land and were used

as labor

iii. African National Congress (Mandela) resisted this and was outlawed.

iv. wrote the Freedom Charter: aspirations and goals

land to landless

living wages and worker’s rights

free education

rights of residence and movement

v. 1994 the end of apartheid but not the end of inequality, poverty

vi. New government separated political negotiations (Mandela) from economic negotiations (Mbeki)

vii. New government wasn’t ready for dealing with the shock of governing and in economic

negotiations got no real reforms

viii. ended up with economic shock therapy that left whites and World Bank and IMF and

MNCs in power

ix. political “freedom” but worse economically for blacks

1. **Post Apartheid Shock**

i. Shock one: ANC having to govern

ii. Shock two: country in debt and therefore new government’s reforms limited by “rules and regulations” of the debt obligation

Loans from IMF put country in debt and Structural Adjustment Agreement (rules and regulations on how they could reform the economy)

Signing GATT agreement (rules like no industry subsidies)

iv. rules meant none of the economic parts of the Freedom Charter could be enacted: land redistribution, factories closed (no jobs), wages kept low (“wage restraint)

v. leadership accepted idea that only opening SA economy to foreign investment would allow them to eventually achieve their economic goals

vi. leadership made afraid of mentioning the Freedom Charter.

vii. Shock Therapy: 1996 Mbeki unveiled economic program: neoliberalism, privatization, deregulation, cutback in social services, and financial liberalization.

viii. also so dependent on foreign investment would not even hold businesses accountable for their role in torture and murder

during apartheid

1. consequences

i. people living on a dollar a day has doubled

ii. unemployment up

iii. loss of homes and evictions

iv. population of shanty towns has increased

v. 22 million still in poverty

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